**COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY**
**2:00 P.M. – August 19, 2026**
Hybrid Meeting – In-person and via Zoom
Burgess Creek Conference Room, Steamboat Grand
2300 Mt. Werner Circle
Steamboat Springs, CO 80487
https://us06web.zoom.us/j/82848238094?pwd=IM6ofJmomlulrt5nI2nUIlJTsUxJgo.1
OR call-in number 1-719-359-4580
Meeting ID: **828 4823 8094**
Passcode: **173926**

# AGENDA

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

1. **Call to Order** – Chair Chris Treese
2. **Pledge of Allegiance**
3. **Roll Call, Declaration of a Quorum & Introduction of Guests**
4. **Consent Agenda Approval**
5. **Approval of Minutes –** June 5, 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 – Chris Treese
   (c) Report of Treasurer – Karen Wogsland
   (d) Report of Executive Director – Keith McLaughlin
      - CEOS Project Update
   (e) Manager's Report
      - Accounting
      - Finance
         - Open Loan Application Cycles - WPCRF
         - EPA Annual Reports: DWRF & WPCRF
      - Office
   (f) Report of Legal Counsel – Karl Ohlsen
8. **Drinking Water Revolving Fund**
   (a) Loan Applications
      - Montezuma County Local Improvement District No. 2023-1 Upper Road 42, Resolution No. 26-22
      - City of Aurora, Resolution No. 26-23
      - Camelot Property Owner's Association, Resolution No. 26-24
      - Colorado City Metropolitan District, Resolution No. 26-25
      - Penrose Water District, Resolution No. 26-26
      - Bailey Water and Sanitation District, Resolution No. 26-27
      - Town of Kremmling Supplemental, Resolution No. 26-28
      - Town of Cheyenne Wells, Resolution No. 26-29
      - Town of Dolores, Resolution No. 26-30
      - Town of La Veta Supplemental, Resolution No. 26-31
   (b) Montezuma County Local Improvement District No. 2023-1 Upper Road 42, DAC Business Case
   (c) DWRF 2026 IIJA State Match, Resolution 26-32
   (d) DAC Criteria Modifications Update
   (e) 2025 Base and IIJA Capitalization Grant Requirements
   (f) IIJA Per Entity Policy Recommendations
   (g) Status of Projects

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**9. Water Pollution Control Revolving Fund**

(a) Loan Applications
- Town of La Veta, Resolution No. 26-33
- City of Las Animas, Resolution No. 26-34

(b) Town of Cheraw 20-year to 30-year Loan Term Approval Change, Resolution No. 26-35
(c) WPCRF 2026 IIJA State Match, Resolution No. 26-32 *(same as 8(c))*
(d) DAC Criteria Modifications Update *(same as 8(d))*
(e) 2025 Base and IIJA Capitalization Grant Requirements
(f) IIJA Per Entity Policy Recommendations *(same as 8(f))*
(g) WPCRF Loan Limit Recommendations
(h) Status of Projects

**10. Small Hydropower Loan Program**

(a) Status Report

**11. Water Revenue Bonds Program**

(a) Status Report

**12. Committee Reports**

(a) Board Program Work Session – Minutes from June 2026
(b) Governmental Affairs Committee – Minutes from August 2026
(c) Budget & Audit Committee – Minutes from July 2026, Minutes from August 2026
(d) Project Finance Committee – Minutes from August 2026
(e) Personnel Committee – Minutes from August 2026
- Vacation Accrual Recommendations

**13. Legislative Issues and Other Business**

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

**14. Arrangements for Future Meetings**

October 1, 2026 – Tentative Project Tour (Time and Location TBD)
October 2, 2026 – Board Meeting, 9:00am (Location TBD)
December 3, 2026 – Board Program Work Session, 3:00 pm, Denver
December 4, 2026 – Board Meeting, 9:00 am, Denver

**15. Adjournment**

**SLIDES**

**Yellow highlights = Items also included in the BPWS packet (no BPWS for 8/20/25 meeting)**
**** *and italics* = New items (superscript [1]) or updated items (superscript [2]) included in the final packet**

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**COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY**
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## CONSENT AGENDA

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# Arkansas Valley Conduit Monthly Report

**Thursday, June 18, 2026**

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


## AVC Committee

The next meeting of the Arkansas Valley Conduit Committee has not been scheduled. Check our website for more information.

https://www.secwcd.org/

## Want to learn more about the AVC?

If your organization would like a presentation on AVC, contact Chris Woodka, 719-289-0785 or email chris@secwcd.com

## Read past newsletters

For past issues of the AVC Report:

https://www.secwcd.org/

# Federal AVC legislation advances

Legislation to keep the Arkansas Valley Conduit affordable in light of increased federal cost has moved ahead in the U.S. House of Representatives. A full report appears on **Page 2** of this publication, while a letter from our congressional delegation is on **Pages 3-4.**

**From left: Robert Banham, District Water Resources Engineer, and Trevor Singleton, District Project Engineer, meet with Blake Williams, Olney Springs, Keith Benbow, Crowley County, and Greg Sekera, Kennedy Jenks, to discuss AVC alignments and water issues on May 22, 2026 at the offices of the Crowley County Water Association in Olney Springs.**

# District, Kennedy Jenks continue AVC design

Delivery points and water resources issues relating to Crowley County were discussed at a meeting on May 22, 2026 at the Crowley County Water Association offices in Olney Springs.

There are three delivery points in Crowley County. Olney Springs, located at the west end of the county, will have a dedicated delivery line. The Crowley County Water Association, which serves a large portion of the county, will have a connection near its well. The Crowley County Water System, which serves the towns of Crowley and Ordway along with the 96 Pipeline Company, will have a connection near its well.

Design work also continues in Otero County, where similar meetings were held earlier.



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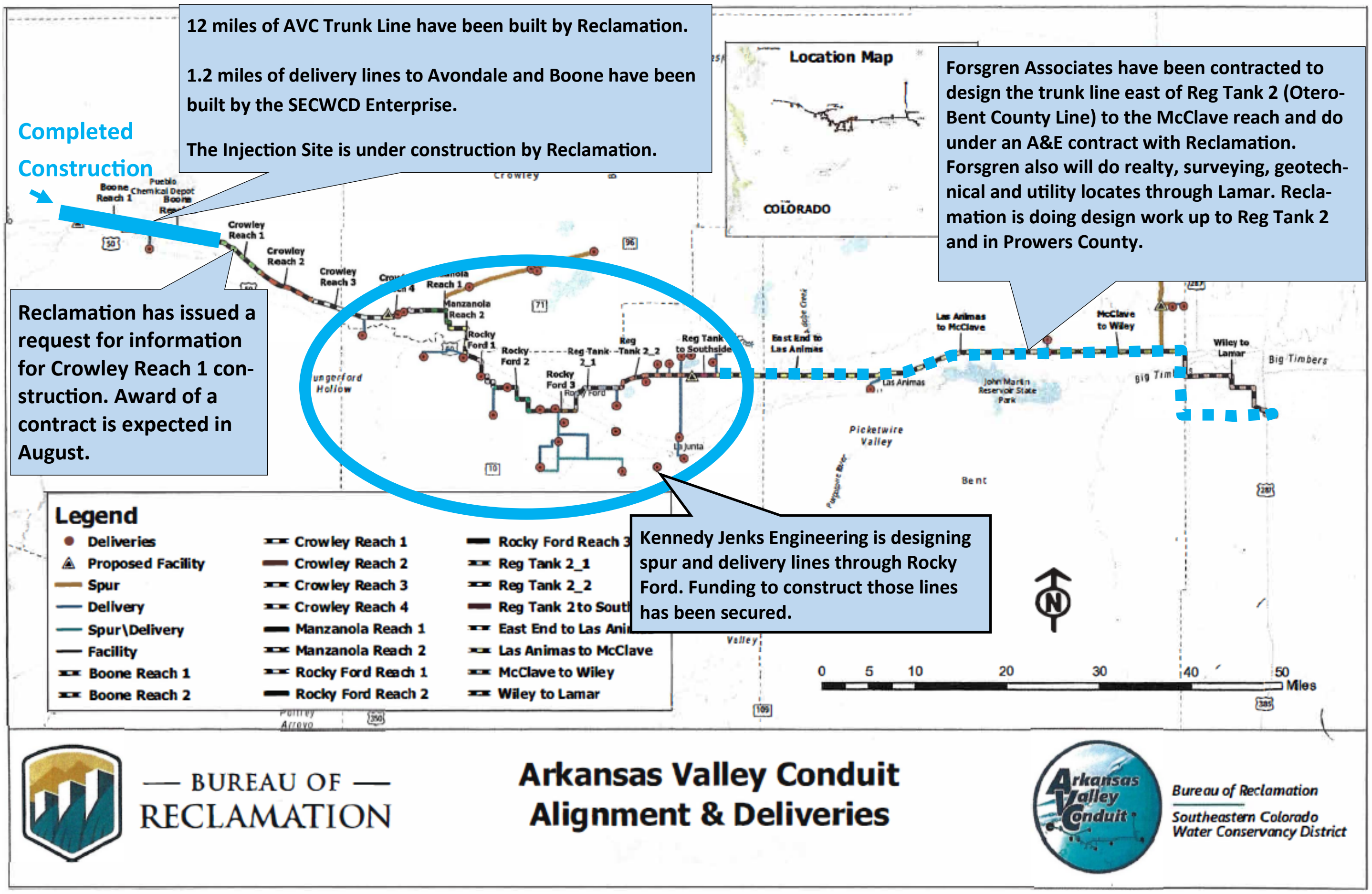
## AVC Project Update




**Work is continuing along the entire route of the AVC with design contracts that will lead to construction in following years.**

## AVC Federal Legislative Update

# Congress moves on AVC affordability bill

The Southeastern Water Conservancy District's team remains committed to passage of H.R. 131, which will reduce interest on cost-sharing for the project, and extend the timeline for repayment.

Thanks to the good legislative work of Congresswoman Lauren Boebert, and support from Congressman Jeff Hurd, H.R. 131 was included in the FY '27 Agriculture appropriations bill.

The activity now moves to the Senate. In anticipation of Senate consideration, Reps. Boebert and Hurd and Senators Hickenlooper and Bennet sent this letter to the Senate appropriations committee (pages 3-4).

While the timeline for Senate consideration is uncertain, our Senators are working hard to move this to the next step.

The leadership of the Senate Appropriations Committee is working on an agreement for "top line spending," meaning the total amount of funding they will provide to all departments and agencies for FY 2027.

We will continue to monitor closely! Your support and patience is greatly appreciated.

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## CONGRESSIONAL LETTER OF SUPPORT FOR AVC

Congress of the United States
House of Representatives
Washington, DC 20515–0603

June 5, 2026

Chairman John Hoeven
Senate Committee on Appropriations
Subcommittee on Agriculture,
Rural Development, Food and Drug
Administration, and Related Agencies
Room S-128, The Capitol
Washington, DC 20510

Ranking Member Jeanne Shaheen
Senate Committee on Appropriations
Subcommittee on Agriculture,
Rural Development, Food and Drug
Administration, and Related Agencies
Room S-128, The Capitol
Washington, DC 20510

Chairman John Kennedy
Senate Committee on Appropriations
Subcommittee on Energy and Water
Development
Room S-128, The Capitol
Washington, DC 20510

Ranking Member Patty Murray
Senate Committee on Appropriations
Subcommittee on Energy and Water
Development
Room S-128, The Capitol
Washington, DC 20510

Dear Chairmen Hoeven and Kennedy, and Ranking Members Shaheen and Murray:

We write to respectfully request that H.R. 131, the Finish the Arkansas Valley Conduit Act, be included in either the forthcoming Fiscal Year 2027 Agriculture or Energy and Water appropriations bills.

Incorporating this legislation would fulfill a long-standing federal commitment to deliver clean, affordable drinking water to tens of thousands of rural Coloradans while advancing a project with strong bipartisan support—without increasing federal spending.

H.R. 131 passed both the House and Senate in 2025 without objection but has not been signed into law. Additionally, the text of H.R. 131 was included in H.R. 8646, which passed the House on June 4, 2026. The legislation would adjust the non-federal cost-share financing for the Arkansas Valley Conduit (AVC), the final unfinished component of the Fryingpan–Arkansas Project authorized by Congress in 1962. More than six decades later, over 50,000 residents in 39 communities across southeastern Colorado still rely on groundwater contaminated with naturally occurring pollutants, including carcinogens. These predominantly rural and economically vulnerable communities have waited generations for the federal government to honor its commitment.

We respectfully urge the Subcommittees to include the House-passed language from H.R. 131 in either the FY2027 Agriculture or Energy and Water appropriations bills and ask that the conferees concur in the House language during conference. This is a practical and targeted way to keep this critical project on track. Administrations of both parties have supported the AVC, but rising material and labor costs now threaten its completion. Adjusting the financing terms to reduce interest rates and provide greater repayment flexibility will enable project completion without imposing additional costs on taxpayers.



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## CONGRESSIONAL LETTER OF SUPPORT FOR AVC

Including this language would deliver on a decades-old promise to southeastern Colorado and demonstrate Congress's continued commitment to rural water infrastructure.

Thank you for your leadership and consideration of this important request. We stand ready to provide any additional information that would be helpful.

Sincerely,

Lauren Boebert
Member of Congress

Michael F. Bennet
United States Senator

Jeff Hurd
Member of Congress

John Hickenlooper
United States Senator

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# Arkansas Valley Conduit Monthly Report

**Thursday, July 16, 2026**

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

## Upcoming Meetings

### AVC Committee

**A joint meeting of the Arkansas Valley Conduit Committee and the Allocation & Storage Committee is scheduled for Tuesday, August 4, at 10 a.m. at Southeastern offices, 31717 United Avenue, Pueblo, For online information, please check the District Web site.**

https://www.secwcd.org/

### Participants Meeting

**We are planning to have a participants' meeting to discuss the AVC at Colorado State University Extension Office, 27901 County Road 21, Rocky Ford, at 5:30 p.m. Wednesday, September 16, 2026.**

### Want to learn more about the AVC?

If your organization would like a presentation on AVC, contact Chris Woodka, 719-289-0785 or email chris@secwcd.com

### Read past newsletters

For past issues of the AVC Report:

https://www.secwcd.org/

## Injection Site Construction

**Work continues at the Arkansas Valley Conduit Injection Site, located about 4 miles east of the Connection Point near 36th Lane. Thalle Construction is working on the project, which will provide chemical injections to remove chlorine and ammonia from AVC water after it has passed through Pueblo Water's system. New contracts for the next phases of AVC construction are in the works. More information inside.**



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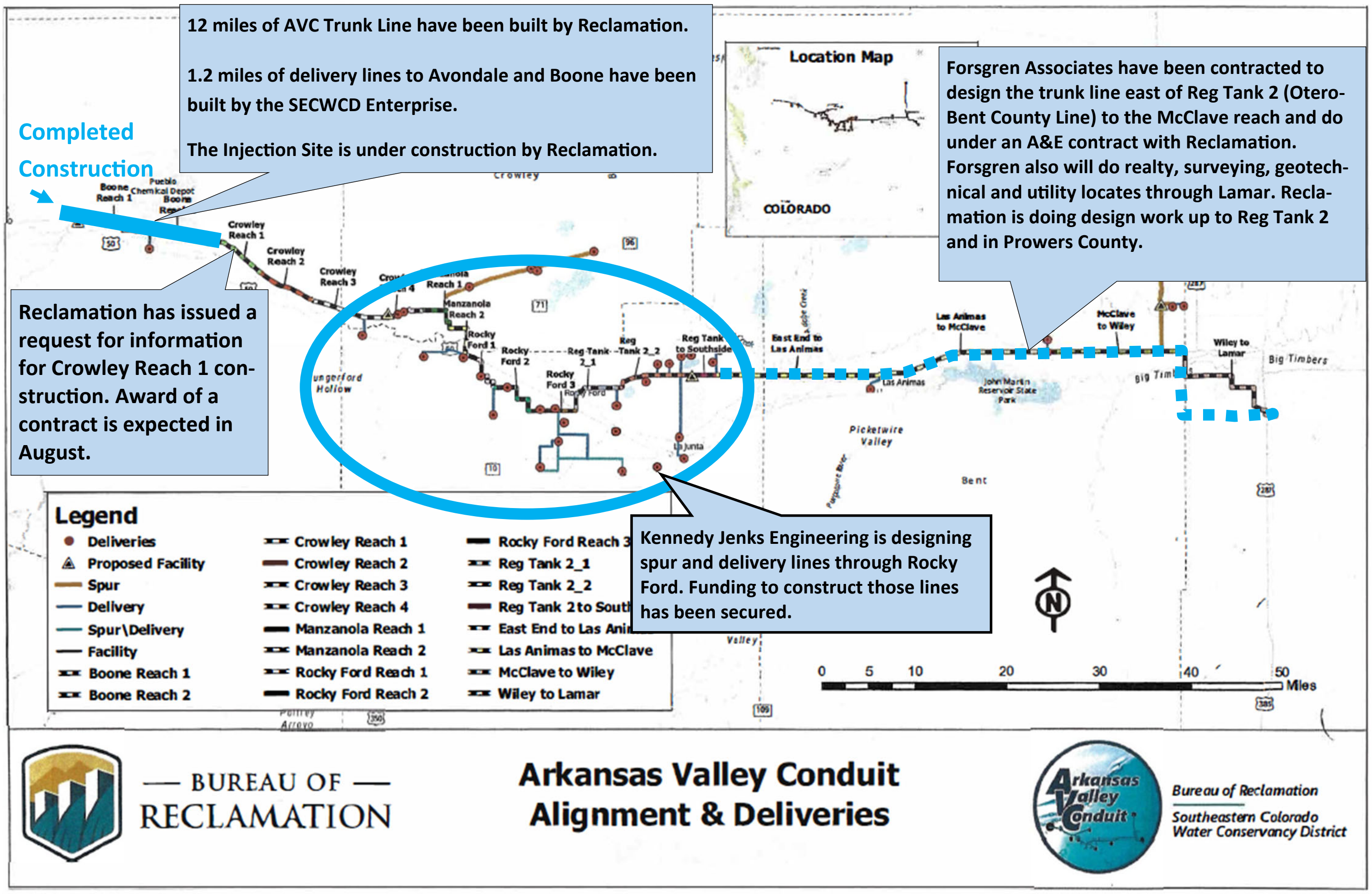
# AVC PROJECT UPDATE




**Work is continuing along the entire route of the AVC with design contracts that will lead to construction in following years.**

## Construction Work

**Piping for the Injection Site arrived in June (photo at left, courtesy Reclamation). Above, equipment is on site to continue construction on the project, which is on track to be completed in 2027. Thalle Construction is working on the Injection Site.**



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### Future Contracts: Crowley Reach 1

- Construction of approximately 5.3 miles of 30-inch potable water transmission pipe and associated improvements. Work includes horizontal directional drilling, bored crossings, and road cuts and restoration.
- Construction Award:
  - Continued work on railroad crossing permits
  - The technical review of proposals concluded last week, awaiting recommendations from to the team
  - Contract award expected in August 2026

### Future Contracts: Reg Tank 1 / Crowley Reaches 2 & 3 Awards

- Construction of the trunk line and water storage tanks to convey water from the Crowley Reach 1 connection point to Crowley Reach 4 connection point located along State Highway 96 approximately 2 miles northeast of the Town of Fowler.
- Disinfect approximately 5.3 miles of 30-inch transmission piping installed under the Crowley Reach 1 contract.
- Final design due to our acquisition team November 2026.
- Our lands team is still working on easements which may impact contract award.

### Finance and Funding

- 2010 – 2019: $30 million through regular appropriations.
- 2020: Congress provided a $28 million appropriation to move the Project into construction.
- 2021-2023: $31.5 million through regular appropriations.
- 2022: $60 million from the Infrastructure Investment and Jobs Act
- 2023: $100 million from the Infrastructure Investment and Jobs Act.
- 2024: $90 million from the Infrastructure Investment and Jobs Act + $10 million appropriations.
- 2025: $250 million from the Infrastructure Investment and Jobs Act + $13 million appropriations.
- **Total funded through 2026: $613 million.**
- **Total estimated federal cost (2023): $1.3 billion**
- **To Date: Total Obligations = $216,563,383.84 & Total Expenditures = $196,841,861.10**

*Total funding to date brings construction through Manzanola Reach 1, where 9 of 39 communities are served. Total population served is approximately 8,000. Total communities under CDPHE enforcement orders served is 2/18.*

# Reclamation updates AVC progress for Board

Area Manager Jeff Rieker, with the Eastern Area Office of the Bureau of Reclamation, updated the Board at its June meeting on the progress of construction and future activities of the Arkansas Valley Conduit.

**Jeff Rieker**

Boone Reach 1 and Boone Reach 2 are completed other than close-out activities and punch list items.

"Where we've got some exciting activity going on is over on the injection site, Rieker said.

The steel pipe that is going into the ground arrived at the injection site and now the concrete that goes around the pipe will be poured. The injection site is expected to be complete in April 2027.

"We'll continue to accelerate that construction wherever possible," Rieker said.

Crowley Reach 1 proposals are being reviewed by the technical team and contract award is currently anticipated in August, subject to completion of the selection process and the contracting schedule .

"The first of the very large contracts we're looking to put out will encompass Crowley Reaches 2 and 3 as well as the first regulating tank," Rieker said. Final design is expected in November 2026.

Rieker also explained the finances to date. Congressional appropriations total $613 million, with $216.5 million obligated and $196 million spent as of 2026.



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# Committees study potential AVC policies

A joint meeting of the Southeastern Colorado Water Conservancy District Arkansas Valley Conduit and Allocation & Storage Committees was held on Tuesday, July 7, 2026 at the Southeastern District offices.

Executive Director Leann Noga laid out some of the issues that will have to be answered in upcoming months.

"We're working on legislation for the repayment of the conduit, and we've made it on the House side, we're waiting on the Senate and won't know until September or October," Mrs. Noga said.

The District is working on a repayment contract with the Bureau of Reclamation.

One of those issues is the operation of the AVC once it is constructed.

"The operations will drive decisions that these committees and the Board will eventually have to make: How we allocate Project Water; when we allocate Project Water and how that Project Water is delivered," Mrs. Noga said.

There are now 38 separate water systems in the AVC that will come on line at different times with widely varying amounts of use and blending requirements.

Previous models looked at 2070 demand, but deliveries will start sooner than that so costs for operation and maintenance of the AVC at less than full use need to be studied. The District is now working on a model that will provide information about how these interim deliveries will be made.

In recent years, the District segmented the project in order to determine how the AVC will be built, and it is necessary to use this method to develop an operational plan.

"There are some unanswered questions. We have to have a better idea of what we are doing in this realm before we can tell participants how much it is going to cost," Mrs. Noga said. "We'll be walking through that process to provide the best factual information that we have at the time to put this in place."

Project Water is now used primarily for augmenting wells by water systems east of Pueblo. Once the AVC is completed, direct delivery of water will be available.

Leann Noga

Another issue that arises will be the use of Return Flows which will be generated by the direct delivery of water, and which are not now generated by pumping well water.

AVC Committee Chairman Kevin Karney asked if a water system needed to have wastewater treatment to claim Return Flows.

Water Resources Engineer Robert Banham explained that that non-sewered Return Flows or septic system Return Flows can be quantified and claimed in order to extend the water supply delivered through the AVC pipeline.

The Committee also heard an update of  District meetings with the Colorado Department of Public Health and Environment. The District is confirming requirements for operations and water testing that will be needed once the AVC begins delivering water.

The AVC Committee also discussed several other issues, including:

- Procedures are in place for obtaining easements and permission to enter agreements from private landowners and canal companies.
- The District has secured an 811 utility locate service.
- The District is meeting with the Colorado Department of Public Health and Environment to determine AVC reporting requirements.
- Informational meetings for participants and handouts explaining the AVC are being prepared.

Mrs. Noga said it is important to include participants in these discussions at meetings in the near future. Another joint meeting of the Allocation & Storage Committee and the AVC Committee is planned for 10 a.m. Tuesday, August 4.



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COLORADO
Water Quality Control Division
Department of Public Health & Environment

# Board Report - Colorado Water Resources & Power Development Authority
*August 19, 2026*

REPORT INDEX



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## 1. WQCC actions (current and future)

**Past WQCC actions include:**

- The WQCC met on May 11, 2026. They held one rulemaking hearing to adopt changes to Regulation #102: Water Quality Control Division Fees. They also held triennial review informational hearings for Regulation #81: Animal Feeding Operations Control Regulation.
- The WQCC met on June 8-9, 2026 in Crested Butte, CO. They held a rulemaking hearing to adopt changes to Regulations #32-38 involving classifications and numeric standards for multiple basins.
- The WQCC did not meet in July 2026.

**Upcoming rulemaking hearings and briefings include:**

- The WQCC will meet on August 10, 2026. They will hold information briefings of various watersheds annual reports including: the Cherry Creek Basin Water Quality Authority annual report, the Chatfield Watershed Authority annual report, the Bear Creek Watershed annual report, and the Dillon Reservoir Water Quality Authority annual report. There will be an Administrative Action Hearing for the adoption of the 2026 Integrated Water Quality Report. The WQCC will hold a rulemaking Hearing for consideration of the adoption of revisions to the Colorado Primary Drinking Water Regulations, Regulation #11. Finally, there will be an informational briefing on the Healthy Rivers Fund.
- The WQCC will hold its annual planning meeting on September 14-15, 2026.
- 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

- The Division will be submitting its 2027 Budget on August 21st in accordance with the MOU agreement.



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COLORADO
Water Quality Control Division
Department of Public Health & Environment

**2.2 Legislative**

- The Colorado legislative session ended on May 13, 2026.
- The General Assembly introduced House Bill 26-1145 regarding Mobile Home Park Water Quality. The bill addresses technical defects and conflicts to improve the existing Mobile Home Park Water Quality Program, which the division currently manages, established through House Bill 23-1257. Under the program, the department must test drinking water at all mobile home parks in Colorado by 2028 to identify water quality issues and require mobile home park owners to take action to address them. The Governor signed the bill on May 5, 2026.
- The General Assembly introduced House Bill 26-1391, Safe Drinking Water in Child Care Centers and Schools. The bill reopens testing for child care centers that did not participate previously (either because they did not enroll or because they obtained their license after the original testing deadline). The program would be expanded to about 300 high schools and 1,500 child care centers that have not been tested. The bill passed both the House and the Senate, and still needs to be signed by the Governor.

**2.3. Grants and Loans Unit Updates**

- South Adams County WSD hosted its PFAS ribbon-cutting ceremony on July 29, 2026
  - SACWSD has expended $31M of their total $64M 2023 funding award.
  - At this point in the project, Amy Schultz and Matt Alms have reviewed over 1,500 Build-America, Buy-America certifications.
  - We anticipate this project continuing through at least 2028.
- As of the end of the fiscal year (7/1/25 - 6/60/26), Matt Alms and Ana Ruiz have completed 150 environmental reviews.
- Jeff Zajdel continues to lead the Enable (TechPG) team towards implementing the replacement of CEOS.
  - The project successfully project kicked off with discovery meetings on SRF process flows, configuration meetings on development of the Enable software, creation of a Requirements Traceability Matrix for project management, and demos of both CEOS and Enable software.

COLORADO
Water Quality Control Division
Department of Public Health & Environment

| Pre-qualification Meetings 05/12/2026 - 07/27/2026 | | | |
|---|---|---|---|
| **Entity** | **Date** | **Estimated Project Cost** | **Program** |
| **City of Englewood** | 05/14/2026 | $2,800,000 | DWRF |
| **Town of Hugo** | 05/15/2026 | $2,167,000 | WPCRF |
| **City of Littleton** | 06/02/2026 | $1,925,000 | WPCRF |
| **Town of Moffat** | 06/29/2026 | $1,696,000 | DWRF |
| **Bone Mesa Domestic Water District** | 07/01/2026 | $259,186 | DWRF |
| **Sedalia Water and Sanitation District** | 07/13/2026 | $7,100,000 | DWRF |
| **Town of Akron** | 07/15/2026 | $5,444,000 | WPCRF |
| **City of Brush!** | 07/09/2026 | $6,276,000 | WPCRF |
| **Granby Sanitation District** | 07/09/2026 | $14,725,000 | WPCRF |

- Test and Fix
  - CDPHE and the CDPHE Lab signed the Memorandum of Understanding, and the program is preparing to begin testing in August.
  - 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.
- EC-SDC
  - EPA awarded the EC-SDC program an additional $42,140,000, bringing the program's total funding to $83,989,000.
  - The recent RFA closed on August 4, 2026, and the grant team will begin reviewing applications for awards.

## 3. Safe Drinking Water Program

### 3.1. Project Reporting

The 2026 Assistance Grants program has $150,000 total funding with any one project receiving no more than $30,000 dollars. This program addresses water quality improvements for public water systems. All work on a funded project must be completed by the end of the calendar year. Applications were reviewed by a committee, and projects were recommended for

COLORADO
Water Quality Control Division
Department of Public Health & Environment

funding. Seven awarded projects totaling $149,000 were contracted for calendar year 2026. In July, a project was successfully completed and finalized, coming in $427 under budget. This project financed the procurement and installation of a backup generator, ensuring a continuous water supply during power outages and preventing backflow caused by empty water tanks.

**3.2. Source water protection**

- The following source water protection grants were awarded during the current reporting period:
  - Town of Durango for $5,000 (IMP)
  - Town of Purgatory for $5,000 (IMP)
  - Elbert Creek for $5,000 (IMP)
  - Animas Water Company for $5,000 (IMP)

- Colorado Rural Water Association (CRWA) continues to work on source water protection planning and Wildland Fire Decision Support (WFDSS) projects. The Division has completed and fully executed next year's contract renewal for calendar year 2026. The current contract renewal amount is $300,000. The funding for this source water 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 to train new hires on LAU curriculum, unregistered water system visits, monitoring schedules, and surface water considerations to increase group training delivery capacity. New hires are collaborating and delivering full MORC and SSP on their own with training oversight.
- Unit staff focused considerable time and energy on the WQCD's emergency response efforts for incidents that impacted drinking water and wastewater facilities. This includes wildfires, floods, power outages, increased cybersecurity threats, and infrastructure failure.

| Training Title | Date of Delivery | Location | Water Professionals in Attendance | Public Water Systems represented |
|---|---|---|---|---|
| Monitoring Schedule | 5/6/26 | Web | 18 | 18 |
| Monitoring Schedule | 5/11/26 | Web | 35 | 29 |
| Sanitary Survey Prep | 5/20/26 | Web | 37 | 15 |
| Monitoring and Operating for Regulatory Compliance | 6/3/26 | Steamboat Springs | 20 | 23 |
| Sanitary Survey Prep | 6/17/26 | Web | 17 | 12 |

COLORADO
Water Quality Control Division
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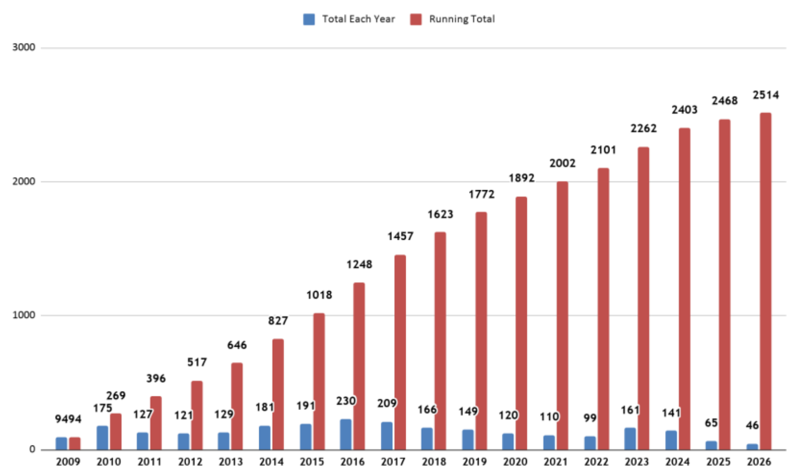
| | | | | |
|---|---|---|---|---|
| Monitoring and Operating for Regulatory Compliance | 7/1/26 | Web | 21 | 14 |
| Sanitary Survey Prep | 7/15/26 | Montrose | 8 | 4 |
| **Total year to date** | **Calendar year 2026** | **Colorado** | **466** | **350** |

- The 2026 annual running monthly average is 80% of all systems that received one-on-one assistance are making at least one improvement.
- Total coaching and training events:




- 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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COLORADO
Water Quality Control Division
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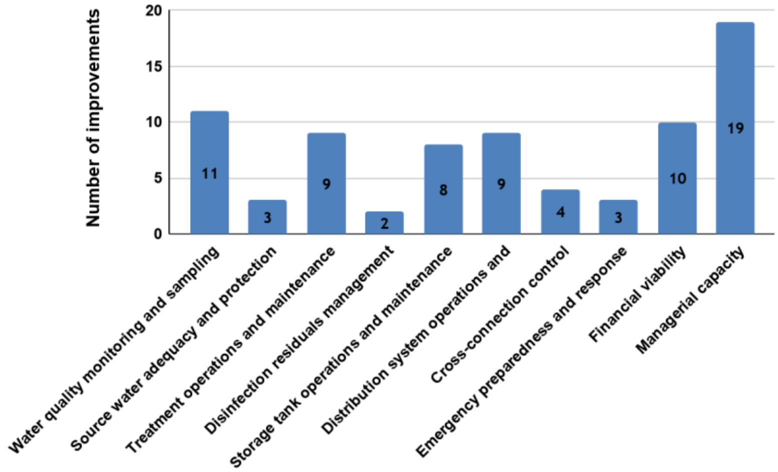


4. Clean Water Program

4.1. Clean Water Program Updates

- Nothing new to report

4.2. 2026 WPCRF Projects Budget

| Program Projects | Current Contract Amount | Balance |
|---|---|---|
| CRWA (#1) | $150,000.00 | $56,942.09 |
| LABA (line 238 on COA) (#2) | $82,000.00 | $78,723.44 |
| SGS - LABA (#2) | $8,000.00 | $1,212.50 |
| DSV Support (#3) | $125,000.00 | $125,000.00 |
| CSU E-rams (#4) | $129,986.00 | $72,718.18 |
| #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 | $39,333.01 |
| #10a TMDL Temp Aide | $68,974.00 | $68,974.00 |
| #10b TMDL model support (Tetra Tech) | $16,394.00 | $16,394.00 |
| #10c TMDL model support (CSU) | $50,000.00 | $50,000.00 |

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| | | |
|---|---|---|
| #10d TMDLFountain Creek Bike Tour | $1,800.00 | $1,800.00 |
| ERG - Temperature (#11) | $46,500.00 | $33,313.08 |
| Hydros (#11) | $40,000.00 | $33,112.00 |
| CO School of Mines- Baseline Groundwater Study (#12) | $21,590.90 | $0.11 |
| Test America Laboratories Eurofins (#12) | $58,409.10 | $23,579.70 |
| Aquatics Assoc. Benthic Macroinvertebrate Sampling Efforts (#13) | $15,000.00 | $15,000.00 |
| ERG - Field Sampling (#14 & #5) | $91,526.60 | $48,725.53 |
| SGS - #15 Water Quality Analytical Support | $92,000.00 | $92,000.00 |
| CSU-Cowpea (#16) | $8,000.00 | $8,000.00 |
| BSA Env (#5) | $3,635.00 | $0.00 |
| Gold Systems | $2,380.00 | $2,380.00 |
| **Total** | **$1,109,719.60** | **$767,207.64** |



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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: August 19, 2026
Re: DOLA Agency Update

**Community Development Block Grant - Public Facilities**

Below are the water/sewer awards for the 2026 CDBG-PF application cycle.

| Type | SRF | Project Name | Request | Award |
|---|---|---|---|---|
| Sewer | Yes | Akron Sewer Upgrades | $600,000 | $600,000 |
| Sewer | Yes | Hugo Sewer Upgrades | $600,000 | $600,000 |
| Sewer | Yes | Genoa Sewer Upgrades | $600,000 | $600,000 |
| Drainage | No | Parachute Drainage Upgrades | $600,000 | $600,000 |
| Total CDBG-PF Water/Sewer Awards | | | | $2,400,000 |

**Energy and Mineral Impact Assistance (EIAF) Program**

The Division remains hopeful that revenue will be sufficient to have another funding cycle at the end of the 2026 calendar year.

**June Projections for Severance Tax and Federal Mineral Lease Revenue**

Overall revenue projections for state FY 25-26 were revised significantly downwards from the March 2025 forecast. Collections were lower than expected and the second-highest month of ad valorem tax credits and refunds (which also significantly reduced severance tax revenue in FY 24-25) occurred in May 2026. Earlier projections that severance revenue would rebound in FY 25-26 have not materialized, despite higher oil and gas prices. Both forecasting agencies show increases in severance revenues for FY 26-27 over FY 25-26, giving the Division some hope that a severance revenue recovery will materialize over the next few months.

Governor Jared S. Polis | Maria De Cambra, Executive Director | Eric H. Bergman, Division Director
1570 Grant St., Suite 2020, Denver, CO 80203
Phone: 303-864-7720 Fax: 303-864-7719 dlg.colorado.gov
Strengthening Colorado Communities

BACK TO AGENDA

COLORADO
Department of Local Affairs
Division of Local Government

**Severance Tax (Millions)**

| | Fiscal Year 2025-2026 | Fiscal Year 2026-2027 | Fiscal Year 2027-2028 |
|---|---|---|---|
| **Office of State Planning and Budgeting forecast** | $107.7 | $277.7 | $182.4 |
| **Legislative Council forecast** | $93.7 | $207.5 | $183.5 |

**Federal Mineral Lease Revenue (Millions)**

| | Fiscal Year 2025-2026 | Fiscal Year 2026-2027 | Fiscal Year 2027-2028 |
|---|---|---|---|
| **Office of State Planning and Budgeting forecast** | $95.6 | $111.8 | $99.0 |
| **Legislative Council forecast** | $98.0 | $102.3 | $115.4 |

## Outreach & Education

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

Upcoming

- State Revolving Fund presentation at Special District Association annual conference on September 16
- O&E committee will consider holding a webinar as IIJA/BIL funding sunsets

Completed (since the last board meeting)

- None

## Small and Rural Communities Technical Services Program

DOLA and RESPEC met with Ginters Grove Public Improvement District, which was a previous project with the technical services program in 2025. The community has diligently followed through on the recommendations from the previous report for having the County take over the system from the current nonprofit water provider through the PID but has reached an impasse with a severe water loss issue, despite hiring help for leak detection and isolating known sections of pipe. The program will likely offer additional support for a specific project for data analysis and water accountability.

## SB25-040 Future of Severance Taxes & Water Funding Task Force

COLORADO
Department of Local Affairs
Division of Local Government

The Future of Severance Taxes and Water Funding - Task Force Report by the Colorado Water Center at Colorado State University was delivered and discussed with the Water Resources and Agriculture Review Committee on June 25, 2026.

Governor Jared S. Polis | Maria De Cambra, Executive Director | Eric H. Bergman, Division Director
1570 Grant St., Suite 2020, Denver, CO 80203
Phone: 303-864-7720 Fax: 303-864-7719 dlg.colorado.gov
Strengthening Colorado Communities

BACK TO AGENDA

**COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY**
**Treasurer's Report**
**August 19, 2026, Board Meeting**

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

**Authority – June 2026 statements**

Balance Sheet

- Assets totaled $53.7 million
- Pension liability for 2026 will be $2.7 million. A decrease of $0.2 million from 2025.
  - PERA's liability went from $9.5 billion to $8.2 billion
- OPEB liability for Healthcare Trust Fund (HCTF)
  - $269 million liability
    - Decrease from 2025 of $209 million
    - Our portion is $33K

Statement of Changes in Net Assets (Income Statement)

- Certain expense line items exceed the respective budgeted amounts.
- After six months, activity 50.0% of the total budget is expected
- Line items that exceed 50% are generally due to the timing of expenditures earlier in the year.

**The Financial Highlights Report for June**

- State Treasurers Cash Pool interest rate was 3.36%
- COLOTRUST interest rate was 3.75%

**Financing Programs**

- Financials in all financing programs are through June 2026.
- All programs continue to function normally.

**Accounting Department Activities**

The accounting department staff is involved in the following activities, in addition to usual monthly transaction processing:

- Data is being obtained from the WQCD, DLG and Water Conservation Board to complete the SRF Annual Summary (formerly NIMS) reports required by the EPA for both the Clean Water and Drinking Water SRF programs.
- Staff are also preparing schedules for WPCRF and DWRF debt service on 9/1.
- Department staff are preparing schedules that will be included in the IUP.
- The 2027 budget process has begun. Data and estimates are being gathered and entered into various reports used in compiling the budget.
- Had Q&A with potential audit firms on June 25th.
- Had Budget & Audit Committee meeting on July 23rd to discuss which auditing firms to bring in for interviews.
- Interviewed audit firms Forvis Mazars and Plante Moran on August 4th and CLA on August 6th.
- Had Budget & Audit Committee meeting to discuss recommendations for audit services on August 11th.

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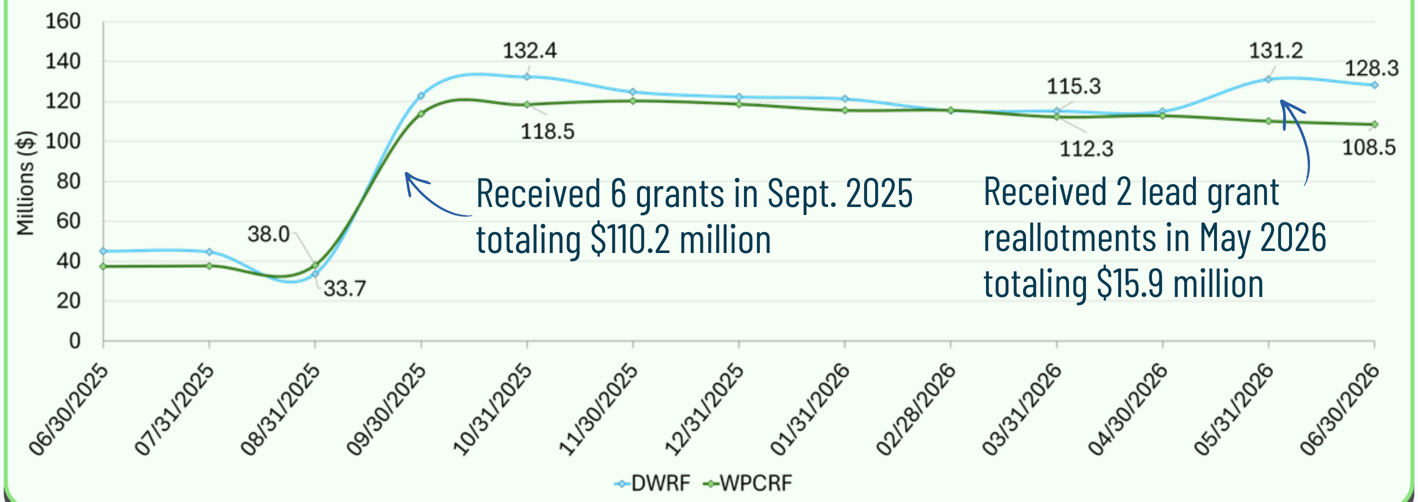
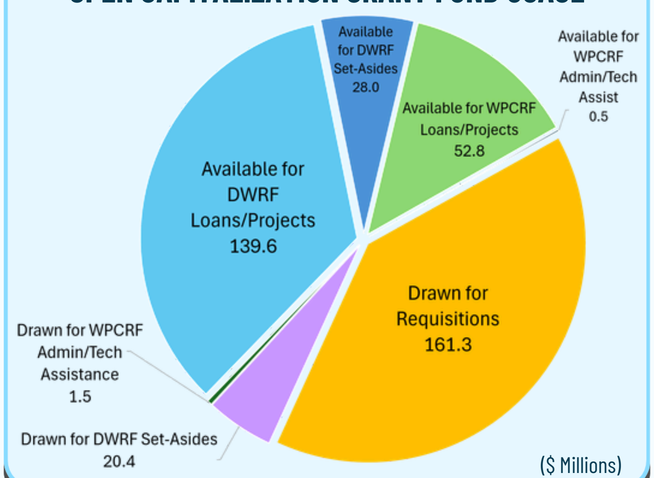
# ALL PROGRAMS ACTIVITY

## AS OF JUNE 30, 2026

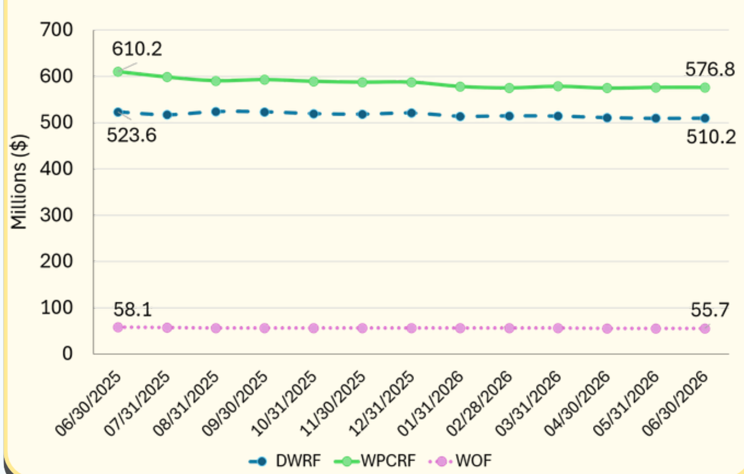
### UNOBLIGATED RELOAN FUNDS



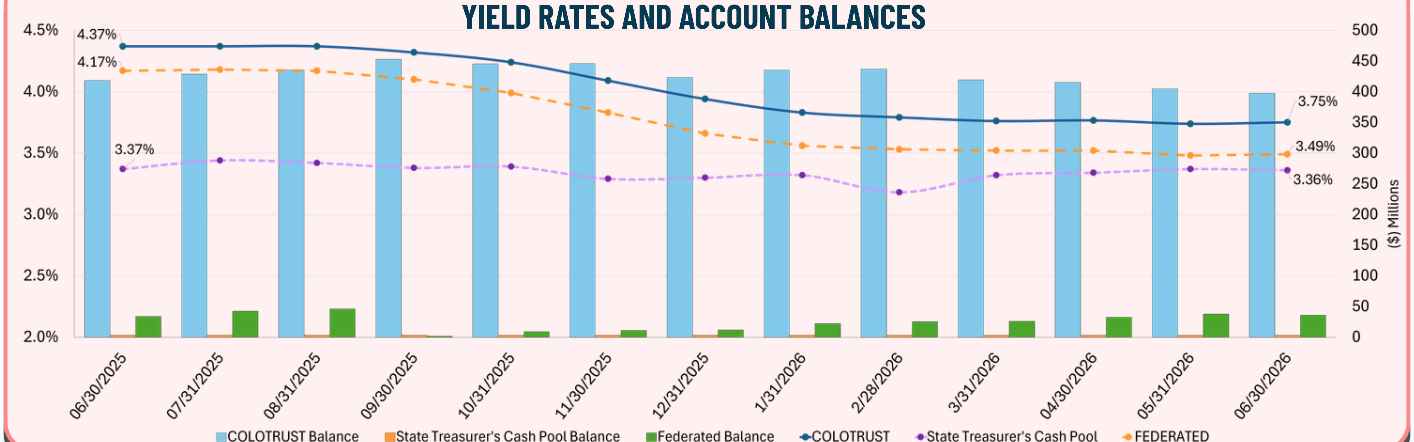

### OPEN CAPITALIZATION GRANT FUND USAGE




### LOANS RECEIVABLE




### YIELD RATES AND ACCOUNT BALANCES

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# DWRF ACTIVITY

## JANUARY 2026 - JUNE 2026

## LOAN AND BOND ACTIVITY

**11 New Loans**
**$12.6 Million Total**

$4.5 Million Repayable
$8.1 Million PF

**Debt Service**
**$3.2 Million Total**

Principal: $0.9 Million
Interest: $2.3 Million

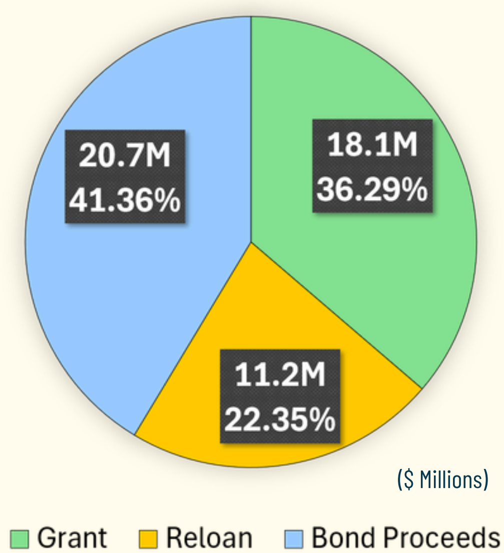
**3 Loan Reductions**
**$0.1 Million Total**

$0.05 Million Repayable
$0.08 Million PF

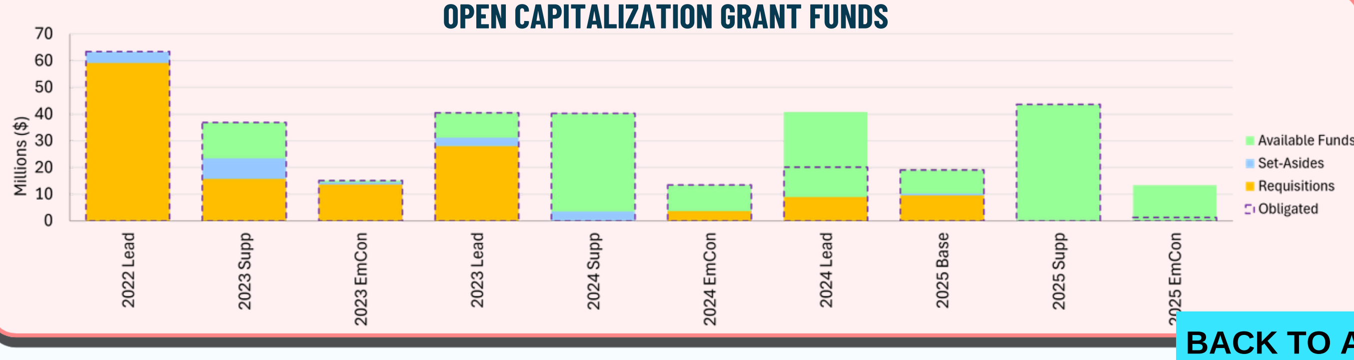
### LOANS RECEIVABLE


### PROJECT COSTS PAYABLE


### SOURCE OF REQUISITION FUNDS




### OPEN CAPITALIZATION GRANT FUNDS

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# WPCRF ACTIVITY

## JANUARY 2026 - JUNE 2026

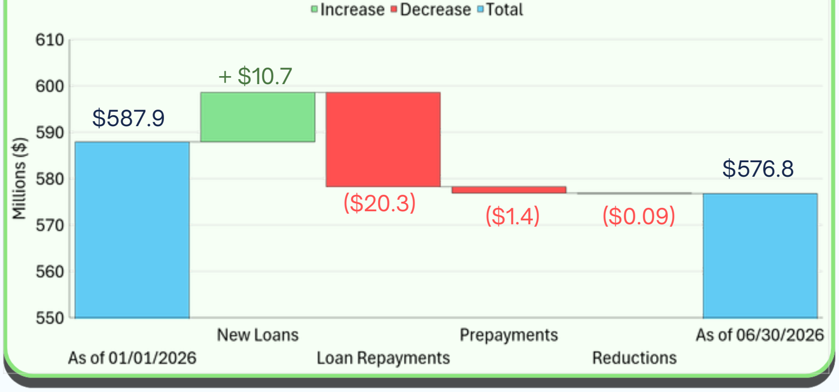
## LOAN AND BOND ACTIVITY

**9 New Loans**
**$12.7 Million Total**
$10.7 Million Repayable
$2.0 Million PF

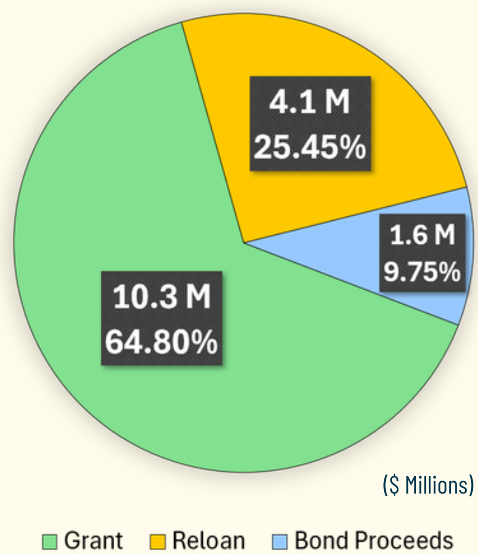
**Debt Service**
**$5.6 Million Total**
Principal: $2.7 Million
Interest: $2.9 Million

**1 Loan Reduction**
**$0.2 Million Total**
$0.09 Million Repayable
$0.09 Million PF

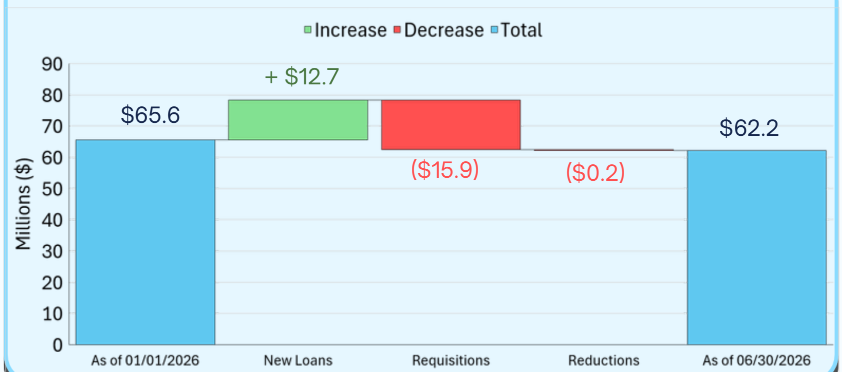
### LOANS RECEIVABLE



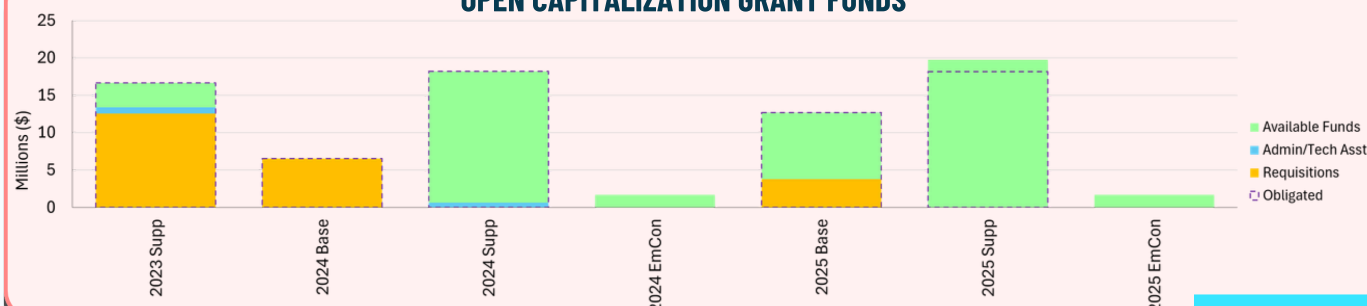

### SOURCE OF REQUISITION FUNDS




### PROJECT COSTS PAYABLE




### OPEN CAPITALIZATION GRANT FUNDS

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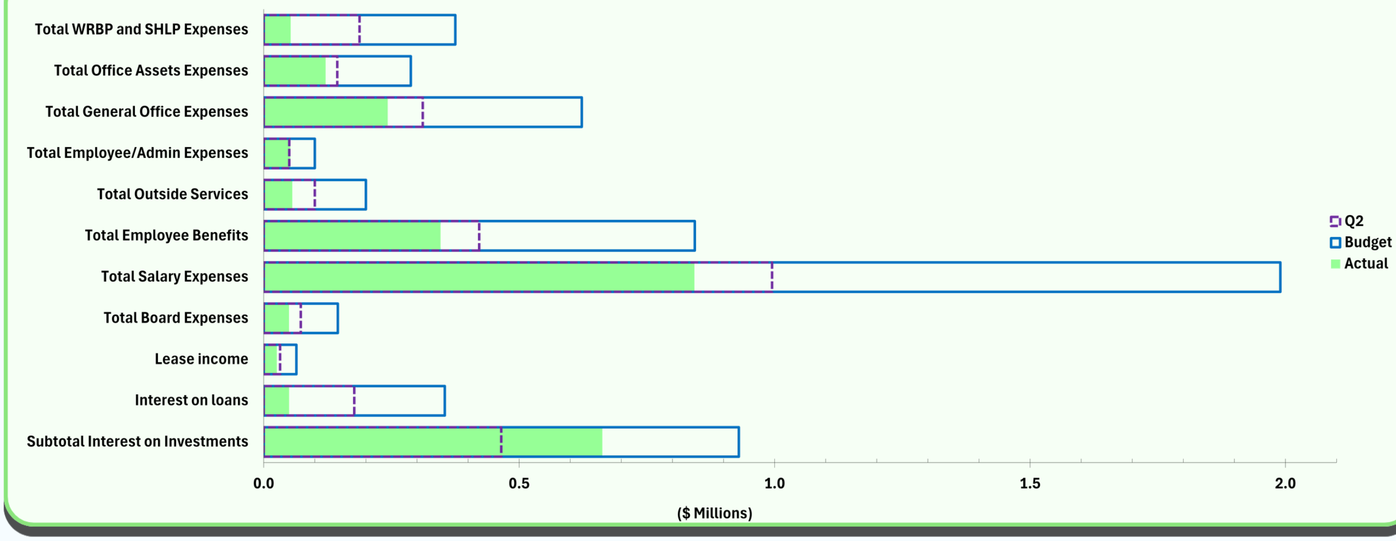
# WOF ACTIVITY

## JANUARY 2026 - JUNE 2026

### BUDGET VS. ACTUAL




### PROJECT COSTS PAYABLE


### No New Loans

### 6 Requisitions

### $8.6 Million Total

### LOANS RECEIVABLE


### STATE MATCH RECEIVABLE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**COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY**

**AUTHORITY CASH TRANSACTIONS for the MONTH ENDING JULY 31, 2026**

**CHECKS**

| Date | Check# | Payee | Description | | Amount |
|---|---|---|---|---|---|
| 7/14/2026 | 307 | ABM Parking Services | Monthly Parking and Parking Passes | $ | 560.00 |
| 7/14/2026 | 308 | Arbitrage Compliance Specialists | Arbitrage Calculations | $ | 12,145.00 |
| 7/14/2026 | 309 | City of Lamar | Planning Grant No. 1 (Final) | $ | 10,000.00 |
| 7/14/2026 | 310 | Interlynk | Monthly Phone | $ | 75.00 |
| 7/14/2026 | 311 | Ken's Reproductions | Business Cards for Emma Tucker | $ | 83.38 |
| 7/14/2026 | 312 | Lincoln National Life Insurance | Monthly Life Insurance | $ | 1,274.00 |
| 7/14/2026 | 313 | McClave Water Association | Planning Grant No. 1 | $ | 5,392.80 |
| 7/14/2026 | 314 | MyTech Partners, Inc. | Monthly Software and Tech Support | $ | 6,264.60 |
| 7/14/2026 | 315 | Town of Pagosa Springs | Planning Grant No. 1 (Final) | $ | 10,000.00 |
| 7/14/2026 | 316 | US Bank Corporate Card | Noll, Williams, Griffiths, Newton, Loffert, & McLaughlin Credit Card Expenses | $ | 4,962.12 |
| 7/23/2026 | 317 | ABM Parking Services | Monthly Parking | $ | 2,880.00 |
| 7/23/2026 | 318 | Automated Business Technologies | Monthly Copier/Scanner Contract | $ | 33.27 |
| 7/23/2026 | 319 | Carlson, Hammond & Paddock | Legal Services for June 2026 | $ | 7,478.85 |
| 7/23/2026 | 320 | Colorado State Treasurer | Unemployment Benefits for Austin Reichel | $ | 1,528.00 |
| 7/23/2026 | 321 | US Bank | Trustee Fees | $ | 6,232.29 |
| | | | **TOTAL CHECKS** | **$** | **68,909.31** |

**WIRE TRANSFERS INCOMING/(OUTGOING)**

| Date | | Payee | Description | | Amount |
|---|---|---|---|---|---|
| 07/23/26 | | Authority Checking | Colorado Water Congress Sub-Lease Income - June and July 2026 | | 13,434.00 |
| 07/29/26 | | Authority Checking | Reimbursement to Authority from Ian Loffert for Accidental Purchase | | 36.00 |
| | | | **TOTAL WIRE TRANSFERS** | **$** | **13,470.00** |

**ACH TRANSFERS INCOMING/(OUTGOING)**

| Date | | Payee | Description | | Amount |
|---|---|---|---|---|---|
| 7/9/2026 | | Clearfly | Monthly Phone Services | | (223.10) |
| 7/10/2026 | | Inova | Reconciliation Correction | | (4.36) |
| 7/14/2026 | | PERA | Authority Staff PERA & 401k Contributions | | (30,427.34) |
| 7/14/2026 | | US Bank | Monthly Service Charge | | (870.78) |
| 7/14/2026 | | Lumen | Monthly Internet | | (337.62) |
| 7/14/2026 | | CivicPlus, LLC | Monthly Streamline | | (771.75) |
| 7/14/2026 | | Gravity | Annual Gravity Renewal | | (25,479.00) |
| 7/14/2026 | | Iron Mountain | Monthy Document Storage and Retention | | (52.53) |
| 7/14/2026 | | Office Depot | Offie Supplies | | (86.50) |
| 7/14/2026 | | Robert Half | Temp Services | | (1,839.11) |
| 7/14/2026 | | Inova | Payroll Processing Fee | | (373.50) |
| 7/14/2026 | | Authority Staff | Payroll | | (44,495.50) |
| 7/14/2026 | | IRS and Colorado Department of Revenue | Federal and State Payroll Withholdings | | (11,129.84) |
| 7/23/2026 | | Lumen | Monthly Internet | | (338.28) |
| 7/23/2026 | | Daniel Lockard | Water Fluency Class Travel and Expenses | | (79.95) |
| 7/23/2026 | | Giorgi Gazashvili | CML Conference and Kremmling Site Visit Travel and Expenses | | (248.10) |
| 7/23/2026 | | Ian Loffert | GFOA Travel and Expenses | | (190.42) |
| 7/23/2026 | | Justin Noll | GFOA Travel and Expenses | | (2,047.08) |
| 7/23/2026 | | Kevin Carpenter | GFOA Travel and Expenses | | (1,666.91) |
| 7/23/2026 | | Kogovsek and Associates | Monthly Consulting Services | | (2,000.00) |
| 7/23/2026 | | PBV-1580 Logan St. | Monthly Lease Payment - August 2026 | | (24,472.47) |
| 7/23/2026 | | Robert Half | Temp Services | | (579.24) |
| 7/23/2026 | | Taft Stettinius & Hollister LLP | Legal Services through June 30, 2026 | | (3,700.50) |
| 7/23/2026 | | Valerie Lovato | GFOA Travel and Expenses and Mid Year Review for Dperea | | (1,257.22) |
| 7/24/2026 | | PERA | Authority Staff PERA & 401k Contributions | | (30,577.34) |
| 7/30/2026 | | Authority Staff | Payroll | | (46,179.50) |
| 7/30/2026 | | IRS and Colorado Department of Revenue | Federal and State Payroll Withholdings | | (10,936.57) |
| 7/31/2026 | | PERA | PERACare Insurance Payment | | (22,606.54) |
| | | | **TOTAL ACH TRANSFERS** | **$** | **(262,971.05)** |

**TOTAL CASH TRANSACTIONS for the MONTH ENDING JULY 31, 2026 $ (180,591.74)**

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

### CHECKS

| Date | Check# | Payee | Description | | Amount |
|---|---|---|---|---|---|
| 6/16/2026 | 295 | ABM Parking Services | Parking Passes | $ | 170.00 |
| 6/16/2026 | 296 | About Time Awards | Name Plate and Name Tag for Emma Tucker | $ | 66.75 |
| 6/16/2026 | 297 | Carlson, Hammond & Paddock | Legal Services for May 2026 | $ | 7,996.39 |
| 6/16/2026 | 298 | CGFOA | Annual Conference Sponsorship and Membership Renewal for Stephanie Hines | $ | 3,765.00 |
| 6/16/2026 | 299 | Lincoln National Life Insurance | Monthly Life Insurance | $ | 1,164.58 |
| 6/16/2026 | 300 | MyTech Partners, Inc. | Monthly Software and Tech Support | $ | 6,085.65 |
| 6/16/2026 | 301 | Town of Springfield | Planning Grant No. 3 | $ | 3,404.00 |
| 6/16/2026 | 302 | US Bank Corporate Card | Noll, Williams, Griffiths, Newton, Loffert, & McLaughlin Credit Card Expenses | $ | 3,218.77 |
| 6/26/2026 | 303 | ABM Parking Services | Monthly Parking | $ | 2,880.00 |
| 6/26/2026 | 304 | Arbitrage Compliance Specialists | Arbitrage Calculations | $ | 8,895.00 |
| 6/26/2026 | 305 | Automated Business Technologies | Monthly Copier/Scanner Contract | $ | 28.49 |
| 6/26/2026 | 306 | Curbside Recycling | Monthly Recycling | $ | 195.00 |
| | | | **TOTAL CHECKS** | **$** | **37,869.63** |

### WIRE TRANSFERS INCOMING/(OUTGOING)

| Date | | Payee | Description | | Amount |
|---|---|---|---|---|---|
| 06/16/26 | | Authority Checking | Transfer from COLOTRUST to Authority Checking | | 500,000.00 |
| | | | **TOTAL WIRE TRANSFERS** | **$** | **500,000.00** |

### ACH TRANSFERS INCOMING/(OUTGOING)

| Date | | Payee | Description | | Amount |
|---|---|---|---|---|---|
| 6/9/2026 | | Clearfly | Monthly Phone Services | | (222.40) |
| 6/10/2026 | | PERA | Authority Staff PERA & 401k Contributions | | (30,813.65) |
| 6/12/2026 | | US Bank | Monthly Service Charge | | (901.34) |
| 6/12/2026 | | Inova | Payroll Processing Fee | | (336.19) |
| 6/12/2026 | | Authority Staff | Payroll | | (43,656.42) |
| 6/12/2026 | | IRS and Colorado Department of Revenue | Federal and State Payroll Withholdings | | (11,139.53) |
| 6/16/2026 | | Bruce Whitehead | Board Meeting Travel and Expenses | | (538.64) |
| 6/16/2026 | | CUSIP Global Services | New CUSIPS for WPCRF 2021AR Due to Windsor Partial Defeasance | | (380.00) |
| 6/16/2026 | | Causey Public Finance | WPCRF 2021AR Bond Partial Defeasance Calculations - Windsor | | (1,500.00) |
| 6/16/2026 | | Chris Treese | Board Meeting Travel and Expenses | | (239.24) |
| 6/16/2026 | | Colorado Water Congress | Annual Membership Dues, Administrative Fees for State and Federal Affairs Committees | | (6,524.00) |
| 6/16/2026 | | Gio Gazashvili | Graduate School Reimbursement | | (3,092.62) |
| 6/16/2026 | | Ian Loffert | GFOA Travel Expenses | | (366.80) |
| 6/16/2026 | | Iron Mountain | Monthy Document Storage and Retention | | (329.05) |
| 6/16/2026 | | Karen Wogsland | Board Meeting Travel and Expenses | | (674.25) |
| 6/16/2026 | | Mike Fabbre | Board Meeting Travel and Expenses | | (337.86) |
| 6/16/2026 | | Office Depot | Offie Supplies | | (402.51) |
| 6/16/2026 | | Peak Digital Solutions | Laserfiche License for Emma Tucker | | (929.89) |
| 6/16/2026 | | Robert Half | Temp Services | | (1,770.05) |
| 6/16/2026 | | Steven Vandiver | Board Meeting Travel and Expenses | | (844.52) |
| 6/16/2026 | | Streamline | Monthly Subscription | | (771.75) |
| 6/16/2026 | | Warwick Hotel | Board Meeting Lodging | | (1,485.00) |
| 6/26/2026 | | Kogovsek and Associates | Monthly Consulting Services | | (2,000.00) |
| 6/26/2026 | | Norton Rose Fulbright US LLP | WPCRF 2021AR Windsor Bond Defeasance Opinion | | (4,455.00) |
| 6/26/2026 | | Robert Half | Temp Services | | (652.29) |
| 6/26/2026 | | Wesley Williams | Jolt Conference Travel and Expenses | | (373.84) |
| 6/26/2026 | | PERA | Authority Staff PERA & 401k Contributions | | (30,427.34) |
| 6/29/2026 | | Inova | Payroll Tax Service (Locals) | | (7.27) |
| 6/29/2026 | | Authority Staff | Payroll | | (45,826.20) |
| 6/29/2026 | | IRS and Colorado Department of Revenue | Federal and State Payroll Withholdings | | (10,987.90) |
| 6/30/2026 | | PERA | PERACare Insurance Payment | | (22,606.54) |
| 6/30/2026 | | PBV-1580 Logan St. | Monthly Lease Payment - July 2026 | | (24,472.47) |
| | | | **TOTAL ACH TRANSFERS** | **$** | **(249,064.56)** |

**TOTAL CASH TRANSACTIONS for the MONTH ENDING JUNE 30, 2026 $ 288,805.07**

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| Colorado Water Resources and Power Development Authority | | | | |
|---|---|---|---|---|
| July US Bank Credit Card Detail<br>Statement Ending on July 10, 2026 | | | | |
| **Cardholder** | **Transaction Date** | **Transaction Amount** | **Payee** | **Description** |
| Keith McLaughlin | 6/10/2026 | $ 395.00 | Water Finance Conference | 2026 Water Finance Conference Registration |
| | 7/2/2026 | $ 2.16 | Market Watch | Monthly Subscription |
| | | $ 397.16 | | |
| | | | | |
| Justin Noll | 6/10/2026 | $ 378.38 | Adobe | Monthly Subscription |
| Justin Noll | 6/10/2026 | $ 127.97 | Best Buy | Docking Station for Emma Tucker |
| Justin Noll | 6/10/2026 | $ 302.51 | Comcast | Monthly Subscription |
| Justin Noll | 6/29/2026 | $ 16.65 | Hyatt Regency | GFOA Conference Travel Meal |
| Justin Noll | 6/30/2026 | $ 7.15 | Hyatt Regency | GFOA Conference Travel Meal |
| Justin Noll | 7/1/2026 | $ 12.45 | Hyatt Regency | GFOA Conference Travel Meal |
| | | $ 845.11 | | |
| | | | | |
| Jim Griffiths | 6/26/2026 | $ 88.24 | Smokin' Fins | Staff Meal |
| | | $ 88.24 | | |
| | | | | |
| Wesley Williams | 6/17/2026 | $ 106.22 | JOLT Energy Summit | JOLT Energy Summit 2026 Registration |
| Wesley Williams | 6/17/2026 | $ 196.03 | Steuben's Uptown | Welcome Lunch for Emma Tucker |
| Wesley Williams | 6/18/2026 | $ 15.72 | Starbucks | JOLT Conference Travel Meal |
| Wesley Williams | 6/23/2026 | $ 290.62 | Amazon | Standing Desk for Emma Tucker |
| Wesley Williams | 6/26/2026 | $ 30.00 | Canva | Monthly Subscription |
| Wesley Williams | 6/26/2026 | $ 62.90 | Amazon | Paper for Flyers |
| Wesley Williams | 7/8/2026 | $ 83.19 | Wall Street Journal | Monthly Subscription |
| | | $ 784.68 | | |
| | | | | |
| Ian Loffert | 6/10/2026 | $ 46.26 | Best Buy | Display to HDMI Cord |
| Ian Loffert | 6/10/2026 | $ 33.29 | Best Buy | Display to HDMI Cord |
| Ian Loffert | 6/28/2026 | $ 20.87 | Amazon | GFOA Conference Travel Meal |
| Ian Loffert | 6/30/2026 | $ 96.53 | Pizzaria Uno | GFOA Conference Staff Meal |
| Ian Loffert | 6/29/2026 | $ 27.65 | Hyatt Regency | GFOA Conference Travel Meal |
| Ian Loffert | 6/29/2026 | $ 20.64 | Hyatt Regency | GFOA Conference Travel Meal |
| Ian Loffert | 7/1/2026 | $ 156.00 | Bottleneck Management | GFOA Conference Staff Meal |
| Ian Loffert | 7/1/2026 | $ 923.79 | Hyatt Regency | GFOA Conference Lodging |
| Ian Loffert | 7/1/2026 | $ 30.33 | Hyatt Regency | GFOA Conference Travel Meal |
| | | $ 1,355.36 | | |
| | | | | |
| Heather Newton | 6/10/2026 | $ 7.26 | King Soopers | Retirement Card for Lee Miller |
| Heather Newton | 6/11/2026 | $ 322.38 | Tokyo Joe's | Staff Lunch |
| Heather Newton | 6/22/2026 | $ 63.21 | United States Postal Service | Mailing PAFR and Hawaiian Shirts |
| Heather Newton | 6/24/2026 | $ 8.15 | United States Postal Service | Mailing PAFR and Hawaiian Shirts |
| Heather Newton | 6/25/2026 | $ 149.00 | S2M | Training Webinar for Heather Newton |
| Heather Newton | 6/30/2026 | $ 387.60 | Civic Center Eats | Staff Lunch |
| Heather Newton | 7/1/2026 | $ 94.80 | Amazon | Water Filters for Office Refrigerator |
| Heather Newton | 7/6/2026 | $ 415.00 | SDA | 2026 SDA Annual Conference Registration |
| Heather Newton | 7/6/2026 | $ 41.42 | Activate | Deposit for Authority Summer Outing |
| Heather Newton | 7/9/2026 | $ 2.75 | Denver Public Works | Parking at Civic Center Eats for Staff Lunch |
| | | $ 1,491.57 | | |
| | | | | |
| | **Total** | $ 4,962.12 | | |

BACK TO AGENDA

| Colorado Water Resources and Power Development Authority | | | | |
|---|---|---|---|---|
| June US Bank Credit Card Detail<br>Statement Ending on June 10, 2026 | | | | |
| **Cardholder** | **Transaction Date** | **Transaction Amount** | **Payee** | **Description** |
| Keith McLaughlin | 6/4/2026 | $ 2.16 | Market Watch | Monthly Subscription |
| | | $ 2.16 | | |
| | | | | |
| Justin Noll | 6/9/2026 | $ 65.00 | CGFOA | Annual Membership Renewal for Justin Noll |
| | | $ 65.00 | | |
| | | | | |
| Jim Griffiths | 5/28/2026 | $ 1.75 | Denver Public Works | Parking |
| Jim Griffiths | 5/28/2026 | $ 95.92 | Warwick Denver | Breakfast with Steven Vandiver for WQCD Meeting |
| Jim Griffiths | 5/29/2026 | $ 88.60 | Steuben's Uptown | Staff Meal |
| | | $ 186.27 | | |
| | | | | |
| Wesley Williams | 5/13/2026 | $ 83.19 | Wall Street Journal | Monthly Subscription |
| Wesley Williams | 5/13/2026 | $ 193.86 | Slice Works | Staff Meal |
| Wesley Williams | 5/26/2026 | $ 30.00 | Canva | Monthly Subscription |
| Wesley Williams | 6/10/2026 | $ 83.19 | Wall Street Journal | Monthly Subscription |
| | | $ 390.24 | | |
| | | | | |
| Ian Loffert | 6/6/2026 | $ 97.15 | Best Buy | Monitor for New Employee |
| Ian Loffert | 6/6/2026 | $ 97.15 | Best Buy | Monitor for New Employee |
| Ian Loffert | 6/6/2026 | $ 194.59 | Best Buy | Monitor for New Office |
| | | $ 388.89 | | |
| | | | | |
| Heather Newton | 5/11/2026 | $ 144.00 | Grammarly | Annual Grammarly Subscription |
| Heather Newton | 5/11/2026 | $ 102.59 | Lehrer's Flowers | Fowers for Martin Flores |
| Heather Newton | 5/14/2026 | $ 284.83 | Potbelly Sandwiches | Staff Lunch |
| Heather Newton | 5/21/2026 | $ 38.24 | Amazon | Trophy for Keith McLaughlin |
| Heather Newton | 6/2/2026 | $ 179.28 | King Soopers | Groceries for Office |
| Heather Newton | 6/5/2026 | $ 646.44 | Brother's BBQ | BPWS Dinner |
| Heather Newton | 6/5/2026 | $ 320.81 | Schlotzsky's Deli | Board Meeting Breakfast |
| Heather Newton | 6/5/2026 | $ 470.02 | Chick-Fil-A | Board Meeting Lunch |
| | | $ 2,186.21 | | |
| | | | | |
| | **Total** | $ 3,218.77 | | |

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

### COMPARATIVE BALANCE SHEET

| | As of 06/30/2026 | As of 06/30/2025 |
|---|---|---|
| **ASSETS:** | | |
| Cash and Cash Equivalents: | | |
| Cash - US Bank (Checking Account) | $ 349,022.05 | $ 1,270,765.95 |
| State Treasurers Cash Pool | 1,755,487.28 | 1,646,346.28 |
| COLOTRUST Checking Investment Account | 28,712,506.16 | 27,793,378.33 |
| State Treasurers Cash Pool-Self Insurance Fund | 1,533,843.00 | 1,535,088.00 |
| State Treasurers Cash Pool-La Plata River Escrow | 138,897.73 | 134,341.73 |
| COLOTRUST - Authority Project Accounts | 136,188.87 | 135,516.90 |
| COLOTRUST - Authority (Vilas) Project Account | | - |
| COLOTRUST - SHLP Project Accounts | 5,146,933.32 | 4,395,014.42 |
| COLOTRUST - Interim Loan Projects | - | - |
| Total Cash and Cash Equivalents | 37,772,878.41 | 36,910,451.61 |
| Interest Receivable on Investments | | |
| Interest Receivable on Loans: | | |
| Interim Loans (I-Loans) | | - |
| Small Hydro Loan Program (SHLP) | 5,277.41 | 5,973.37 |
| 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 | 653,563.18 | 599,574.00 |
| Reimbursement Receivable - DWRF | 639,742.24 | 901,884.08 |
| Loans Receivable: | | |
| Interim Loans (I-Loans) | | |
| Small Hydro Loan Program (SHLP) | 5,523,713.86 | 5,958,579.45 |
| 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 | 1,306,000.00 |
| Loan Receivable - DWRF State Match | 3,821,000.00 | 5,051,357.69 |
| 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** | **$ 53,732,094.12** | **$ 53,964,842.28** |
| 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 | $ 1,000.00 | $ - |
| Lease Liability | 983,583.15 | 1,193,187.43 |
| Interest Payable-Leases | 4,098.30 | 4,971.62 |
| Deposit - Sub Lease | 4,925.00 | |
| Prepayment Payable | | |
| Other Accrued Expenses | (1.80) | (0.52) |
| Flexplan Spending Withheld | 2,305.27 | (1,049.32) |
| Due to Authority | | |
| Project Costs Payable - Long Term | | |
| Accrued Vacation and Sick Leave | 509,100.00 | 429,508.56 |
| Pension Liability | 2,905,361.67 | 3,565,077.32 |
| HCTF Liability | 54,960.08 | 89,191.01 |
| **Total Liabilities** | 4,465,331.67 | 5,280,886.10 |
| 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) | (144,361.66) | 71,618.34 |
| **TOTAL LIABILITIES and EQUITY** | **$ 53,863,384.92** | **$ 54,645,455.97** |

BACK TO AGENDA

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

### COMPARATIVE BALANCE SHEET

| | As of 05/31/2026 | As of 05/31/2025 |
|---|---|---|
| **ASSETS:** | | |
| Cash and Cash Equivalents: | | |
| Cash - US Bank (Checking Account) | $ 135,956.24 | $ 1,500,838.22 |
| State Treasurers Cash Pool | 1,750,579.28 | 1,641,652.28 |
| COLOTRUST Checking Investment Account | 29,123,361.33 | 27,693,851.36 |
| State Treasurers Cash Pool-Self Insurance Fund | 1,529,555.00 | 1,530,710.00 |
| State Treasurers Cash Pool-La Plata River Escrow | 138,509.73 | 134,057.73 |
| COLOTRUST - Authority Project Accounts | 126,798.15 | 133,431.38 |
| COLOTRUST - Authority (Vilas) Project Account | | - |
| COLOTRUST - SHLP Project Accounts | 5,130,638.71 | 4,378,734.33 |
| COLOTRUST - Interim Loan Projects | - | - |
| Total Cash and Cash Equivalents | 37,935,398.44 | 37,013,275.30 |
| Interest Receivable on Investments | | |
| Interest Receivable on Loans: | | |
| Interim Loans (I-Loans) | | - |
| Small Hydro Loan Program (SHLP) | 5,277.41 | 5,973.37 |
| Authority Loans | 2,779.64 | 3,120.62 |
| 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 | 569,440.10 | 524,647.76 |
| Reimbursement Receivable - DWRF | 571,545.82 | 841,754.57 |
| Loans Receivable: | | |
| Interim Loans (I-Loans) | | |
| Small Hydro Loan Program (SHLP) | 5,523,713.86 | 5,958,579.45 |
| Authority Loans | 181,609.82 | 190,299.89 |
| ALP Water Rights Purchase Loan | 1,604,092.84 | 1,815,974.58 |
| Loan Receivable - WPCRF State Match | 2,538,200.00 | 1,306,000.00 |
| Loan Receivable - DWRF State Match | 3,821,000.00 | 5,051,357.69 |
| Leases Receivable | 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** | **$ 53,747,121.50** | **$ 53,937,778.05** |
| 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 | $ - | $ - |
| Lease Liability | 983,583.15 | 1,193,187.43 |
| Interest Payable-Leases | 4,098.30 | 4,971.62 |
| Deposit - Sub Lease | 4,925.00 | |
| Prepayment Payable | | |
| Other Accrued Expenses | (1.52) | (0.36) |
| Flexplan Spending Withheld | 2,016.39 | (1,044.46) |
| Due to Authority | | |
| Project Costs Payable - Long Term | | |
| Accrued Vacation and Sick Leave | 509,100.00 | 429,508.56 |
| Pension Liability | 2,905,361.67 | 3,565,077.32 |
| HCTF Liability | 54,960.08 | 89,191.01 |
| **Total Liabilities** | 4,464,043.07 | 5,280,891.12 |
| 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) | (128,045.68) | 44,549.09 |
| **TOTAL LIABILITIES and EQUITY** | **$ 53,878,412.30** | **$ 54,618,391.74** |

BACK TO AGENDA

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

### COMPARATIVE BALANCE SHEET

| | As of 04/30/2026 | As of 04/30/2025 |
|---|---|---|
| **ASSETS:** | | |
| Cash and Cash Equivalents: | | |
| Cash - US Bank (Checking Account) | $ 183,902.28 | $ 1,838,458.07 |
| State Treasurers Cash Pool | 1,745,728.28 | 1,637,090.28 |
| COLOTRUST Checking Investment Account | 29,031,007.05 | 27,591,201.14 |
| State Treasurers Cash Pool-Self Insurance Fund | 1,525,316.00 | 1,526,456.00 |
| State Treasurers Cash Pool-La Plata River Escrow | 138,125.73 | 133,684.73 |
| COLOTRUST - Authority Project Accounts | 622.65 | 10,271.82 |
| COLOTRUST - Authority (Vilas) Project Account | | - |
| COLOTRUST - SHLP Project Accounts | 5,028,341.29 | 4,276,585.89 |
| COLOTRUST - Interim Loan Projects | - | - |
| Total Cash and Cash Equivalents | 37,653,043.28 | 37,013,747.93 |
| Interest Receivable on Investments | | |
| Interest Receivable on Loans: | | |
| Interim Loans (I-Loans) | | - |
| Small Hydro Loan Program (SHLP) | 22,939.55 | 24,771.62 |
| Authority Loans | 3,024.47 | 3,376.86 |
| 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 | 2,934,098.25 | 445,017.79 |
| Reimbursement Receivable - DWRF | 1,685,952.78 | 727,561.77 |
| Loans Receivable: | | |
| Interim Loans (I-Loans) | | |
| Small Hydro Loan Program (SHLP) | 5,590,867.15 | 6,024,409.55 |
| Authority Loans | 183,916.23 | 190,299.89 |
| ALP Water Rights Purchase Loan | 1,710,547.66 | 1,920,383.51 |
| Loan Receivable - WPCRF State Match | 2,538,200.00 | 1,306,000.00 |
| Loan Receivable - DWRF State Match | 3,821,000.00 | 5,051,357.69 |
| Leases Receivable | 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** | **$ 57,137,652.94** | **$ 53,933,721.43** |
| 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 | $ 3,394,342.98 | $ - |
| Lease Liability | 983,583.15 | 1,193,187.43 |
| Interest Payable-Leases | 4,098.30 | 4,971.62 |
| Deposit - Sub Lease | 4,925.00 | |
| Prepayment Payable | | |
| Other Accrued Expenses | (1.22) | 278.55 |
| Flexplan Spending Withheld | 1,283.47 | (89.87) |
| Due to Authority | | |
| Project Costs Payable - Long Term | | |
| Accrued Vacation and Sick Leave | 509,100.00 | 429,508.56 |
| Pension Liability | 2,905,361.67 | 3,565,077.32 |
| HCTF Liability | 54,960.08 | 89,191.01 |
| **Total Liabilities** | 7,857,653.43 | 5,282,124.62 |
| 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) | (131,124.60) | 39,258.97 |
| **TOTAL LIABILITIES and EQUITY** | **$ 57,268,943.74** | **$ 54,614,335.12** |

BACK TO AGENDA

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

**INCOME STATEMENT**
**Budget To Actual**
Calendar Year-To-Date as of June 30, 2026

| | Budget For 2026 | Actual Year-To-Date | Balance | % Actual/ Budget |
|---|---|---|---|---|
| **INCOME:** | | | | |
| Interest on investments - COLOTRUST | $ - | $ 617,919.29 | $ (617,919.29) | 0% |
| Interest on investments - COLOTRUST-Interim Loan Project | - | 16.24 | (16.24) | 0% |
| Interest on investments - STCP | - | 44,827.00 | (44,827.00) | 0% |
| Investment interest income - from WPCRF | - | - | - | 0% |
| Investment interest Income - from WRBP | - | - | - | 0% |
| Subtotal Interest on Investments | 930,000.00 | 662,762.53 | 267,237.47 | 71% |
| Interest on Investments - STCP-La Plata River Escrow | - | 1,893.00 | (1,893.00) | 0% |
| Interest on loans | 354,500.00 | 49,712.16 | 304,787.84 | 14% |
| Interest on leases | - | | - | 0% |
| Lease income | 64,000.00 | 25,657.39 | 38,342.61 | 40% |
| Gain/Loss on sale of assets | - | | - | 0% |
| Miscellaneous income | - | 822.50 | (822.50) | 0% |
| **TOTAL INCOME** | $ 1,348,500.00 | $ 740,847.58 | $ 607,652.42 | 55% |
| **EXPENSES:** | | | | |
| Board Expenses: | | | | |
| Per diems & PERA on per diems | $ 25,000.00 | $ 9,000.00 | $ 16,000.00 | 36% |
| Travel, lodging, meals, etc. | 50,000.00 | 29,209.86 | 20,790.14 | 58% |
| Meeting expenses | 25,000.00 | 4,232.90 | 20,767.10 | 17% |
| Memberships | 15,000.00 | 7,145.00 | 7,855.00 | 48% |
| Board insurance | 30,000.00 | | 30,000.00 | 0% |
| Total Board Expenses | 145,000.00 | 49,587.76 | 95,412.24 | 34% |
| Salary Expenses: | | | | |
| Staff salaries | 1,822,000.00 | 824,789.49 | 997,210.51 | 45% |
| Temporary services | 60,000.00 | 15,524.88 | 44,475.12 | 26% |
| Third Party Payroll & HR Services | 8,000.00 | 2,694.70 | 5,305.30 | 34% |
| Annual vacation and sick leave accrual | 100,000.00 | | 100,000.00 | 0% |
| Total Salary Expenses | 1,990,000.00 | 843,009.07 | 1,146,990.93 | 42% |
| Employee Benefits: | | | | |
| Pension expense* | 382,000.00 | 176,266.86 | 205,733.14 | 46% |
| Healthcare trust expense | 19,000.00 | | 19,000.00 | 0% |
| Medical and dental insurance | 316,000.00 | 108,510.96 | 207,489.04 | 34% |
| HRA reimbursement | - | 5,926.55 | (5,926.55) | 0% |
| LTD/Life insurance | 15,500.00 | 11,613.18 | 3,886.82 | 75% |
| Medicare - employer's match | 28,000.00 | 11,618.13 | 16,381.87 | 41% |
| Denver city tax - employer's match | 800.00 | 364.00 | 436.00 | 46% |
| 401k Match | 52,000.00 | 19,514.99 | 32,485.01 | 38% |
| 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 | 346,081.67 | 497,618.33 | 41% |
| Outside Services Employed: | | | | |
| General legal fees | 100,000.00 | 21,324.87 | 78,675.13 | 21% |
| General consulting services | 70,000.00 | 12,276.00 | 57,724.00 | 18% |
| Audit and budgetary fees | 30,000.00 | 22,218.00 | 7,782.00 | 74% |
| Total Outside Services | 200,000.00 | 55,818.87 | 144,181.13 | 28% |
| Employee / Administrative Expenses: | | | | |
| Travel, lodging, meals, etc. | 25,000.00 | 9,962.04 | 15,037.96 | 40% |
| Registration and training fees | 15,000.00 | 4,818.00 | 10,182.00 | 32% |
| Contributions and sponsorships | 45,000.00 | 29,625.00 | 15,375.00 | 66% |
| Dues, subscriptions and publications | 15,000.00 | 7,720.10 | 7,279.90 | 51% |
| Total Employee / Administrative Expenses | 100,000.00 | 52,125.14 | 47,874.86 | 52% |

BACK TO AGENDA

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

**INCOME STATEMENT**
**Budget To Actual**
Calendar Year-To-Date as of June 30, 2026

| | Budget For 2026 | Actual Year-To-Date | Balance | % Actual/ Budget |
|---|---|---|---|---|
| General Office Expenses: | | | | |
| Office rent and deposits | 352,000.00 | 183,344.04 | 168,655.96 | 52% |
| Interest expense-leases* | 70,000.00 | | 70,000.00 | 0% |
| Telephone and internet charges | 20,000.00 | 5,467.81 | 14,532.19 | 27% |
| Postage and delivery fees | 3,500.00 | 52.39 | 3,447.61 | 1% |
| Copying and printing costs | 9,000.00 | 1,681.31 | 7,318.69 | 19% |
| Office supplies | 19,000.00 | 9,231.14 | 9,768.86 | 49% |
| Technical support activities | 110,000.00 | 41,060.00 | 68,940.00 | 37% |
| Office insurance | 9,000.00 | 790.33 | 8,209.67 | 9% |
| Records retention | 30,000.00 | 1,079.13 | 28,920.87 | 4% |
| Total General Office Expenses | 622,500.00 | 242,706.15 | 379,793.85 | 39% |
| Office Assets Expenses: | | | | |
| Furniture & fixtures | 25,000.00 | 13,451.15 | 11,548.85 | 54% |
| Machines | 58,000.00 | (111.11) | 58,111.11 | 0% |
| Computer software | 90,000.00 | 28,189.40 | 61,810.60 | 31% |
| Depreciation expense | - | | - | 0% |
| Machine maintenance & maintenance contracts | 15,000.00 | 302.07 | 14,697.93 | 2% |
| Other expense | - | | - | 0% |
| Office improvements | 100,000.00 | 79,271.87 | 20,728.13 | 79% |
| Total Office Assets Expenses | 288,000.00 | 121,103.38 | 166,896.62 | 42% |
| **TOTAL OPERATING EXPENSES** | $ 4,189,200.00 | $ 1,710,432.04 | $ 2,478,767.96 | 41% |
| Expenses Allocated to Programs: | | | | |
| Salaries allocated to project expenses | (43,000.00) | (8,570.00) | (34,430.00) | 20% |
| Allocated salaries expense - WPCRF | (495,000.00) | (223,959.00) | (271,041.00) | 45% |
| Allocated employee benefits - WPCRF | (301,000.00) | (128,753.03) | (172,246.97) | 43% |
| Allocated overhead expense - WPCRF | (294,000.00) | (127,090.28) | (166,909.72) | 43% |
| Allocated salaries expense - DWRF | (468,000.00) | (187,155.00) | (280,845.00) | 40% |
| Allocated employee benefits - DWRF | (284,000.00) | (108,318.35) | (175,681.65) | 38% |
| Allocated overhead expense - DWRF | (257,000.00) | (93,992.38) | (163,007.62) | 37% |
| Total Allocated Expenses to Programs | (2,142,000.00) | (877,838.04) | (1,264,161.96) | 41% |
| **NET OPERATING EXPENSES** | $ 2,047,200.00 | $ 832,594.00 | $ 1,214,606.00 | 41% |
| Approved Projects Expenses: | | | | |
| WRBP Expenses | 120,000.00 | 46,453.71 | 73,546.29 | 39% |
| La Plata River Escrow Expenses | - | | - | 0% |
| Small Hydro Loan Program expenses | 25,000.00 | 6,161.53 | 18,838.47 | 25% |
| 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 | $ 52,615.24 | $ 1,322,384.76 | 4% |
| **TOTAL EXPENSES** | $ 3,422,200.00 | $ 885,209.24 | $ 2,536,990.76 | 26% |
| **OPERATING INCOME / (LOSS)** | | **$ (144,361.66)** | | |
| Transfers In / (Out) | | | | |
| **Change in Net Position** | | **$ (144,361.66)** | | |

*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

BACK TO AGENDA

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

**INCOME STATEMENT**
**Budget To Actual**
Calendar Year-To-Date as of May 31, 2026

| | Budget For 2026 | Actual Year-To-Date | Balance | % Actual/ Budget |
|---|---|---|---|---|
| **INCOME:** | | | | |
| Interest on investments - COLOTRUST | $ - | $ 512,479.85 | $ (512,479.85) | 0% |
| Interest on investments - COLOTRUST-Interim Loan Project | - | 7.73 | (7.73) | 0% |
| Interest on investments - STCP | - | 35,631.00 | (35,631.00) | 0% |
| Investment interest income - from WPCRF | - | - | - | 0% |
| Investment interest Income - from WRBP | - | - | - | 0% |
| Subtotal Interest on Investments | 930,000.00 | 548,118.58 | 381,881.42 | 59% |
| Interest on Investments - STCP-La Plata River Escrow | - | 1,505.00 | (1,505.00) | 0% |
| Interest on loans | 354,500.00 | 52,491.80 | 302,008.20 | 15% |
| Interest on leases | - | | - | 0% |
| Lease income | 64,000.00 | 25,657.39 | 38,342.61 | 40% |
| Gain/Loss on sale of assets | - | | - | 0% |
| Miscellaneous income | - | 822.50 | (822.50) | 0% |
| **TOTAL INCOME** | $ 1,348,500.00 | $ 628,595.27 | $ 719,904.73 | 47% |
| **EXPENSES:** | | | | |
| Board Expenses: | | | | |
| Per diems & PERA on per diems | $ 25,000.00 | $ 6,800.00 | $ 18,200.00 | 27% |
| Travel, lodging, meals, etc. | 50,000.00 | 23,557.16 | 26,442.84 | 47% |
| Meeting expenses | 25,000.00 | 4,232.90 | 20,767.10 | 17% |
| Memberships | 15,000.00 | 7,145.00 | 7,855.00 | 48% |
| Board insurance | 30,000.00 | | 30,000.00 | 0% |
| Total Board Expenses | 145,000.00 | 41,735.06 | 103,264.94 | 29% |
| Salary Expenses: | | | | |
| Staff salaries | 1,822,000.00 | 685,026.00 | 1,136,974.00 | 38% |
| Temporary services | 60,000.00 | 13,102.54 | 46,897.46 | 22% |
| Third Party Payroll & HR Services | 8,000.00 | 2,351.24 | 5,648.76 | 29% |
| Annual vacation and sick leave accrual | 100,000.00 | | 100,000.00 | 0% |
| Total Salary Expenses | 1,990,000.00 | 700,479.78 | 1,289,520.22 | 35% |
| Employee Benefits: | | | | |
| Pension expense* | 382,000.00 | 146,239.86 | 235,760.14 | 38% |
| Healthcare trust expense | 19,000.00 | | 19,000.00 | 0% |
| Medical and dental insurance | 316,000.00 | 90,425.80 | 225,574.20 | 29% |
| HRA reimbursement | - | 5,553.20 | (5,553.20) | 0% |
| LTD/Life insurance | 15,500.00 | 10,448.60 | 5,051.40 | 67% |
| Medicare - employer's match | 28,000.00 | 9,638.71 | 18,361.29 | 34% |
| Denver city tax - employer's match | 800.00 | 300.00 | 500.00 | 38% |
| 401k Match | 52,000.00 | 16,261.23 | 35,738.77 | 31% |
| State Workman's Comp. Insurance | 4,000.00 | 2,267.00 | 1,733.00 | 57% |
| Tuition reimbursement | 25,000.00 | 7,316.00 | 17,684.00 | 29% |
| Public transportation incentive | 1,400.00 | | 1,400.00 | 0% |
| Total Employee Benefits | 843,700.00 | 288,450.40 | 555,249.60 | 34% |
| Outside Services Employed: | | | | |
| General legal fees | 100,000.00 | 16,661.98 | 83,338.02 | 17% |
| General consulting services | 70,000.00 | 10,276.00 | 59,724.00 | 15% |
| Audit and budgetary fees | 30,000.00 | 22,218.00 | 7,782.00 | 74% |
| Total Outside Services | 200,000.00 | 49,155.98 | 150,844.02 | 25% |
| Employee / Administrative Expenses: | | | | |
| Travel, lodging, meals, etc. | 25,000.00 | 9,290.41 | 15,709.59 | 37% |
| Registration and training fees | 15,000.00 | 4,818.00 | 10,182.00 | 32% |
| Contributions and sponsorships | 45,000.00 | 29,625.00 | 15,375.00 | 66% |
| Dues, subscriptions and publications | 15,000.00 | 1,027.56 | 13,972.44 | 7% |
| Total Employee / Administrative Expenses | 100,000.00 | 44,760.97 | 55,239.03 | 45% |



BACK TO AGENDA

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

**INCOME STATEMENT**
**Budget To Actual**
Calendar Year-To-Date as of May 31, 2026

| | Budget For 2026 | Actual Year-To-Date | Balance | % Actual/ Budget |
|---|---|---|---|---|
| General Office Expenses: | | | | |
| Office rent and deposits | 352,000.00 | 155,821.57 | 196,178.43 | 44% |
| Interest expense-leases* | 70,000.00 | | 70,000.00 | 0% |
| Telephone and internet charges | 20,000.00 | 5,245.41 | 14,754.59 | 26% |
| Postage and delivery fees | 3,500.00 | 52.39 | 3,447.61 | 1% |
| Copying and printing costs | 9,000.00 | 1,681.31 | 7,318.69 | 19% |
| Office supplies | 19,000.00 | 7,448.02 | 11,551.98 | 39% |
| Technical support activities | 110,000.00 | 35,648.75 | 74,351.25 | 32% |
| Office insurance | 9,000.00 | 790.33 | 8,209.67 | 9% |
| Records retention | 30,000.00 | 750.08 | 29,249.92 | 3% |
| Total General Office Expenses | 622,500.00 | 207,437.86 | 415,062.14 | 33% |
| Office Assets Expenses: | | | | |
| Furniture & fixtures | 25,000.00 | 13,451.15 | 11,548.85 | 54% |
| Machines | 58,000.00 | (500.00) | 58,500.00 | -1% |
| Computer software | 90,000.00 | 25,639.36 | 64,360.64 | 28% |
| Depreciation expense | - | | - | 0% |
| Machine maintenance & maintenance contracts | 15,000.00 | 273.58 | 14,726.42 | 2% |
| Other expense | - | | - | 0% |
| Office improvements | 100,000.00 | 79,271.87 | 20,728.13 | 79% |
| Total Office Assets Expenses | 288,000.00 | 118,135.96 | 169,864.04 | 41% |
| **TOTAL OPERATING EXPENSES** | $ 4,189,200.00 | $ 1,450,156.01 | $ 2,739,043.99 | 35% |
| Expenses Allocated to Programs: | | | | |
| Salaries allocated to project expenses | (43,000.00) | (7,061.00) | (35,939.00) | 16% |
| Allocated salaries expense - WPCRF | (495,000.00) | (187,984.00) | (307,016.00) | 38% |
| Allocated employee benefits - WPCRF | (301,000.00) | (108,257.49) | (192,742.51) | 36% |
| Allocated overhead expense - WPCRF | (294,000.00) | (108,685.99) | (185,314.01) | 37% |
| Allocated salaries expense - DWRF | (468,000.00) | (158,302.00) | (309,698.00) | 34% |
| Allocated employee benefits - DWRF | (284,000.00) | (91,817.30) | (192,182.70) | 32% |
| Allocated overhead expense - DWRF | (257,000.00) | (80,740.76) | (176,259.24) | 31% |
| Total Allocated Expenses to Programs | (2,142,000.00) | (742,848.54) | (1,399,151.46) | 35% |
| **NET OPERATING EXPENSES** | $ 2,047,200.00 | $ 707,307.47 | $ 1,339,892.53 | 35% |
| Approved Projects Expenses: | | | | |
| WRBP Expenses | 120,000.00 | 44,245.25 | 75,754.75 | 37% |
| La Plata River Escrow Expenses | - | | - | 0% |
| Small Hydro Loan Program expenses | 25,000.00 | 5,088.23 | 19,911.77 | 20% |
| 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 | $ 49,333.48 | $ 1,325,666.52 | 4% |
| **TOTAL EXPENSES** | $ 3,422,200.00 | $ 756,640.95 | $ 2,665,559.05 | 22% |
| **OPERATING INCOME / (LOSS)** | | **$ (128,045.68)** | | |
| Transfers In / (Out) | | | | |
| **Change in Net Position** | | **$ (128,045.68)** | | |

*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

BACK TO AGENDA

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

**INCOME STATEMENT**
**Budget To Actual**
Calendar Year-To-Date as of April 30, 2026

| | Budget For 2026 | Actual Year-To-Date | Balance | % Actual/ Budget |
|---|---|---|---|---|
| **INCOME:** | | | | |
| Interest on investments - COLOTRUST | $ - | $ 404,808.87 | $ (404,808.87) | 0% |
| Interest on investments - COLOTRUST-Interim Loan Project | - | 5.80 | (5.80) | 0% |
| Interest on investments - STCP | - | 26,541.00 | (26,541.00) | 0% |
| Investment interest income - from WPCRF | - | - | - | 0% |
| Investment interest Income - from WRBP | - | - | - | 0% |
| Subtotal Interest on Investments | 930,000.00 | 431,355.67 | 498,644.33 | 46% |
| Interest on Investments - STCP-La Plata River Escrow | - | 1,121.00 | (1,121.00) | 0% |
| Interest on loans | 354,500.00 | 33,159.00 | 321,341.00 | 9% |
| Interest on leases | - | | - | 0% |
| Lease income | 64,000.00 | 19,797.12 | 44,202.88 | 31% |
| Gain/Loss on sale of assets | - | | - | 0% |
| Miscellaneous income | - | 256.96 | (256.96) | 0% |
| **TOTAL INCOME** | $ 1,348,500.00 | $ 485,689.75 | $ 862,810.25 | 36% |
| **EXPENSES:** | | | | |
| Board Expenses: | | | | |
| Per diems & PERA on per diems | $ 25,000.00 | $ 6,800.00 | $ 18,200.00 | 27% |
| Travel, lodging, meals, etc. | 50,000.00 | 17,350.92 | 32,649.08 | 35% |
| Meeting expenses | 25,000.00 | 632.90 | 24,367.10 | 3% |
| Memberships | 15,000.00 | 7,145.00 | 7,855.00 | 48% |
| Board insurance | 30,000.00 | | 30,000.00 | 0% |
| Total Board Expenses | 145,000.00 | 31,928.82 | 113,071.18 | 22% |
| Salary Expenses: | | | | |
| Staff salaries | 1,822,000.00 | 547,973.00 | 1,274,027.00 | 30% |
| Temporary services | 60,000.00 | 10,371.21 | 49,628.79 | 17% |
| Third Party Payroll & HR Services | 8,000.00 | 2,015.05 | 5,984.95 | 25% |
| Annual vacation and sick leave accrual | 100,000.00 | | 100,000.00 | 0% |
| Total Salary Expenses | 1,990,000.00 | 560,359.26 | 1,429,640.74 | 28% |
| Employee Benefits: | | | | |
| Pension expense* | 382,000.00 | 117,275.98 | 264,724.02 | 31% |
| Healthcare trust expense | 19,000.00 | | 19,000.00 | 0% |
| Medical and dental insurance | 316,000.00 | 72,340.64 | 243,659.36 | 23% |
| HRA reimbursement | - | 5,155.91 | (5,155.91) | 0% |
| LTD/Life insurance | 15,500.00 | 9,284.02 | 6,215.98 | 60% |
| Medicare - employer's match | 28,000.00 | 7,729.66 | 20,270.34 | 28% |
| Denver city tax - employer's match | 800.00 | 240.00 | 560.00 | 30% |
| 401k Match | 52,000.00 | 13,007.47 | 38,992.53 | 25% |
| State Workman's Comp. Insurance | 4,000.00 | 2,267.00 | 1,733.00 | 57% |
| Tuition reimbursement | 25,000.00 | 3,450.38 | 21,549.62 | 14% |
| Public transportation incentive | 1,400.00 | | 1,400.00 | 0% |
| Total Employee Benefits | 843,700.00 | 230,751.06 | 612,948.94 | 27% |
| Outside Services Employed: | | | | |
| General legal fees | 100,000.00 | 10,513.16 | 89,486.84 | 11% |
| General consulting services | 70,000.00 | 8,276.00 | 61,724.00 | 12% |
| Audit and budgetary fees | 30,000.00 | 18,340.00 | 11,660.00 | 61% |
| Total Outside Services | 200,000.00 | 37,129.16 | 162,870.84 | 19% |
| Employee / Administrative Expenses: | | | | |
| Travel, lodging, meals, etc. | 25,000.00 | 5,828.68 | 19,171.32 | 23% |
| Registration and training fees | 15,000.00 | 1,953.00 | 13,047.00 | 13% |
| Contributions and sponsorships | 45,000.00 | 29,625.00 | 15,375.00 | 66% |
| Dues, subscriptions and publications | 15,000.00 | 423.21 | 14,576.79 | 3% |
| Total Employee / Administrative Expenses | 100,000.00 | 37,829.89 | 62,170.11 | 38% |

BACK TO AGENDA

BACK TO AGENDA

## Colorado Water Resources and Power Development Authority

**INCOME STATEMENT**
**Budget To Actual**
Calendar Year-To-Date as of April 30, 2026

| | Budget For 2026 | Actual Year-To-Date | Balance | % Actual/ Budget |
|---|---|---|---|---|
| General Office Expenses: | | | | |
| Office rent and deposits | 352,000.00 | 128,304.10 | 223,695.90 | 36% |
| Interest expense-leases* | 70,000.00 | | 70,000.00 | 0% |
| Telephone and internet charges | 20,000.00 | 3,938.93 | 16,061.07 | 20% |
| Postage and delivery fees | 3,500.00 | 52.39 | 3,447.61 | 1% |
| Copying and printing costs | 9,000.00 | 1,090.00 | 7,910.00 | 12% |
| Office supplies | 19,000.00 | 6,252.99 | 12,747.01 | 33% |
| Technical support activities | 110,000.00 | 29,637.50 | 80,362.50 | 27% |
| Office insurance | 9,000.00 | 790.33 | 8,209.67 | 9% |
| Records retention | 30,000.00 | 750.08 | 29,249.92 | 3% |
| Total General Office Expenses | 622,500.00 | 170,816.32 | 451,683.68 | 27% |
| Office Assets Expenses: | | | | |
| Furniture & fixtures | 25,000.00 | 13,451.15 | 11,548.85 | 54% |
| Machines | 58,000.00 | (500.00) | 58,500.00 | -1% |
| Computer software | 90,000.00 | 23,406.45 | 66,593.55 | 26% |
| Depreciation expense | - | | - | 0% |
| Machine maintenance & maintenance contracts | 15,000.00 | 251.02 | 14,748.98 | 2% |
| Other expense | - | | - | 0% |
| Office improvements | 100,000.00 | 79,271.87 | 20,728.13 | 79% |
| Total Office Assets Expenses | 288,000.00 | 115,880.49 | 172,119.51 | 40% |
| **TOTAL OPERATING EXPENSES** | $ 4,189,200.00 | $ 1,184,695.00 | $ 3,004,505.00 | 28% |
| Expenses Allocated to Programs: | | | | |
| Salaries allocated to project expenses | (43,000.00) | (6,164.00) | (36,836.00) | 14% |
| Allocated salaries expense - WPCRF | (495,000.00) | (153,317.00) | (341,683.00) | 31% |
| Allocated employee benefits - WPCRF | (301,000.00) | (88,385.70) | (212,614.30) | 29% |
| Allocated overhead expense - WPCRF | (294,000.00) | (89,686.36) | (204,313.64) | 31% |
| Allocated salaries expense - DWRF | (468,000.00) | (130,746.00) | (337,254.00) | 28% |
| Allocated employee benefits - DWRF | (284,000.00) | (75,906.60) | (208,093.40) | 27% |
| Allocated overhead expense - DWRF | (257,000.00) | (67,687.97) | (189,312.03) | 26% |
| Total Allocated Expenses to Programs | (2,142,000.00) | (611,893.63) | (1,530,106.37) | 29% |
| **NET OPERATING EXPENSES** | $ 2,047,200.00 | $ 572,801.37 | $ 1,474,398.63 | 28% |
| Approved Projects Expenses: | | | | |
| WRBP Expenses | 120,000.00 | 39,794.25 | 80,205.75 | 33% |
| La Plata River Escrow Expenses | - | | - | 0% |
| Small Hydro Loan Program expenses | 25,000.00 | 4,218.73 | 20,781.27 | 17% |
| 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 | $ 44,012.98 | $ 1,330,987.02 | 3% |
| **TOTAL EXPENSES** | $ 3,422,200.00 | $ 616,814.35 | $ 2,805,385.65 | 18% |
| **OPERATING INCOME / (LOSS)** | | **$ (131,124.60)** | | |
| Transfers In / (Out) | | | | |
| **Change in Net Position** | | **$ (131,124.60)** | | |

*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



BACK TO AGENDA

BACK TO AGENDA

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

| **Account Balances:** | **YIELD:** | | **BALANCE:** |
|---|---|---|---|
| Unrestricted: | | | |
| Cash - US Bank (Checking Account) | 0.00% | $ | 349,022.05 |
| State Treasurers Cash Pool | 3.36% | $ | 1,755,487.28 |
| COLOTRUST Checking Investment Account (Average Daily Yield) | 3.75% | $ | 28,712,506.16 |
| COLOTRUST Authority Loan Account (Average Daily Yield) | 3.75% | $ | 136,188.87 |
| Board Designated: | | | |
| State Treasurers Cash Pool - La Plata River Escrow | 3.36% | $ | 138,897.73 |
| State Treasurers Cash Pool - Self Insurance Fund | 3.36% | $ | 1,533,843.00 |
| Restricted: | | | |
| COLOTRUST - I Loan Projects (Average Daily Yield) | 3.75% | $ | - |
| SHLP Loan Program | 3.75% | $ | 5,146,933.32 |
| SHLP Project Accounts | 3.75% | $ | - |

| **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 | (3,000,000.00) | - |
| Loans Receivable - WPCRF State Match YTD Balance | | **$ 2,538,200.00** |

| **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 | (6,000,000.00) | - |
| Loans Receivable - DWRF State Match YTD Balance | | **$ 3,821,000.00** |

| **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** | **6/30/2026 Balance** |
|---|---|---|---|---|---|
| **Admin Fee Accounts** | | | | | |
| WPCRF - COLOTRUST | $ 19,474,330.69 | 4,148,277.96 | (2,298,137.30) | | $ 21,324,471.35 |
| DWRF - COLOTRUST | $ 20,741,995.97 | 4,791,788.67 | (525,192.32) | | $ 25,008,592.32 |

| | **6/30/2026 Reloan Balance** | **Project Grant Funds Available** | **Bond Proceeds Available** | **Project Costs Payable (obligated)** | **6/30/2026 Unobligated Funds** |
|---|---|---|---|---|---|
| **SRF Reloan Accounts** | | | | | |
| WPCRF - COLOTRUST | $ 104,790,088.04 | 52,822,775.66 | 13,134,398.47 | (62,219,469.44) | $ 108,527,792.73 |
| DWRF - COLOTRUST | $ 104,839,658.64 | 139,557,365.36 | 24,488,928.52 | (140,542,576.05) | $ 128,343,376.47 |

BACK TO AGENDA

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Colorado Water Resources and Power Development Authority
Financial Highlights
May 31, 2026

| **Account Balances:** | **YIELD:** | **BALANCE:** |
|---|---|---|
| Unrestricted: | | |
| Cash - US Bank (Checking Account) | 0.00% | $ 135,956.24 |
| State Treasurers Cash Pool | 3.37% | $ 1,750,579.28 |
| COLOTRUST Checking Investment Account (Average Daily Yield) | 3.74% | $ 29,123,361.33 |
| COLOTRUST Authority Loan Account (Average Daily Yield) | 3.74% | $ 126,798.15 |
| Board Designated: | | |
| State Treasurers Cash Pool - La Plata River Escrow | 3.37% | $ 138,509.73 |
| State Treasurers Cash Pool - Self Insurance Fund | 3.37% | $ 1,529,555.00 |
| Restricted: | | |
| COLOTRUST - I Loan Projects (Average Daily Yield) | 3.74% | $ - |
| SHLP Loan Program | 3.74% | $ 5,130,638.71 |
| SHLP Project Accounts | 3.74% | $ - |

| **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 | (3,000,000.00) | - |
| Loans Receivable - WPCRF State Match YTD Balance | | **$ 2,538,200.00** |

| **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 | (6,000,000.00) | - |
| Loans Receivable - DWRF State Match YTD Balance | | **$ 3,821,000.00** |

| **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 | | $ - |

| **Admin Fee Accounts** | **1/1/2026 Balance** | **Misc Additions/ Subtractions** | **Admin Draws** | **St Match Loan Payment** | **5/31/2026 Balance** |
|---|---|---|---|---|---|
| WPCRF - COLOTRUST | $ 19,474,330.69 | 3,994,754.32 | (2,298,137.30) | | $ 21,170,947.71 |
| DWRF - COLOTRUST | $ 20,741,995.97 | 4,659,095.42 | (525,192.32) | | $ 24,875,899.07 |

| **SRF Reloan Accounts** | **5/31/2026 Reloan Balance** | **Project Grant Funds Available** | **Bond Proceeds Available** | **Project Costs Payable (obligated)** | **5/31/2026 Unobligated Funds** |
|---|---|---|---|---|---|
| WPCRF - COLOTRUST | $ 106,601,732.65 | 54,244,574.05 | 13,134,398.47 | (63,815,248.58) | $ 110,165,456.59 |
| DWRF - COLOTRUST | $ 107,680,744.00 | 139,690,539.90 | 29,232,187.56 | (145,426,464.90) | $ 131,177,006.56 |

BACK TO AGENDA

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

| **Account Balances:** | **YIELD:** | **BALANCE:** |
|---|---|---|
| Unrestricted: | | |
| Cash - US Bank (Checking Account) | 0.00% | $ 183,902.28 |
| State Treasurers Cash Pool | 3.34% | $ 1,745,728.28 |
| COLOTRUST Checking Investment Account (Average Daily Yield) | 3.77% | $ 29,031,007.05 |
| COLOTRUST Authority Loan Account (Average Daily Yield) | 3.77% | $ 622.65 |
| Board Designated: | | |
| State Treasurers Cash Pool - La Plata River Escrow | 3.34% | $ 138,125.73 |
| State Treasurers Cash Pool - Self Insurance Fund | 3.34% | $ 1,525,316.00 |
| Restricted: | | |
| COLOTRUST - I Loan Projects (Average Daily Yield) | 3.77% | $ - |
| SHLP Loan Program | 3.77% | $ 5,028,341.29 |
| SHLP Project Accounts | 3.77% | $ - |

| **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 | (3,000,000.00) | - |
| Loans Receivable - WPCRF State Match YTD Balance | | **$ 2,538,200.00** |

| **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 | (6,000,000.00) | - |
| Loans Receivable - DWRF State Match YTD Balance | | **$ 3,821,000.00** |

| **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 | | **$ -** |

| **Admin Fee Accounts** | **1/1/2026 Balance** | **Misc Additions/ Subtractions** | **Admin Draws** | **St Match Loan Payment** | **4/30/2026 Balance** |
|---|---|---|---|---|---|
| WPCRF - COLOTRUST | $ 19,474,330.69 | 3,647,098.24 | | | $ 23,121,428.93 |
| DWRF - COLOTRUST | $ 20,741,995.97 | 3,857,740.88 | | | $ 24,599,736.85 |

| **SRF Reloan Accounts** | **4/30/2026 Reloan Balance** | **Project Grant Funds Available** | **Bond Proceeds Available** | **Project Costs Payable (obligated)** | **4/30/2026 Unobligated Funds** |
|---|---|---|---|---|---|
| WPCRF - COLOTRUST | $ 107,623,095.08 | 55,273,029.50 | 13,134,398.47 | (63,144,863.91) | $ 112,885,659.14 |
| DWRF - COLOTRUST | $ 113,071,225.59 | 125,207,894.10 | 29,232,187.56 | (152,468,903.22) | $ 115,042,404.03 |

BACK TO AGENDA

# Drinking Water Revolving Fund

*Statement of Net Position*

**As of June 30, 2026**

| | |
|---|---|
| **Current Assets:** | |
| Cash & Equivalents | $ 129,848,251 |
| Federal Grants Receivable | 415,624 |
| Investment Income Receivable | - |
| Loans Receivable | - |
| Leases Receivable | - |
| Due from Other Funds | - |
| Accounts Receivable-Borrowers | 475 |
| Interest Receivable-Leases | - |
| Other Assets | - |
| Restricted Assets: | |
| Cash & Cash Equivalents | - |
| Investments | - |
| Investment Income Receivable | - |
| Total Current Assets | 130,264,350 |
| **Noncurrent Assets:** | |
| Restricted Assets: | |
| Cash & Equivalents | 64,631,208 |
| Investments | 7,838,105 |
| Advance Receivable | - |
| Loans Receivable | 510,224,160 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of | |
| Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | - |
| Total Noncurrent Assets | 582,693,473 |
| **Total Total Assets** | **712,957,823** |
| **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 | 4,821,739 |
| Interest Payable-Leases | - |
| Due to Other Funds | - |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 4,821,739 |
| **Noncurrent Liablities** | |

Created on 07/06/2026

BACK TO AGENDA

# Drinking Water Revolving Fund

*Statement of Net Position*

**As of June 30, 2026**

| | |
|---|---|
| Project Costs Payable - Long Term | 89,418,074 |
| Advance Payable | 3,821,000 |
| Bonds Payable, net | 109,275,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | - |
| Other Liabilities | 1,087,032 |
| Total Noncurrent Liablities | 203,601,106 |
| **Total Liabilities** | **208,422,845** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 504,594,574 |
| Unrestricted | - |
| **Fund Net Position** | **$ 504,594,574** |

Created on 07/06/2026

# Drinking Water Revolving Fund

*Statement of Changes in Net Position*

**As of June 30, 2026**

| | |
|---|---|
| **Operating Income** | |
| Operating Revenues: | |
| Administrative Fee | 1,985,550 |
| Total Operating Revenues | 1,985,550 |
| Total Operating Income (Loss) | 1,985,550 |
| | |
| **Noncapital Subsidies Received (Provided)** | |
| EPA Grants - Pass Through | 18,141,979 |
| EPA Grants | 1,742,231 |
| EPA Set Asides | (1,742,231) |
| Loan Principal Forgiven | (6,431,564) |
| Operating Transfers In/(Out) | 6,275 |
| Total Noncapital Subsidies | 11,716,690 |
| Total Operating Income (Loss) & Noncapital Subsidies | 13,702,240 |
| | |
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Investments | 2,603,513 |
| Interest on Bonds | (783,428) |
| Interest on Loans | 365,088 |
| Total Nonoperating Revenues (Expenses) | 2,185,173 |
| **Total Change in Net Position** | **15,887,413** |
| | |
| **Fund Net Position-Beginning of Year** | **488,707,160** |
| | |
| Fund Net Position | $ 504,594,574 |

BACK TO AGENDA

# Drinking Water Revolving Fund

*Statement of Net Position*

**As of May 31, 2026**

| | |
|---|---|
| **Current Assets:** | |
| Cash & Equivalents | $ 132,556,643 |
| Federal Grants Receivable | 415,624 |
| Investment Income Receivable | - |
| Loans Receivable | - |
| Leases Receivable | - |
| Due from Other Funds | - |
| Accounts Receivable-Borrowers | 10,014 |
| Interest Receivable-Leases | - |
| Other Assets | - |
| Restricted Assets: | |
| Cash & Cash Equivalents | - |
| Investments | - |
| Investment Income Receivable | - |
| Total Current Assets | 132,982,281 |
| **Noncurrent Assets:** | |
| Restricted Assets: | |
| Cash & Equivalents | 68,737,421 |
| Investments | 7,838,105 |
| Advance Receivable | - |
| Loans Receivable | 509,683,697 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of | |
| Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | - |
| Total Noncurrent Assets | 586,259,223 |
| **Total Total Assets** | **719,241,504** |
| **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 | 4,715,423 |
| Interest Payable-Leases | - |
| Due to Other Funds | - |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 4,715,423 |
| **Noncurrent Liablities** | |

Created on 06/03/2026

BACK TO AGENDA

# Drinking Water Revolving Fund

*Statement of Net Position*

**As of May 31, 2026**

| | |
|---|---|
| Project Costs Payable - Long Term | 96,439,627 |
| Advance Payable | 3,821,000 |
| Bonds Payable, net | 109,275,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | - |
| Other Liabilities | 1,087,032 |
| Total Noncurrent Liablities | 210,622,659 |
| **Total Liabilities** | **215,338,082** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 503,963,018 |
| Unrestricted | - |
| **Fund Net Position** | **$ 503,963,018** |

Created on 06/03/2026

# Drinking Water Revolving Fund

*Statement of Changes in Net Position*

**As of May 31, 2026**

| | |
|---|---|
| **Operating Income** | |
| Operating Revenues: | |
| Administrative Fee | 1,940,447 |
| Total Operating Revenues | 1,940,447 |
| Total Operating Income | 1,940,447 |
| **Noncapital Subsidies Received (Provided)** | |
| EPA Grants - Pass Through | 18,008,804 |
| EPA Grants | 1,742,231 |
| EPA Set Asides | (1,742,231) |
| Loan Principal Forgiven | (6,335,985) |
| Operating Transfers In/(Out) | 6,275 |
| Total Noncapital Subsidies | 11,679,094 |
| Total Operating Income (Loss) & Noncapital | 13,619,541 |
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Investments | 2,062,019 |
| Interest on Bonds | (783,428) |
| Interest on Loans | 357,726 |
| Total Nonoperating Revenues (Expenses) | 1,636,317 |
| **Total Change in Net Position** | **15,255,858** |
| **Fund Net Position-Beginning of Year** | **488,707,160** |
| Fund Net Position | $ 503,963,018 |

Created on 06/03/2026

BACK TO AGENDA

# Drinking Water Revolving Fund

*Statement of Net Position*

**As of April 30, 2026**

| | |
|---|---|
| **Current Assets:** | |
| Cash & Equivalents | $ 137,670,962 |
| Federal Grants Receivable | 1,072,876 |
| Investment Income Receivable | - |
| Loans Receivable | - |
| Leases Receivable | - |
| Due from Other Funds | - |
| Accounts Receivable-Borrowers | 715,104 |
| Interest Receivable-Leases | - |
| Other Assets | - |
| Restricted Assets: | |
| Cash & Cash Equivalents | - |
| Investments | - |
| Investment Income Receivable | - |
| Total Current Assets | 139,458,942 |
| **Noncurrent Assets:** | |
| Restricted Assets: | |
| Cash & Equivalents | 67,007,514 |
| Investments | 7,838,105 |
| Advance Receivable | - |
| Loans Receivable | 511,330,588 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | - |
| Total Noncurrent Assets | 586,176,207 |
| **Total Total Assets** | **725,635,149** |
| **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 | 4,608,132 |
| Interest Payable-Leases | - |
| Due to Other Funds | 1,188,720 |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 5,796,852 |
| **Noncurrent Liablities** | |

Created on 05/12/2026

BACK TO AGENDA

# Drinking Water Revolving Fund

*Statement of Net Position*

**As of April 30, 2026**

| | |
|---|---|
| Project Costs Payable - Long Term | 102,464,511 |
| Advance Payable | 3,821,000 |
| Bonds Payable, net | 109,275,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | - |
| Other Liabilities | 1,087,032 |
| Total Noncurrent Liablities | 216,647,543 |
| **Total Liabilities** | **222,444,395** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 503,250,349 |
| Unrestricted | - |
| **Fund Net Position** | **$ 503,250,349** |

Created on 05/12/2026

BACK TO AGENDA

# Drinking Water Revolving Fund

*Statement of Changes in Net Position*

**As of April 30, 2026**

| | |
|---|---|
| **Operating Income** | |
| Operating Revenues: | |
| Administrative Fee | 1,916,713 |
| Total Operating Revenues | 1,916,713 |
| Total Operating Income | 1,916,713 |
| **Noncapital Subsidies Received (Provided)** | |
| EPA Grants - Pass Through | 16,584,450 |
| Loan Principal Forgiven | (5,075,260) |
| Total Noncapital Subsidies | 11,509,190 |
| Total Operating Income (Loss) & Noncapital | 13,425,903 |
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Investments | 1,542,988 |
| Interest on Bonds | (783,428) |
| Interest on Loans | 357,726 |
| Total Nonoperating Revenues (Expenses) | 1,117,286 |
| **Total Change in Net Position** | **14,543,189** |
| **Fund Net Position-Beginning of Year** | **488,707,160** |
| Fund Net Position | $ 503,250,349 |

Created on 05/12/2026

BACK TO AGENDA

BACK TO AGENDA

# WPCRF

*Statement of Net Position*

**As of June 30, 2026**

| | |
|---|---|
| **Current Assets:** | |
| Cash & Equivalents | $ 126,114,559 |
| Federal Grants Receivable | 71,063 |
| 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 | 126,185,622 |
| **Noncurrent Assets:** | |
| Restricted Assets: | |
| Cash & Equivalents | 67,503,177 |
| Investments | - |
| Advance Receivable | - |
| Loans Receivable | 576,755,016 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of | |
| Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | - |
| Total Noncurrent Assets | 644,258,193 |
| **Total Total Assets** | **770,443,815** |
| **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 | 6,677,621 |
| Interest Payable-Leases | - |
| Due to Other Funds | - |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 6,677,621 |
| **Noncurrent Liablities** | |



BACK TO AGENDA

# WPCRF

*Statement of Net Position*

**As of June 30, 2026**

| | |
|---|---|
| Project Costs Payable - Long Term | 55,184,880 |
| Advance Payable | 2,538,200 |
| Bonds Payable, net | 133,635,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | - |
| Other Liabilities | 4,396,119 |
| Total Noncurrent Liablities | 195,754,199 |
| **Total Liabilities** | **202,431,820** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 568,105,331 |
| Unrestricted | - |
| **Fund Net Position** | **$ 568,105,331** |

Created on 07/14/2026

BACK TO AGENDA

# WPCRF

*Statement of Changes in Net Position*

**As of June 30, 2026**

| | |
|---|---|
| **Operating Income** | |
| Operating Revenues: | |
| Administrative Fee | 1,422,809 |
| Total Operating Revenues | 1,422,809 |
| Total Operating Income (Loss) | 1,422,809 |
| **Noncapital Subsidies Received (Provided)** | |
| EPA Grants - Pass Through | 10,316,541 |
| Loan Principal Forgiven | (3,227,536) |
| Operating Transfers In/(Out) | (6,274) |
| Total Noncapital Subsidies | 7,082,731 |
| Total Operating Income (Loss) & Noncapital Subsidies | 8,505,540 |
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Investments | 2,777,112 |
| Interest on Bonds | (960,601) |
| Interest on Loans | 479,958 |
| Total Nonoperating Revenues (Expenses) | 2,296,469 |
| **Total Change in Net Position** | **10,802,009** |
| **Fund Net Position-Beginning of Year** | **557,303,322** |
| Fund Net Position | $ 568,105,331 |

Created on 07/14/2026

BACK TO AGENDA

BACK TO AGENDA

# WPCRF

*Statement of Net Position*

**As of May 31, 2026**

| | |
|---|---|
| **Current Assets:** | |
| Cash & Equivalents | $ 127,772,680 |
| Federal Grants Receivable | 71,063 |
| Investment Income Receivable | - |
| Loans Receivable | - |
| Leases Receivable | - |
| Due from Other Funds | - |
| Accounts Receivable-Borrowers | 22,923 |
| Interest Receivable-Leases | - |
| Other Assets | - |
| Restricted Assets: | |
| Cash & Cash Equivalents | - |
| Investments | - |
| Investment Income Receivable | - |
| Total Current Assets | 127,866,666 |
| **Noncurrent Assets:** | |
| Restricted Assets: | |
| Cash & Equivalents | 66,624,391 |
| Investments | - |
| Advance Receivable | - |
| Loans Receivable | 576,705,346 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of | |
| Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | - |
| Total Noncurrent Assets | 643,329,737 |
| **Total Total Assets** | **771,196,403** |
| **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 | 6,657,489 |
| Interest Payable-Leases | - |
| Due to Other Funds | - |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 6,657,489 |
| **Noncurrent Liablities** | |



BACK TO AGENDA

BACK TO AGENDA

# WPCRF

*Statement of Net Position*

**As of May 31, 2026**

| | |
|---|---|
| Project Costs Payable - Long Term | 56,933,514 |
| Advance Payable | 2,538,200 |
| Bonds Payable, net | 133,650,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | - |
| Other Liabilities | 4,396,119 |
| Total Noncurrent Liablities | 197,517,833 |
| **Total Liabilities** | **204,175,322** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 567,114,418 |
| Unrestricted | - |
| **Fund Net Position** | **$ 567,114,418** |

Created on 06/18/2026

BACK TO AGENDA

BACK TO AGENDA

# WPCRF

*Statement of Changes in Net Position*

**As of May 31, 2026**

| | |
|---|---|
| **Operating Income** | |
| Operating Revenues: | |
| Administrative Fee | 1,351,704 |
| Total Operating Revenues | 1,351,704 |
| Total Operating Income (Loss) | 1,351,704 |
| **Noncapital Subsidies Received (Provided)** | |
| EPA Grants - Pass Through | 8,894,742 |
| Loan Principal Forgiven | (2,337,837) |
| Operating Transfers In/(Out) | (6,275) |
| Total Noncapital Subsidies | 6,550,630 |
| Total Operating Income (Loss) & Noncapital Subsidies | 7,902,334 |
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Investments | 2,442,889 |
| Interest on Bonds | (960,151) |
| Interest on Loans | 426,023 |
| Total Nonoperating Revenues (Expenses) | 1,908,761 |
| **Total Change in Net Position** | **9,811,095** |
| **Fund Net Position-Beginning of Year** | **557,303,322** |
| Fund Net Position | $ 567,114,418 |

Created on 06/18/2026

BACK TO AGENDA

BACK TO AGENDA

# WPCRF

*Statement of Net Position*

**As of April 30, 2026**

| | |
|---|---|
| **Current Assets:** | |
| Cash & Equivalents | $ 130,744,524 |
| Federal Grants Receivable | 229,500 |
| Investment Income Receivable | - |
| Loans Receivable | - |
| Leases Receivable | - |
| Due from Other Funds | - |
| Accounts Receivable-Borrowers | 509,434 |
| Interest Receivable-Leases | - |
| Other Assets | - |
| Restricted Assets: | |
| Cash & Cash Equivalents | - |
| Investments | - |
| Investment Income Receivable | - |
| Total Current Assets | 131,483,458 |
| **Noncurrent Assets:** | |
| Restricted Assets: | |
| Cash & Equivalents | 65,468,720 |
| Investments | - |
| Advance Receivable | - |
| Loans Receivable | 575,171,145 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of | |
| Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | - |
| Total Noncurrent Assets | 640,639,865 |
| **Total Total Assets** | **772,123,323** |
| **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 | 6,603,936 |
| Interest Payable-Leases | - |
| Due to Other Funds | 2,450,300 |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 9,054,236 |
| **Noncurrent Liablities** | |

Created on 05/26/2026

BACK TO AGENDA

# WPCRF

*Statement of Net Position*

**As of April 30, 2026**

| | |
|---|---|
| Project Costs Payable - Long Term | 56,214,590 |
| Advance Payable | 2,538,200 |
| Bonds Payable, net | 133,650,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | - |
| Other Liabilities | 4,396,119 |
| Total Noncurrent Liablities | 196,798,909 |
| **Total Liabilities** | **205,853,145** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 566,363,514 |
| Unrestricted | - |
| **Fund Net Position** | **$ 566,363,514** |

Created on 05/26/2026

# WPCRF

*Statement of Changes in Net Position*

**As of April 30, 2026**

| | |
|---|---|
| **Operating Income** | |
| Operating Revenues: | |
| Administrative Fee | 1,548,291 |
| Total Operating Revenues | 1,548,291 |
| Total Operating Income | 1,548,291 |
| **Noncapital Subsidies Received (Provided)** | |
| EPA Grants - Pass Through | 8,024,725 |
| Loan Principal Forgiven | (1,884,317) |
| Total Noncapital Subsidies | 6,140,408 |
| Total Operating Income (Loss) & Noncapital | 7,688,699 |
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Investments | 1,901,643 |
| Interest on Bonds | (960,150) |
| Interest on Loans | 430,000 |
| Total Nonoperating Revenues (Expenses) | 1,371,493 |
| **Total Change in Net Position** | **9,060,192** |
| **Fund Net Position-Beginning of Year** | **557,303,322** |
| Fund Net Position | $ 566,363,514 |

Created on 05/26/2026

# Water Revenue Bonds Pgm

*Statement of Net Position*

**As of June 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 | 11,850,394 |
| Investments | - |
| Advance Receivable | - |
| Loans Receivable | 48,350,000 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | 128,825 |
| Total Noncurrent Assets | 60,329,219 |
| **Total Total Assets** | **60,329,219** |
| **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 | 3,218,191 |
| Interest Payable-Leases | - |
| Due to Other Funds | - |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 3,218,191 |
| **Noncurrent Liablities** | |



BACK TO AGENDA

# Water Revenue Bonds Pgm

*Statement of Net Position*

**As of June 30, 2026**

| | |
|---|---|
| Project Costs Payable - Long Term | 7,671,453 |
| Advance Payable | - |
| Bonds Payable, net | 48,350,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | 960,750 |
| Other Liabilities | - |
| Total Noncurrent Liablities | 56,982,203 |
| **Total Liabilities** | **60,200,394** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 270,023 |
| Unrestricted | - |
| **Fund Net Position** | **$ 270,023** |

Created on 07/10/2026

# Water Revenue Bonds Pgm

*Statement of Changes in Net Position*

**As of June 30, 2026**

| | |
|---|---|
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Bonds | (411,881) |
| Interest on Loans | 222,897 |
| 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 07/10/2026

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# Water Revenue Bonds Pgm

*Statement of Net Position*

**As of May 31, 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 | 13,028,258 |
| Investments | - |
| Advance Receivable | - |
| Loans Receivable | 48,350,000 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | 128,825 |
| Total Noncurrent Assets | 61,507,083 |
| **Total Total Assets** | **61,507,083** |
| **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 | 17,900 |
| Accounts Payable-Borrowers | 3,176,979 |
| Interest Payable-Leases | - |
| Due to Other Funds | - |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 3,194,879 |
| **Noncurrent Liablities** | |

Created on 06/09/2026

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# Water Revenue Bonds Pgm

*Statement of Net Position*

**As of May 31, 2026**

| | |
|---|---:|
| Project Costs Payable - Long Term | 8,483,129 |
| Advance Payable | - |
| Bonds Payable, net | 48,650,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | 960,750 |
| Other Liabilities | - |
| Total Noncurrent Liablities | 58,093,879 |
| **Total Liabilities** | **61,288,758** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 359,523 |
| Unrestricted | - |
| **Fund Net Position** | **$ 359,523** |

Created on 06/09/2026

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# Water Revenue Bonds Pgm

*Statement of Changes in Net Position*

**As of May 31, 2026**

| | |
|---|---|
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Bonds | (322,381) |
| Interest on Loans | 222,897 |
| Total Nonoperating Revenues (Expenses) | (99,484) |
| **Total Change in Net Position** | **(99,484)** |
| **Fund Net Position-Beginning of Year** | **459,008** |
| Fund Net Position | $ 359,523 |

Created on 06/09/2026

BACK TO AGENDA

# WRBP

*Statement of Net Position*

**As of April 30, 2026**

| | |
|---|---|
| **Current Assets:** | |
| Cash & Equivalents | $ - |
| Federal Grants Receivable | - |
| Investment Income Receivable | - |
| Loans Receivable | - |
| Leases Receivable | - |
| Due from Other Funds | - |
| Accounts Receivable-Borrowers | 35,800 |
| Interest Receivable-Leases | - |
| Other Assets | - |
| Restricted Assets: | |
| Cash & Cash Equivalents | - |
| Investments | - |
| Investment Income Receivable | - |
| Total Current Assets | 35,800 |
| **Noncurrent Assets:** | |
| Restricted Assets: | |
| Cash & Equivalents | 12,986,613 |
| Investments | - |
| Advance Receivable | - |
| Loans Receivable | 48,350,000 |
| Leases Receivable | - |
| Capital Assets-Equipment, Net of | |
| Accumulated Depreciation | - |
| Lease Assets | - |
| Other Assets | 128,825 |
| Total Noncurrent Assets | 61,465,438 |
| **Total Total Assets** | **61,501,238** |
| **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 | 17,900 |
| Accounts Payable-Borrowers | 3,135,334 |
| Interest Payable-Leases | - |
| Due to Other Funds | - |
| Accounts Payable-Other | - |
| Other Liabilities | - |
| Total Current Liabilities | 3,153,234 |
| **Noncurrent Liablities** | |

Created on 05/21/2026

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# WRBP

*Statement of Net Position*

**As of April 30, 2026**

| | |
|---|---|
| Project Costs Payable - Long Term | 8,483,129 |
| Advance Payable | - |
| Bonds Payable, net | 48,650,000 |
| Unearned Revenue | - |
| Lease Liability | - |
| Pension Liability | - |
| HCTF Liability | - |
| Debt Service Reserve Deposit | 960,750 |
| Other Liabilities | - |
| Total Noncurrent Liablities | 58,093,879 |
| **Total Liabilities** | **61,247,113** |
| **Deferred Inflows-Refundings** | **-** |
| **Deferred Inflows-Pension** | **-** |
| **Deferred Inflows-OPEB** | **-** |
| **Deferred Inflows-Leases** | **-** |
| Restricted | 395,323 |
| Unrestricted | - |
| **Fund Net Position** | **$ 395,323** |

Created on 05/21/2026

# WRBP

*Statement of Changes in Net Position*

**As of April 30, 2026**

| | |
|---|---|
| **Other Nonoperating Revenues (Expenses):** | |
| Interest on Bonds | (322,381) |
| Interest on Loans | 258,697 |
| Total Nonoperating Revenues (Expenses) | (63,684) |
| **Total Change in Net Position** | **(63,684)** |
| **Fund Net Position-Beginning of Year** | **459,008** |
| Fund Net Position | $ 395,323 |

Created on 05/21/2026

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

Transmitted Via Email

June 16, 2026

Mr. Patrick Cummins
Director of Environmental Health & Protection
Colorado Department of Public Health & Environment
Patrick.cummins@state.co.us

Re: Drinking Water Revolving Fund (DWRF) - Financial Sustainability
May 28, 2026 Meeting Summary

Director Cummins:

Thanks for meeting with our team on May 28, 2026.

The DWRF provides Colorado communities with reliable long-term, low-interest financing for water infrastructure projects. Colorado endeavors to operate a self-funding, sustainable DWRF program, and we appreciate CDPHE leadership's commitment to ensuring that SRF funds Colorado's water, wastewater, and stormwater projects in perpetuity.

As we discussed, the U.S. EPA allows up to 31% to be taken out, or "set aside", from the capitalization grant for Safe Drinking Water program management and related activities. In addition, the U.S. EPA mandates that between 20% and 40% of the capitalization grant be taken as "additional subsidization" for disadvantaged communities (principal forgiveness). Historically, Colorado has taken 31% as set-asides and 20% additional subsidization, removing 51% of the capitalization grant's loanable funds. Taking more than 50% of the DWRF capitalization grant prevents Colorado from operating a fiscally sustainable program.

Additionally, the Colorado SRFs face a fiscal cliff at the end of 2026, as the Infrastructure Investment and Jobs Act (IIJA) concludes and Congressionally Directed Spending (earmarks) continues, which annually cannibalizes more than 50 percent of the SRF base funding. This significant reduction in loanable funds lowers future administrative fees, further challenging the sustainability of the SRF programs.

We appreciate the Division's willingness to help solve the sustainability challenges. In particular, we appreciate the Division's willingness to:

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1. Reduce IIJA and Base DWRF set asides for the 2026 cap grant year, as a result of the Division's increased request from the 2025 IIJA cap grant.
2. Explore funding the WQCD Safe Drinking Water program with sources other than set-asides including:
   - annual fees from public water systems
   - fees for specific services from public water systems to WQCD (such as engineering design review).
   - funds from the general assembly.
3. Utilize the administrative fee projections provided by the Authority, prepare an expense analysis that demonstrates the appropriate level of expense that maintains solvency in both the CW and DW funds over the next 5-years.
4. Collaborate with the Authority to find sources for SRF base fund state match.
5. Reduce base SRF set-asides, as part of the No. 2 strategy above, to ensure program expenses match program revenues. The goal is to work towards a 20/80 split to ensure perpetuity of the SRFs.
6. Reduce WQCD IIJA staffing in line with reduced IIJA workloads and funding per the MOAs.

We look forward to working with the WQCD in the coming months and years to solve this critical issue.

Sincerely,

Keith McLaughlin
Executive Director

Cc: Mike Beck – WQCD
Nicole Rowan – WQCD
Steve Vandiver- CWRPDA

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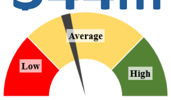
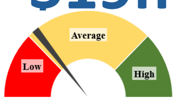
# Finance Director's Report
# August 2026 Board Meeting

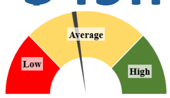
## Current Interest Rates

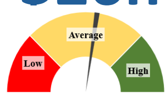
| Non-DAC Direct Loans | DAC 1 Direct Loans | DAC 2 Direct Loans | Leveraged Loans |
|---|---|---|---|
| **3.50%**-30 yrs | **2.75%**-30 yrs | **1.75%**-30 yrs | Up to **85%** of Authority's AAA rate |
| **3.25%**-20 yrs | **2.50%**-20 yrs | **1.50%**-20 yrs | |

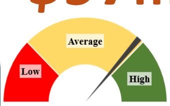
## Current Capacity

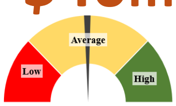
DWRF Base
$44m


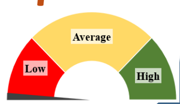

DWRF Supp
$19m



DWRF LSL
$49m


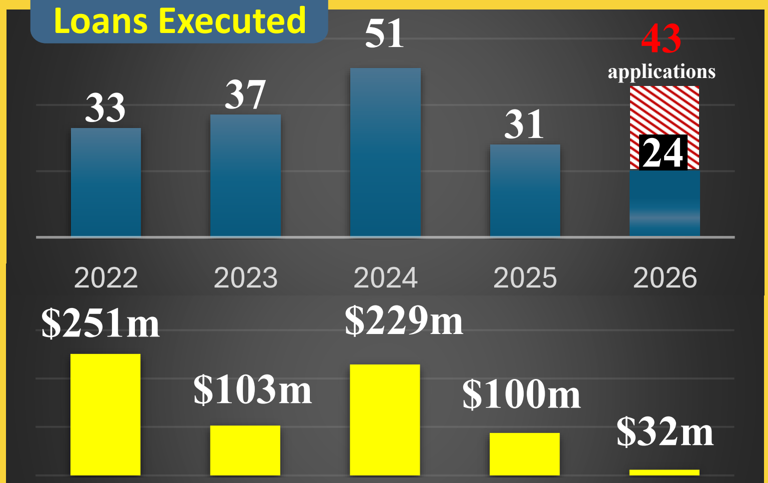

DWRF EC
$26m



WPCRF Base
$97m



WPCRF Supp
$40m



WPCRF EC
$3m



## Last 5 Years Loans Executed



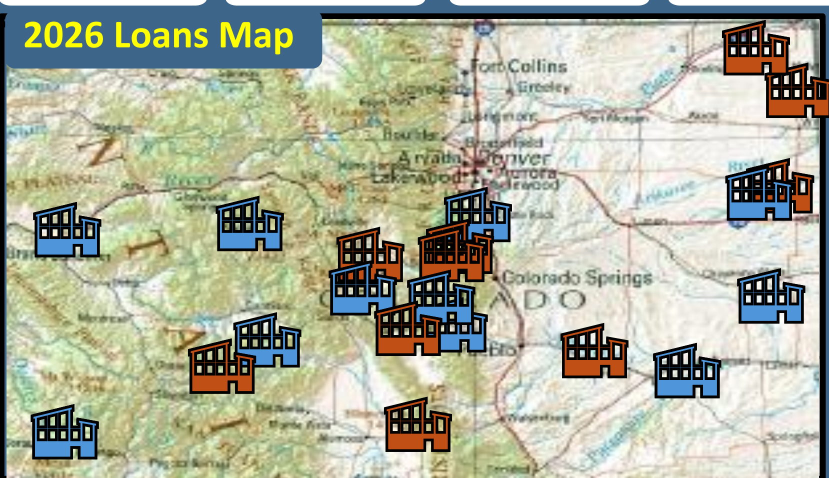

## 2026 Metrics

| Pre-Quals | D&Es Closed | SRF Loans | DAC Loans | $ Paid Out | Amnt. Executed | CO Counties Helped | CO Pop Helped |
|---|---|---|---|---|---|---|---|
| 32 | 12 | 24 | 19 | $81m | $32m | 13 | 150k |

## Loan Application Schedule

| Jan. 5th* | Feb. 5th | Apr. 5th | June 5th* | Aug. 5th | Oct. 5th | Nov. 5th |
|---|---|---|---|---|---|---|
| Open to all Projects | Open to all Projects | Open to all Projects | Open to all Projects | Priority Projects Only | Priority Projects Only | Priority Projects Only |
| March Meeting | April Meeting | June Meeting | Aug. Meeting | Oct. Meeting | Dec. Meeting | Jan. Meeting |

## 2026 Loans Map




## Upcoming Items

- Emma officially started and we are so glad to have her and she has hit the ground running already
- We also received 6 loan applications for the August 5th application 3 DWRF and 3 WPCRF
- We have started to look at next year i.e., post IIJA/BIL and have brought several policies for the Board's review and approval.

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

**MEMORANDUM**

**August 19, 2026**

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

**FROM:** **Wes Williams, Finance Director**
**Giorgi Gazashvili, Financial Analyst II**

**RE:** **State Revolving Fund (SRF) Prioritization Model - Open Loan Application Cycles**

In June 2024, the Board approved the new SRF Prioritization Model and incorporated it into the 2025 IUP, which was implemented on January 1, 2025. On December 5, 2025, the Board approved an adjustment to the OPEN and LIMITED loan cycles, opening the April 5 and June 5 cycles to all projects. Overall, the Prioritization Model has continued to function as staff anticipated; however, staff has observed lower than expected demand in the WPCRF program. Under the current structure, WPCRF projects scoring below the Priority Point Threshold are unable to apply during the remaining 2026 cycles (October 5 and November 5) and would have to wait until January 2027 to submit a loan application.

Staff recommends the Board approve a one-year adjustment to the Prioritization Model that would open the October 5 and November 5 loan application deadlines to all WPCRF projects in 2026. This adjustment would allow more WPCRF projects to apply during the rest of the year, make use of available program capacity during a period of reduced demand, and provide timely assistance to communities seeking financing. Additionally, this change, combined with removing the WPCRF loan limit, would allow borrowers with larger projects to apply for funding in 2026. It does not modify the prioritization structure previously approved by the Board but instead provides one-time operational flexibility to better align with program usage.

<table>
<tr><th>Current Prioritization Model</th><th>Staff's Suggested Prioritization Model changes</th></tr>
<tr><td>1. A Priority Point Threshold score will be set. Projects at or above the threshold can apply during all 7 cycles (DAC projects automatically score at or above the priority point threshold).<br><br>2. Projects below the threshold can only apply at the OPEN loan cycles.<br><br>3. There will be 4 OPEN and 3 LIMITED (limited to projects meeting the threshold or an exception) loan application cycles throughout the year, and the cycles can be adjusted by the Board throughout the year.<br>• OPEN cycles = Jan. 5, Feb. 5, April 5, June 5.<br>(Leverage loan application deadlines remain Jan. 5th and June 5th)<br><br>4. Priority Point scoring will be finalized at the time of PNA approval and will be valid for 12 months.<br><br>5. If required, in any OPEN or LIMITED cycle, projects will be prioritized against other loan applications in that same cycle based on their prioritization score.<br><br>6. Exception: any project that requests only Emerging Contaminants, only Lead Service Line, or only Green Project Reserve funds may apply at any time.</td><td>One year exemption for the WPCRF program allowing all projects, regardless of Priority Point score, to apply at the October 5 and November 5 loan application deadlines in 2026.</td></tr>
</table>

**Recommendation:** Staff recommends the Board approve a one-year exemption for the WPCRF program to allow all projects to apply at the October 5 and November 5, 2026, loan application deadlines.

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

**M E M O R A N D U M**
August 12, 2026

**TO:** Project Finance Committee and Karl Ohlsen

**FROM:** Wesley Williams, Finance Director
Ian Loffert, Assistant Finance Director
Kevin Carpenter, Senior Financial Analyst
Giorgi Gazashvili, Financial Analyst II
Daniel Lockard, Financial Analyst I

**RE:** Review of Montezuma County Local Improvement District No. 2023-1 Upper Road 42, City of Aurora, Camelot Property Owner's Association, Colorado City Metropolitan District, Penrose Water District, Bailey Water Sanitation District, Town of Kremmling, Town of Cheyenne Wells, Town of Dolores, Town of La Veta
Drinking Water Revolving Fund ("DWRF")

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

**Montezuma County Local Improvement District No. 2023-1 Upper Road 42**
The Montezuma County Local Improvement District No. 2023-1 Upper Road 42 (the "District"), located in Montezuma County, is seeking a Base direct loan through the DWRF loan program in the amount of $2,385,000. This project consists of construction of a new domestic water distribution system with booster pumps and a water storage tank. 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 Base direct loan with the District in the amount of $2,385,000. The loan will be for a term of 30 years, at an interest rate of 3.50%, subject to increasing property assessments sufficiently to meet the Authority's rate covenant prior to loan execution. The Board will consider this request on August 19, 2026.

**City of Aurora**
The City of Aurora (the "City"), located throughout Adams, Arapahoe, and Douglas counties, is seeking an Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") Lead Service Line ("LSL") direct loan through the DWRF loan program in the total amount of $26,305,181, (comprised of *$10,000,000 in IIJA/BIL LSL Principal Forgiveness ("PF"), *$7,550,943 in IIJA/BIL LSL Loan, and $8,754,238 Base direct loan). The project consists of the replacement of known LSL's or galvanized lines requiring replacement ("GRR") throughout the City's distribution system. The City's project was authorized by HJR 11-1008.

**Recommendation**
Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DWRF IIJA/BIL LSL direct loan with the City in the total amount of $26,305,181, (comprised of *$10,000,000 in IIJA/BIL LSL PF, *$7,550,943 in IIJA/BIL LSL Loan, and $8,754,238 in Base direct loan). The loans will be for a term of 20 years, at an interest rate of 3.25%, subject to approval of a one-time waiver from the direct loan limit (currently $3 million) and the loan covenants (both the standard and additional proposed covenants) and conditions listed at the end of the attached City's 2026 DWRF credit report and to be incorporated into the loan approving resolution or motion (including any modifications and additions made to these

covenants/conditions by the Board of Directors during the approval process). The Board will consider this request on August 19, 2026.

**Camelot Property Owner's Association**

The Camelot Property Owner's Association (the "Association"), located in El Paso County, is seeking a Base direct loan through the DWRF loan program in the amount of $1,000,000. This project consists of a full replacement of the storage tank with two new water storage tanks and booster pump upgrades. The Association's project was authorized by HJR 23-1007.

**Recommendation**

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a Base direct loan with the Association in the amount of $1,000,000. The loan will be for a term of 30 years, at an interest rate of 5.00% (comprised of a 4% interest rate and a 1% up-front admin fee for Private Non-Profit loans), subject to the loan covenants (both the standard and additional proposed covenants) and conditions listed at the end of the attached Association's 2026 DWRF credit report and to be incorporated into the loan approving resolution or motion (including any modifications and additions made to these covenants/conditions by the Board of Directors during the approval process). The Board will consider this request on August 19, 2026.

**Colorado City Metropolitan District**

The Colorado City Metropolitan District (the "District"), located in Pueblo County, is seeking an IIJA/BIL General Supplemental DAC direct loan through the DWRF program in the total amount of $5,000,000, (comprised of *$2,500,000 in IIJA/BIL General Supplemental PF, *$2,094,913 in IIJA/BIL General Supplemental direct loan, and *$2,905,087 in DWRF Base direct loan). The proposed project will consist of upgrades to the District's existing membrane filtration water treatment plant, including the design and construction of a drinking water pretreatment Dissolved Air Flotation ("DAF") system, DAF treatment building and all associated appurtenances. The Water Authority's project was authorized by SJR 16-003.

**Recommendation**

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DWRF IIJA/BIL General Supplemental DAC direct loan with the District in the total amount of $5,000,000, (comprised of *$2,500,000 in IIJA/BIL General Supplemental PF, *$2,094,913 in IIJA/BIL General Supplemental direct loan, and *$2,905,087 in Base direct loan). The loan will be for a term of 30 years, at an interest rate of 1.75%, subject to increasing user rates sufficiently to meet the Authority's rate covenant prior to execution and approval of a one-time waiver from the direct loan limit (currently $3 million). The Board will consider this request on August 19, 2026.

**Penrose Water District**

The Penrose Water District (the "District"), located in Fremont County, is seeking funds through the DWRF loan program in the total amount of $14,860,000, (comprised of a *$13,022,035 leveraged loan plus cost of issuance, *$837,965 in IIJA/BIL General Supplemental direct loan, and *$1,000,000 in IIJA/BIL General Supplemental PF). The project consists of the construction of a new water treatment plant and associated appurtenances, as well as decommissioning of the old treatment plant. The City's project was authorized by HJR 11-1008.

**Recommendation**

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating DWRF loans with the District in the total amount of $14,860,000, (comprised of a *$13,022,035 leveraged loan plus cost of issuance, *$837,965 in IIJA/BIL General Supplemental direct loan, and *$1,000,000 in IIJA/BIL General Supplemental PF). The leveraged loan will be for a term of 30 years, at an interest rate of 85% of the market rate on the Authority's 2026 Series A State Revolving Fund Revenue Bonds. The IIJA/BIL direct loan will be for a term of 30 years, at an interest rate of 3.50%, with all loans subject to increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution. The Board will consider this request on August 19, 2026.

**Bailey Water and Sanitation District**

The Bailey Water and Sanitation District (the "District"), located in Park County, is seeking an IIJA/BIL General Supplemental DAC direct loan through the DWRF loan program in the total amount of $2,265,498, (comprised of *$1,232,612 in IIJA/BIL General Supplemental PF and *$1,032,886 in IIJA/BIL

General Supplemental direct loan). The proposed project will include the expansion of the facility's hydraulic capacity, additional treatment and pre-treatment processes for heavy metals, as well as the construction of a second infiltration gallery, which will increase the raw water supply, and a new water treatment plant ("WTP") building with adequate space. 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 DWRF IIJA/BIL General Supplemental DAC direct loan with the District in the total amount of $2,265,498, comprised of *$1,232,612 in IIJA/BIL PF and *$1,032,886 in IIJA/BIL Loan. The loan will be for a term of 30 years, at an interest rate of 1.75%. The Board will consider this request on August 19, 2026.

**Town of Kremmling**

The Town of Kremmling (the "Town"), located in Grand County, is seeking a supplemental Base DAC direct loan through the DWRF loan program in the amount of $1,500,000. The Town previously received DWRF funding for this project as a $4,676,154 direct loan with a 30-year term at an interest rate of 1.75% that included $3,000,000 in IIJA/BIL principal forgiveness, and a $11,246,806 leveraged loan with a 30-year term at an interest rate of 3.35%. Both loans were executed on November 22, 2024. The original loans were executed before the Town had the 90% guaranteed maximum price from its contractor and additional funds are needed to complete the project. This project consists of replacement of the existing water treatment facility with the ultrafiltration (UF) treatment skids to aid in raw water quality and finished water quality goals. The project remains the same and consists of three UF treatment skids, eight UF membrane modules, a clearwell, booster pump, and potable water storage tank. The Town's project was authorized by HJR 19-1005.

**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 DAC direct loan with the Town in the amount of $1,500,000. The loan will be for a term of 30 years, at an interest rate of 1.75%, subject to increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution. The Board will consider this request on August 19, 2026.

**Town of Cheyenne Wells**

The Town of Cheyenne Wells (the "Town"), located in Cheyenne County, is seeking an IIJA/BIL General Supplemental DAC direct loan through the DWRF loan program in the total amount of $5,792,460, (comprised of *$2,500,000 in IIJA/BIL General Supplemental PF, *$2,094,913 in IIJA/BIL General Supplemental direct loan, and *$1,197,547 in DWRF Base direct loan). The proposed project will consist of construction of two ion exchange treatment systems and associated appurtenances to address Nitrate contamination. This will include a Southern Ion Exchange Nitrate Removal Water Treatment Plant to service Feyh Well, a Western Ion Exchange Nitrate Removal Water Treatment Plant to service the North and Snyder Wells, and waste brine storage tanks at each plant for offsite brine disposal. The Town's project was authorized by SJR 10-004.

**Recommendation**

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DWRF IIJA/BIL General Supplemental DAC direct loan with the Town in the total amount of $5,792,460 (comprised of *$2,500,000 in IIJA/BIL General Supplemental PF, *$2,094,913 in IIJA/BIL General Supplemental direct loan, and *$1,197,547 in DWRF Base direct loan). The loan will be for a term of 20 years, at an interest rate of 1.50%, subject to approval of a one-time waiver from the direct loan limit (currently $3 million). The Board will consider this request on August 19, 2026.

**Town of Dolores**

The Town of Dolores (the "Town"), located in Montezuma County, is seeking an IIJA/BIL General Supplemental DAC direct loan through the DWRF program in the total amount of $3,233,000, (comprised of *$1,759,011 in IIJA/BIL General Supplemental PF and *$1,473,989 in IIJA/BIL General Supplemental direct loan). The proposed project will include replacing water mains located within public rights-of-way, streets, and alleyways, along with the replacement of all fire hydrants, water service lines to the meter, valves, and re-connections in the project area. The Town's project was authorized by HJR 21-1002.

**Recommendation**

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the

Board a recommendation authorizing staff to begin negotiating a DWRF IIJA/BIL General Supplemental DAC direct loan with the Town in the total amount of $3,233,000, (comprised of *$1,759,011 in IIJA/BIL General Supplemental PF and *$1,473,989 in IIJA/BIL General Supplemental direct loan). The loan will be for a term of 30 years, at an interest rate of 1.75%. The Board will consider this request on August 19, 2026.

**Town of La Veta**

The Town of La Veta (the "Town"), located in Huerfano County, is seeking a supplemental Base DAC direct loan through the DWRF loan program in the amount of $2,413,000. The Town previously received DWRF funding for this project in the amount of $1,425,903 comprised of an IIJA/BIL direct loan with a 30-year term, at an interest rate of 1.75%, and IIJA/BIL principal forgiveness in the amount of $2,552,097. After requesting construction bids for the new water treatment plant, the Town received bids that were all significantly over the estimated project cost at the time of the initial DWRF loan application. Therefore, the Town is requesting a supplemental loan. The project remains the same and consists of a new water treatment plant using conventional treatment technology with full automation. The project will include a below grade disinfection contact, a clearwell tank, and a building extension to house the new treatment equipment. The Town's project was authorized by HJR 13-1007.

**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 DAC direct loan with the Town in the amount of $2,413,000. The loan will be for a term of 30 years, at an interest rate of 1.75%. The Board will consider this request on August 19, 2026.

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

**Note:** A Zoom conference call has been scheduled for **Wednesday, 9:00 a.m. August 12, 2026**. The link to join via online is: https://us06web.zoom.us/j/86434046643?pwd=bP0FDXrGyJUHCspT1XMDVpl1ahOA7s.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **864 3404 6643**. The passcode is: **163551**.

Attachments: Montezuma County Local Improvement District No. 2023-1 Upper Road 42
City of Aurora 2026 DWRF Credit Report
Camelot Property Owner's Association DWRF Credit Report
Colorado City Metropolitan District DWRF Credit Report
Penrose Water District DWRF Credit Report
Bailey Water and Sanitation District DWRF Credit Report
Town of Kremmling 2026 DWRF Credit Report Update and 2024 DWRF Credit Report
Town of Cheyenne Wells DWRF Credit Report
Town of Dolores DWRF Credit Report
Town of La Veta 2026 DWRF Credit Report Update and 2024 DWRF Credit Report

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# DWRF LOAN CREDIT REPORT (2026)

Montezuma County Local Improvement District No. 2023-1 Upper Road 42 ("The District"), Montezuma County

| | |
|---|---|
| **Recommendation:** | **CONDITIONAL APPROVAL** |
| **Loan Request:** | $2,385,000 |
| **Interest Rate & Term:** | 3.50%, 30 years |
| **Annual Debt Service:** | $129,045 |
| **Pledge:** | Property assessments |
| **Current Approved Rate:** | $3,447 annually per property |
| **Estimated Rate Increase:** | $1,003 annually per property |

**Project Budget**

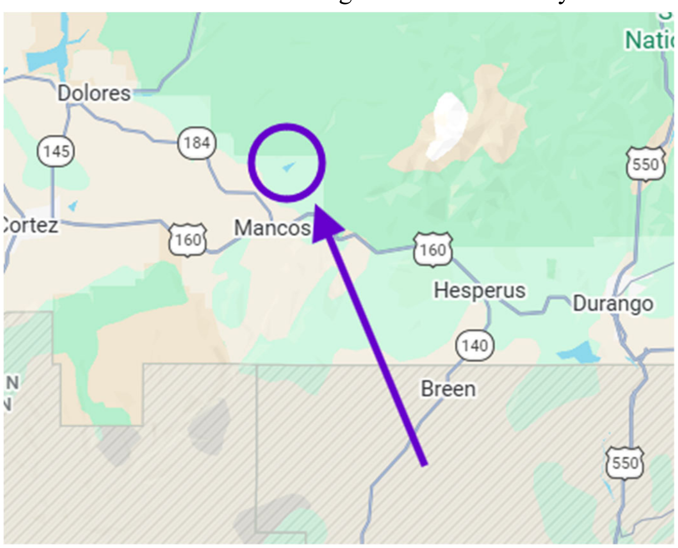
| | |
|---|---|
| **DWRF Loan:** | $2,385,000 |
| **2024 D&E Grant:** | $80,000 |
| **2023 Planning Grant:** | $7,489 |
| **Southwest Basin Roundtable** | $22,260 |
| **Total:** | $2,494,749 |

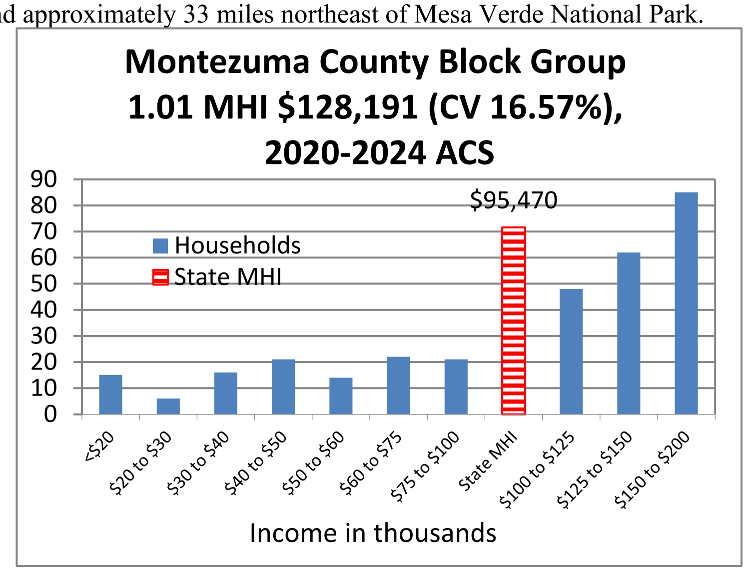
**PROJECT DESCRIPTION:** Construction of a new domestic water distribution system with booster pumps and a water storage tank. The project will become an extension of the Mancos Rural Water Company water distribution system, providing domestic drinking water to residents reliant on hauling water.

**COMMUNITY PROFILE:**

| **Local Improvement District No. 2023-1 Upper Road 42** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| District Population | | | 73 | 73 | 73 | 73 | 73 | 0.00% |
| Montezuma County Population | 25,891 | 26,256 | 26,511 | 26,641 | 26,681 | | | 0.75% |
| Montezuma County Jobs | 11,225 | 11,710 | 11,957 | 12,098 | 12,400 | | | 2.52% |
| Number of Water Taps | | | 29 | 29 | 29 | 29 | 29 | 0.00% |
| Assessed Value ($000)* | | | | | | | $938 | N/A |
| Actual Value ($000) | | | | | | | $148,789 | N/A |

**BORROWER BRIEF:** The District is located to immediately east of Mancos State Park in southwest Colorado, approximately five miles northeast of Mancos along Montezuma County Road 42 and approximately 33 miles northeast of Mesa Verde National Park.




**RECOMMENDATION:** The District serves a rural bedroom community in Montezuma County. This proposed loan is necessary to build a new drinking water system for residents of the District. The community is very small and the project cost is high for the size of the community. However, District voters approved taking on debt and increasing property assessments in order to pay for the proposed loan. We therefore recommend the DWRF Committee approve a $2,385,000 direct loan to the Montezuma County Local Improvement District No. 2023-1 Upper Road 42 on the conditions that the District seek further voter approval for the full loan amount and/or property assessments are further increased for debt service and that the District amends their agreement with Mancos Rural Water Company (MRWC) to own the proposed project until the financing is paid off. A business case for disadvantaged community status was submitted during the same application cycle as this loan application. If the business case is approved, we recommend that the DWRF Committee approve a $1,087,369 disadvantaged communities IIJA/BIL direct loan and $1,297,631 in IIJA/BIL principal forgiveness to the District.

**PROJECT SUMMARY:**



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**System summary:** The District was created by the Board of County Commissioners of Montezuma County, Colorado, following a successful November 7, 2023, election, where 100% of the votes received supported the formation of the LID. The purpose of the LID is to serve approximately 29 residential and commercial customers along County Road 42, in the town of Mancos, Colorado, with water from the Mancos Rural Water Company (MRWC) Treatment Plant, located at the base of the Jackson Reservoir Dam. The project will install a new 3-inch water main, connected to the end of an existing 4-inch line near County Road N. The 3-inch line would proceed east across Road N on the north side, and then north up County Road 42 on the west side to the last parcel on the east side of County Road 42, with associated service laterals and service connections. Pressure will be provided by a pair of new, redundant water pumps at the treatment plant, tapped into the existing 4-inch main at the plant. The end of the new 3-inch main will include a 20,000-gallon storage/head tank. Once completed, MRWC will assume ownership, operations, repairs and maintenance of the system. However, the District is open to amending the agreement with the MRWC so the District will own the system until the loan is paid off, at which time the system will be granted to MRWC.

**Reason/need:** The residents of the District are currently hauling water from the Town of Mancos water dock, which has been known to close at any time, without notice, putting residents at risk of running out of water. Alternate water docks are located in Durango, Dolores, and Cortez; however, with round trips ranging from 60–90 minutes, residents report additional wear and tear on vehicles, increased fuel consumption, and a financial burden. Additionally, there are elevated health risks in hauling water, as the potential for contamination increases when water is transferred from the water dock to hauling vessels and again from the vessel to customer cisterns.

**System Compliance:** There are no compliance issues as this is a new, yet-to-be-built, distribution system.

**Project Delivery Method:** Design/Bid/Build.

**Contingency**: 21.5% of the total project cost is included as contingency.

| **CURRENT INDICATORS:** | **2025** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Total + New Debt/Capita ($): | 32,897 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 0 | | >$5,000 | | $2,500 - 5,000 | X | <$2,500 |
| Total Debt + New Debt/Tap ($): | 82,241 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Water Debt/Tap ($): | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Current Water + New Water Debt/Tap ($): | 82,241 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 0.00% | | >50% | | 25-50% | X | <25% |
| Total Debt + New Water Debt/Assessed Value: | 254.26% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 0.00% | | >10% | | 5-10% | X | <5% |
| Total Debt + New Water Debt/Actual Value: | 1.60% | | >10% | | 5-10% | X | <5% |
| Curr. Water Debt + New Debt/Tap/MHI: | 64.16% | X | >20% | | 10-20% | | <10% |
| Water Fund Current Ratio (CA/CL): | N/A | | <100% | | 100-200% | | >200% |
| Water Fund Reserves/Current Expense: | N/A | | <50% | | 50-100% | | >100% |
| Water Operating Ratio (OR/OE): | N/A | | <100% | | 100-120% | | >120% |
| Coverage Ratio (TR-OE)/DS: | N/A | | <110% | | 110-125% | | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | N/A | | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan: | N/A | | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | N/A | | <110% | | 110-125% | | >125% |
| Current Annual Water Rates/MHI: | N/A | | >3.0% | | 1.5-3.0% | | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | N/A | | >3.0% | | 1.5-3.0% | | <1.5% |
| Operation and Maintenance Reserve: | N/A | | <25% | | 25-50% | | >50% |
| | **Total:** | **5** | | **0** | | **6** | |

***For illustration only: non-revenue pledge.**

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators, 10 could not be calculated because the indicators are based on bank statements provided for the Upper Rd 42 Water Association Inc. ("the Association"), which facilitated the planning and design of the proposed project but the Association would not be the borrower. The proposed loan is for the District which has no financial statements to date because the property assessments, while approved, have not yet taken effect. Out of the remaining 11 indicators, six are rated strong, zero are average and five are considered weak. Overall, the indicators illustrate a small system which is preparing to take on debt which will burden the small number of households. The strong indicators show that there is no current debt but the weak indicators reflect that the project cost and the debt will be large compared to the size of the community.

- Because the proposed project is the construction of a new water system to serve the community, there are no financials to analyze or present for water operations.
- The District proposes to pay for the proposed loan with the voter-approved property assessments while the Mancos Rural Water Company ("MRWC") will operate the newly constructed water system as well as collect rates established by the MRWC.
- On November 7, 2023 the District secured voter approval for a $1,728,511 increase in debt with a maximum annual revenue of $99,960. The ballot issue authorizing the debt and tax increases passed 30 to zero.
- The District will pay MRWC the one-time fees associated with connecting the District's taps to the MRWC's water system, more information is provided in the intergovernmental and contributed capital sections below.
- If split equally among all 29 proposed taps, the $129,045 annual debt service will be approximately $4,450 per tap. Voters have only approved a total annual tax of $99,960 for debt service (approximately $3,447 of taxes per tap annually has been approved). Across 29 proposed taps, the difference between the approved tax for debt service and the required annual debt service for this loan is $29,085 total, or approximately $1,003 per tap.
- If the disadvantaged communities business case is approved and principal forgiveness is awarded, the estimated $46,744 annual debt service on the $1,087,369 IIJA/BIL repayable portion of the loan will be approximately $1,612 per tap and no additional tax increase beyond the already approved tax increase would be necessary.

**Additional Project Financing**
The District received a $7,489 planning grant from the DWRF in 2023 and an $80,000 D&E grant in 2024.

The District submitted a Southwest Basin Roundtable grant application for $22,260, which was awarded in 2020.

**DESCRIPTION OF THE LOAN:**
An estimated $2,385,000 loan with a thirty-year term with two payments annually at an interest rate of 3.50% will cost the District approximately $129,045 in debt service annually.

If the disadvantaged communities business case is approved and principal forgiveness is awarded, District would qualify for $1,297,631 in IIJA/BIL principal forgiveness and the repayable loan portion of $1,087,369 with a thirty-year term with two payments annually at the disadvantaged communities interest rate of 1.75% would cost the District approximately $46,744 in debt service annually.

**ECONOMIC ANALYSIS:** Based on the State Demographer's Office estimate of 2.5 people per tap, the District has a 2024 population estimated at 73. Montezuma County has experienced an increase of 0.75% in population since 2020. The state population increased at an average annual rate estimated 0.73%.

The region's economy is dominated by healthcare, retail, local government, agriculture, and hospitality. Regional services, retirees, agribusiness, and tourism make up the majority of the economy.

The area's largest employers consist of the Mancos School District, with 88 employees; Aspen Wood products, with 65 employees; Mesa Verde National Park; with 51 employees, Alpacka Raft, with 45 employees; and the Town of Mancos, with 14 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 Local Improvement District which is a form of government that is an administrative subdivision of Montezuma County. It was formed by resolution of the Board of County Commissioners on September 26, 2023. The District was formed for the construction,

installation, completion, and acquisition of water system improvements associated with this proposed project. The water utility will be overseen by the Mancos Rural Water Company ("MRWC"), which is staffed by approximately eight FTE.

- Montezuma County, which is the District's parent government, is in compliance with Colorado statutory budgeting and auditing requirements for the past five years. The District has had no revenues or expenses to report so far but will work with the County to be included in County's financial reporting.
- The system has not been built yet, so there is no current general liability insurance coverage associated with the system. The County is expected to maintain general liability insurance coverage once the system is built.
- There are currently no pending lawsuits against the District.
- There have been no recall elections in the last ten years.

**Technical/Managerial/Financial (TMF)**
The WQCD and DLG conducted a review of the District's technical, managerial and financial capacity to operate the water system. The review resulted in the following mandatory recommendations:

- F-5 Financial Audit
  - The District must coordinate with its parent government, the County to ensure that its financial statements are appropriately presented in the County's audit.
- F-6 Insurance
  - The District must ensure general liability insurance is maintained for the system.

**Capital Improvement Plan**
The District did not submit a capital improvement schedule because the water system does not exist yet.

**Agreements**
An agreement dated December 11, 2025 between the District and MRWC has provisions for the construction, ownership, maintenance, and service for the proposed project. The District is solely responsible for the construction and cost of the proposed project. Upon project completion, the MRWC will assume ownership, operation, repair, and maintenance of the newly constructed water distribution system. For each District property that wants water service, the District will pay a one-time Membership Fee and Tap Fee for connection but the property owners are responsible for installing water service lines from the meter pit to the homes/buildings. Water rates for the District will be established by the MRWC. The District has indicated that they are willing to amend this agreement so that the District will own the proposed project until the loan is paid off.

**REVENUE ANALYSIS:**
District voters unanimously approved increasing debt by $1,728,511 and special assessments up to $99,960 to pay for the proposed loan. Based on the 29 households that will eventually tap into the drinking water system, these special assessments are anticipated to generate $2,898,840 of total revenue for the repayment of this proposed loan.

While the borrower for the proposed loan would be the District, the Upper Rd 42 Water Association Inc. ("the Association") was formed in 2020 to support the construction of the water distribution system. Because there are no finances to present for the District, a summary of the Association's finances is provided below for illustration purposes only. The Association received a $7,489 planning grant and an $80,000 D&E grant which comprise the entirety of its revenues. Association expenses do not go towards operating a water utility or paying for water, expenses mostly go towards engineering planning and design, as well as legal fees. The source for the below summary is bank statements provided by the Association.

| TRENDS | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Monthly Water Rate ($) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Residential Water Tap Fee ($) | 0 | 0 | 0 | 0 | 0 |
| Total Water Revenue ($) | 0 | 0 | 0 | 0 | 0 |
| Tap/Development Fees ($) | 0 | 0 | 0 | 0 | 0 |
| Water Operating Revenue ($) | 0 | 0 | 0 | 0 | 0 |
| Water Operating Expenses ($) | 0 | 0 | 0 | 0 | 0 |
| Water Net Operating Income ($) | 0 | 0 | 0 | 0 | 0 |
| Water Debt ($) | 0 | 0 | 0 | 0 | 0 |
| Total Debt ($) | 0 | 0 | 0 | 0 | 0 |
| Water Debt Service ($) | 0 | 0 | 0 | 0 | 0 |

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| | | | | | |
|---|---|---|---|---|---|
| Water Debt Service/Tap/Month ($) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Water Fund Reserves ($) | 7,261 | 5,691 | 18,504 | 12,845 | 4,530 |
| Water Fund Current Assets ($) | 7,261 | 5,691 | 18,504 | 12,845 | 4,530 |

**Recent Rate Increases**
District residents will pay the below described rates for the MRWC after the project is completed.

**User Charges**
If District residents are subject to the current water rates charged by the MRWC, the monthly water rate is estimated at $76.93 compared to the 2024 estimated state median of $60.61. The average estimated monthly water rate to be paid to MRWC is based on typical residential consumption of 5,000 gallons per month. Residential users pay a $53.35 base rate up to 2,000 gallons and a volume charge of $7.86 per 1,000 gallons for consumption from 2,000 to 8,000 gallons, $9.88 from 8,001 to 18,000 gallons, $11.85 from 18,001 to 28,000 gallons, $15.66 from 28,001 to 58,000 gallons, $17.18 from 58,001 to 98,000 gallons, and $19.11 for consumption over 98,001 gallons. Commercial users pay a $112.04 base rate up to 4,000 gallons and a volume charge of $7.86 per 1,000 gallons for consumption from 4,000 to 8,000 gallons, $12.76 from 8,001 to 75,000 gallons, $14.64 from 75,001 to 100,000 gallons, and $19.11 for consumption over 100,001 gallons

The MRWC plans to add an electric surcharge to customers in the District for the cost of operating the pumps for the District's system, which the District anticipates to be less than $20 per user per month.

**Contributed Capital**
The District will pay for the one-time costs of connecting to MRWC's drinking water system, which include a $12,500 Membership Fee and a $2,200 Tap Fee for each owner of property desiring water service. Owners are responsible for the installation and costs of water service lines.

| Current System Utilization | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 93% | 93% |
| **Non-residential (per EQR)** | 7% | 7% |

| Current Fee Summary | |
|---|---|
| Tap size | Water user/tap fees |
| ¾" | $75.82/$14,700 |
| ¾" | $134.51/$14,700 |

**DEBT as of December 31, 2024**

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

**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: July 28, 2026

Project # 200351D-Q
Cost Categories: Distribution & Transmission: 90%
Storage: 10%



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| July 28, 2026<br><br>DWRF Credit Report<br>Local Improvement District No. 2023-1 Upper Road 42, Montezuma County, CO<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| Estimated Population - 2024 | 73 |
| Number of Water Taps/Customers - 2025 | 29 |
| Total Assessed Valuation - 2026 | $938,000 |
| Actual Value of All Real Property - 2026 | $148,789,000 |
| Median Household Income (MHI) - 2024 | $128,191 |
| Monthly Water Rate - 2025 | $0.00 |
| Water Operating Revenue - 2025 | $0 |
| Water Total Revenue - 2025<br>[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.] | $0 |
| Water Tap and System Development Fee Revenue - 2025 | $0 |
| Water Operating Expense - 2025 | $0 |
| Water Current Expense - 2025 | $0 |
| Water Debt - 2025 | $0 |
| Total Debt - 2025 | $0 |
| Association Reserves - 2025 | $4,530 |
| Water Debt Service - 2025 | $0 |
| New Water Debt<br>[Requested DWRF loan amount.] | $1,087,369 |
| Requested DWRF Loan Term | 30 |
| Requested DWRF Loan Interest Rate | 1.75% |
| New Loan's Annual Water Debt Service (two payments annually) | $46,744 |

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## Current Indicators (2025)
## Local Improvement District No. 2023-1 Upper Road 42 (Water)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $0 | ÷ | Population | 73 | = | $0 |
| | New Debt | $1,087,369 | ÷ | Population | 73 | = | $14,998 |
| | Total Debt + New Debt | $1,087,369 | ÷ | Population | 73 | = | $14,998 |
| 2 | Total Debt | $0 | ÷ | Number of Taps | 29 | = | $0 |
| | New Debt | $1,087,369 | ÷ | Number of Taps | 29 | = | $37,495 |
| | Total Debt + New Debt | $1,087,369 | ÷ | Number of Taps | 29 | = | $37,495 |
| 3 | Total Debt | $0 | ÷ | Assessed Value | $938,000 | = | 0.00% |
| | New Debt | $1,087,369 | ÷ | Assessed Value | $938,000 | = | 115.92% |
| | Total Debt + New Debt | $1,087,369 | ÷ | Assessed Value | $938,000 | = | 115.92% |
| 4 | Total Debt | $0 | ÷ | Actual Value | $148,789,000 | = | 0.00% |
| | New Debt | $1,087,369 | ÷ | Actual Value | $148,789,000 | = | 0.73% |
| | Total Debt + New Debt | $1,087,369 | ÷ | Actual Value | $148,789,000 | = | 0.73% |
| 5 | Current Water Debt | $0 | ÷ | Number of Taps | 29 | = | $0 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $37,495 | ÷ | MHI | $128,191 | = | 29.25% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $4,530 | ÷ | Current Liabilities | $0 | = | N/A |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $4,530 | ÷ | Current Expenses | $0 | = | N/A |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $0 | ÷ | Operating Expenses | $0 | = | N/A |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $0 | - | | | | |
| | Minus Operating Expenses | $0 | | | | | |
| | = | $0 | ÷ | Current Debt Service | $0 | = | N/A |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $0 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $0 | ÷ | Current Debt Service | $0 | = | N/A |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $0 | | | | | |
| | Minus Operating Expenses | $0 | | | | | |
| | = | $0 | | Total Debt Service (with new loan) | $46,744 | = | 0% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $0 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $0 | ÷ | Total Debt Service (with new loan) | $46,744 | = | 0% |
| 13 | Current Debt Service | $0 | ÷ | Number of Taps | 29 | = | $0.00 |
| | Annual New Water Debt Service | $46,744 | ÷ | Number of Taps | 29 | = | $1,611.85 |
| 14 | 2025 Annual Water Rate (Monthly Rate x 12) | $0.00 | ÷ | MHI | $128,191 | = | 0.00% |
| | 2025 Annual Water Rate + New Annual Debt Service Per Tap | $1,611.85 | ÷ | MHI | $128,191 | = | 1.26% |
| 15 | Current 2025 Monthly User Charge | | | | | | $0.00 |
| | (Debt Service on DWRF Loan / 2025 Taps / Month) | | | | | | $134.32 |
| | Total | | | | | | $134.32 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $4,530 | ÷ | Operating Expenses | $0 | = | N/A |

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# DRINKING WATER REVOLVING FUND BIPARTISAN INFRASTRUCTURE LAW LEAD SERVICE LINE (LSL) REPLACEMENT LOAN CREDIT REPORT (2026)

City of Aurora ("The City"), Adams, Arapahoe, and Douglas Counties

| | |
|---|---|
| **Recommendation:** | **APPROVAL** |
| **Loan Request:** | $26,305,181 |
| **Total Annual Debt Service:** | $1,115,102 |
| **Base Direct Loan:** | $8,754,238 |
| **Interest Rate & Term:** | 3.25% & 20 years |
| **Annual Debt Service:** | $598,697 |
| **IIJA/BIL LSL Direct Loan:** | $7,550,943 |
| **Interest Rate & Term:** | 3.25% & 20 years |
| **Annual Debt Service:** | $516,405 |
| **Pledge:** | Water System Revenue |
| **Current Rate:** | $55.68 |
| **Estimated Rate Increase:** | $0.00 |

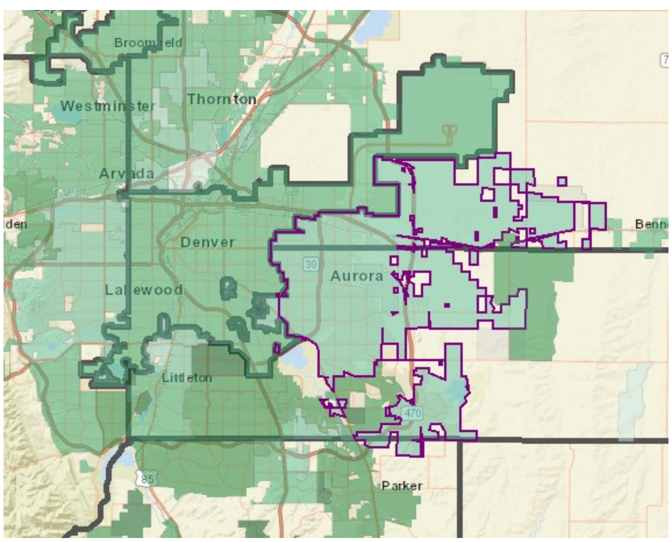
| **Project Budget** | |
|---|---|
| **DWRF Base Direct Loan:** | $8,754,238 |
| **DWRF IIJA/BIL LSL Loan:** | $7,550,943 |
| **DWRF IIJA/BIL LSL PF:** | $10,000,000 |
| **Reserves:** | $9,100,000 |
| **Total:** | $35,405,181 |

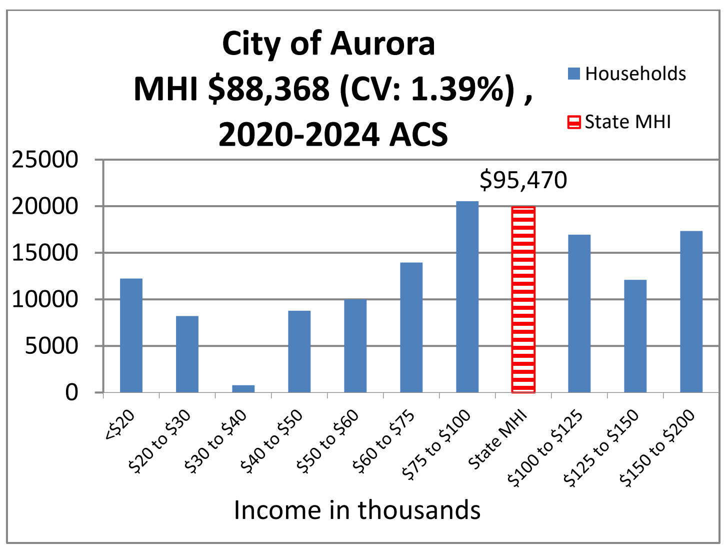
**PROJECT DESCRIPTION:** This project consists of the replacement of known lead service lines (LSL's) or galvanized lines requiring replacement (GRR) throughout the City's distribution system.

**COMMUNITY PROFILE:**

| **City of Aurora** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| City Population | 386,753 | 389,613 | 392,574 | 396,409 | 401,564 | | | 0.94% |
| Adams County Population | 520,489 | 523,505 | 528,201 | 535,901 | 543,760 | | | 1.10% |
| Arapahoe County Population | 655,288 | 656,858 | 658,069 | 661,564 | 666,557 | | | 0.43% |
| Douglas County Population | 360,315 | 369,842 | 376,444 | 385,141 | 394,030 | | | 2.26% |
| Adams County Jobs | 260,951 | 270,414 | 582,653 | 292,692 | 297,811 | | | 3.36% |
| Arapahoe County Jobs | 383,519 | 394,607 | 404,198 | 413,424 | 413,051 | | | 1.87% |
| Douglas County Jobs | 163,390 | 172,832 | 179,388 | 185,063 | 188,152 | | | 3.59% |
| Number of Water Taps | 89,568 | 91,531 | 93,341 | 94,977 | 97,026 | 98,845 | 99,284 | 1.56% |
| Number of Sewer Taps | 88,363 | 90,247 | 92,353 | 93,550 | 95,537 | 97,325 | 97,739 | 1.43% |
| Assessed Value ($000) | | | $6,104,758 | $6,505,881 | $8,530,933 | $8,807,095 | $9,093,319 | 10.47% |
| Actual Value ($000) | | | $54,783,612 | $56,502,042 | $74,393,029 | $74,898,554 | $81,022,031 | 10.28% |

**BORROWER BRIEF:** The City is located throughout Adams, Arapahoe, and Douglas counties, with most of its city being in Arapahoe County. It is directly bordered by Denver to its west, Centennial and Greenwood Village to its southwest, and Commerce City to its northwest.




**RECOMMENDATION:** The City serves a suburban community in Adams, Arapahoe, and Douglas counties. This proposed loan is necessary to replace and verify thousands of potentially hazardous lead or galvanized service lines, which are likely needing replacement, to ensure safe drinking water to the communities being served. The debt is high in a per-capita and per-tap basis. However, there are no rate increases needed to take on the proposed loan, and the City has as well continuously increased rates. We therefore recommend the DWRF Committee approve a $8,754,238 DWRF base direct loan, a $7,550,943 DWRF Bipartisan Infrastructure Law (BIL) Lead Service Line loan, and $10,000,000 in DWRF BIL Lead Service Line principal forgiveness, to the City of Aurora.



BACK TO AGENDA

**PROJECT SUMMARY:**

**System summary:** The City of Aurora, located primarily within Adams and Arapahoe counties, serves a population of over 400,000 residents. The City's water portfolio consists mainly of surface water sources throughout the Colorado, Arkansas, and South Platte river basins which is supplemented by deep aquifer groundwater wells. Raw water is treated across three water treatment plants, the Griswold, Wemlinger, and Binney Facilities. The existing distribution system is made up of approximately 1,500 miles of piping and over 91,000 service connections of varying ages.

**Reason/need:** Currently, Aurora has verified 1,935 service lines as lead (LSL) or galvanized requiring replacement (GRR). There are an additional 10,209 unknown service connections that need to be verified, and a current analysis has determined that, thus far, 20% of unknowns are GRR and 1.5% are LSL. As such, their analysis assumes that approximately 20% of the remaining unknown service lines may need replacement with a cost estimate of $12,000 per service connection.

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

**Project Delivery Method:** Design/Bid/Build.

**Contingency:** 3.27% of the total project cost is included as contingency. The City has estimated lead service line replacement at approximately $12,000 per line, and thus the cost estimates provided are accurate, thus the reduced contingency. The City is also providing $9,100,000 in reserves for LSL replacements for this project. Additionally, the City is prepared to incur additional costs to replace the remaining LSL's not paid for through the SRF program, and has allocated $3,000,000 annually through 2027 for lead service line work. Lastly, the City has stated it applied for the EPA's WIIN Reducing Lead in Drinking Water Grant Program in December 2024. It is unknown at this time whether grant funds will be awarded.

| CURRENT INDICATORS: | 2022 | 2023 | 2024 | | Weak | | Average | | Strong |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 2,153 | 2,172 | 2,420 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | | | 2,461 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 9,054 | 9,067 | 10,015 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 10,183 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Water Debt/Tap ($): | 5,812 | 5,564 | 6,723 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Current Water + New Water Debt/Tap ($): | | | 6,891 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 14% | 13% | 11% | | >50% | | 25-50% | X | <25% |
| Total Debt + New Water Debt/Assessed Value: | | | 12% | | >50% | | 25-50% | X | <25% |
| Total Debt/Actual Value: | 1.54% | 1.52% | 1.31% | | >10% | | 5-10% | X | <5% |
| Total Debt + New Water Debt/Actual Value: | | | 1.33% | | >10% | | 5-10% | X | <5% |
| Curr. Water Debt + New Debt/Tap/MHI: | | | 7.80% | | >20% | | 10-20% | X | <10% |
| Water Fund Current Ratio (CA/CL): | 484% | 396% | 370% | | <100% | | 100-200% | X | >200% |
| Water Fund Reserves/Current Expense: | 209% | 151% | 164% | | <50% | | 50-100% | X | >100% |
| Water Operating Ratio (OR/OE): | 188% | 139% | 162% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 471% | 435% | 560% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 244% | 171% | 298% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 539% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 287% | | <110% | | 110-125% | X | >125% |
| Current Annual Water Rates/MHI: | | | 0.76% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | | | 0.77% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | | | 212% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **6** | | **0** | | **15** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, fifteen are rated strong, none are average, and six are considered weak. Overall, the indicators illustrate a system that is in a strong financial position to take on the proposed debt without causing further burden to ratepayers, as there is no introduction of additional rate increases to take on the proposed debt, but it carries a debt load that is high on a per-capita and per tap basis. The strong indicators indicate a system with healthy liquidity, strong debt service coverage prior to and in addition to the proposed debt service, and low debt relative to the assessed and actual values. The weak indicators indicate that debt levels are high on a per capita and per tap basis.

- Operating revenues consistently exceed expenses, with a strong 162% operating ratio, demonstrating the system can comfortably cover all existing and proposed debt.

- Based on 2024 financial information, coverage with the proposed loan is 539% with tap fee revenue and 287% without tap fee revenue. There are no projected increases in rates required to take on the proposed loan.
- The City presents an operations and maintenance reserve of 212%. This details that even if the City were to experience an unprecedented hardship in repair and maintenance activities, it would not constitute an excessive financial burden, and the City would still be able to continue meeting its projected payments.
- Despite the various fluctuations and rising in operating expenses, which are further detailed in the "financial analysis" section of this report, indicators related to the City's overall finances are considered strong.

**DESCRIPTION OF THE LOAN:**
An estimated $8,754,238 direct loan with a twenty-year term with two payments annually at an estimated interest rate of 3.25% will cost the City approximately $598,697 in debt service annually. An estimated $7,550,943 IIJA/BIL Lead Service Line (LSL) direct loan with a twenty-year term with two payments annually at an interest rate of 3.25% will cost the City approximately $516,405 in debt service annually. The total annual debt service is $1,115,102. The City also qualifies for $10,000,000 in DWRF IIJA/BIL Lead Service Line principal forgiveness.

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

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | 0.94% | 0 |
| 2a: County Job Change | 0.00% | > | 10.55% | |
| 2b: County Unemployment | 5.35% | < | 4.19% | 0 |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | | |
| | $119,338 | < | $88,368 | 1 |
| 4: Rates to MHI | 0.76% | < | 0.76% | 0 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | Yes | 1 |
| 6: % Minority | 40.00% | < | 59.05% | 1 |
| 7: % Households Housing Burdened | 50.00% | < | 38.96% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 26.73% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 39.15% | 0 |
| 10: Meets DAC criteria | Yes | | No | 0 |
| | | | **Total Points Scored:** | 3 |

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

**ECONOMIC ANALYSIS:** The City has a 2024 population estimated at 401,564 and has grown at an average annual rate of 0.94% since 2020. Adams County has experienced an increase of 1.10% in population since 2020. Arapahoe County has experienced an increase of 0.43% in population since 2020. Douglas County has experienced an increase of 2.26% in population since 2020. The state population increased at an average annual rate estimated 0.73%.

As part of the Denver metropolitan area and sitting within the central portion of the Front Range Urban Corridor, the region's economy is dominated by professional, scientific, and technical services; health care and social assistance; retail trade; accommodation food services; and local government services.

The area's largest employers consist of Buckley Air Force Base, with 12,100 employees; the University of Colorado Anschutz, with 6,500 employees; Aurora Public Schools, with 5,000 employees; Children's Hospital Colorado, with 4,270 employees; and the University of Colorado Hospital, with 4,000 employees.

The City does note that WISE accounts for 5.7% of the system's total usage and 4.2% of the total revenue.

**ORGANIZATIONAL ANALYSIS:**

**Bond Rating**

The City's debt was rated by Fitch, Moody's, or Standard & Poor's in 2024, where it received an AA+ credit rating.

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

The City sells more than 2,000 acre-feet of water per year. The City is currently out of compliance with an approved Water Use Efficiency Plan. However, the City is currently and actively working with the Colorado Water Conservation Board (CWCB) on the submittal of a draft.

**Organizational Structure**

The City is a Home Rule governed by a Council-Manager form of government and was incorporated in 1891. The City provides services including police and fire protection, water and wastewater services, public works services, and parks and recreation services. Approximately 522 full-time employees staff the water utility. The water utility is overseen by the general manager, who reports to the city manager, who then reports to the mayor and city council.

- The City has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The City is insured through the Association of Cooperative Operations Research and Development (ACORD).
- There are currently no pending lawsuits against the City.
- There have been no recall elections in the last ten years.

**Technical/Managerial/Financial (TMF)**

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

**Capital Improvement Plan**

As part of the application process, the City submitted a capital improvement schedule through 2042 which anticipates capital outlay of $7,343,834,625 for a series of projects. Among these are: annual vault/valve rehabilitation; solar construction; the development of master plans; improvement of the billing system software; raw water pump stations design, construction, and upgrades; waterline replacements; transmission main assessment, design, and construction; tank acquisition, design and construction; among others. These projects are to be funded from a combination of grants and reserves.

**Intergovernmental**

The City has various active IGAs with various entities. The following summaries provide an overall explanation of the system's function and relation with others:

1. **The WISE Partnership***:* Originally executed 2012 and amended in 2025, the WISE Partnership is designed to deliver an average of 10,000 acre-feet per year of treated water from reusable supplies provided by Aurora Water and Denver Water, conveyed through Prairie Waters to South Metro. This water is distributed to eleven third-party members: (1) Town of Castle Rock; (2) Dominion Water and Sanitation District; (3) Stonegate Village Metropolitan District; (4) Cottonwood Water and Sanitation District; (5) Denver Southeast Suburban Water and Sanitation District (also known as Pinery Water and Wastewater District); (6) Centennial Water and Sanitation District; (7) Rangeview Metropolitan District; (8) Parker Water and Sanitation District; (9) Meridian Metropolitan District; (10) Inverness Water and Sanitation District; and (11) Douglas County. Each third-party member currently owns or may in the future own or operate water utility infrastructure within its service area and requires supplemental water supplies. However, their specific needs and circumstances vary.
2. Roxborough Water and Sanitation District Contracts: Under the Intergovernmental Agreement dated December 20, 2010 (the "Roxborough Agreement"), which superseded earlier agreements dating back to 1972, the City, acting through Aurora Water, committed to supplying Roxborough Water and Sanitation District ("Roxborough") with a perpetual source of raw water. This supply may be delivered either from the Rampart Pipeline to the Roxborough treatment plant or via the WISE Partnership through an East Cherry Creek Valley Water and Sanitation District pipeline.
3. Dominion Water and Sanitation District Contracts: Under a comprehensive Intergovernmental Agreement executed and renewed in 2025, the City, acting through Aurora Water, provides Dominion Water and Sanitation District ("Dominion") with water services under the 230 Water, 250 Water, and Temporary 570 Water agreements. Dominion participates in the WISE Partnership as a subscriber for 1,325 acre-feet and is also a member of South Metro.



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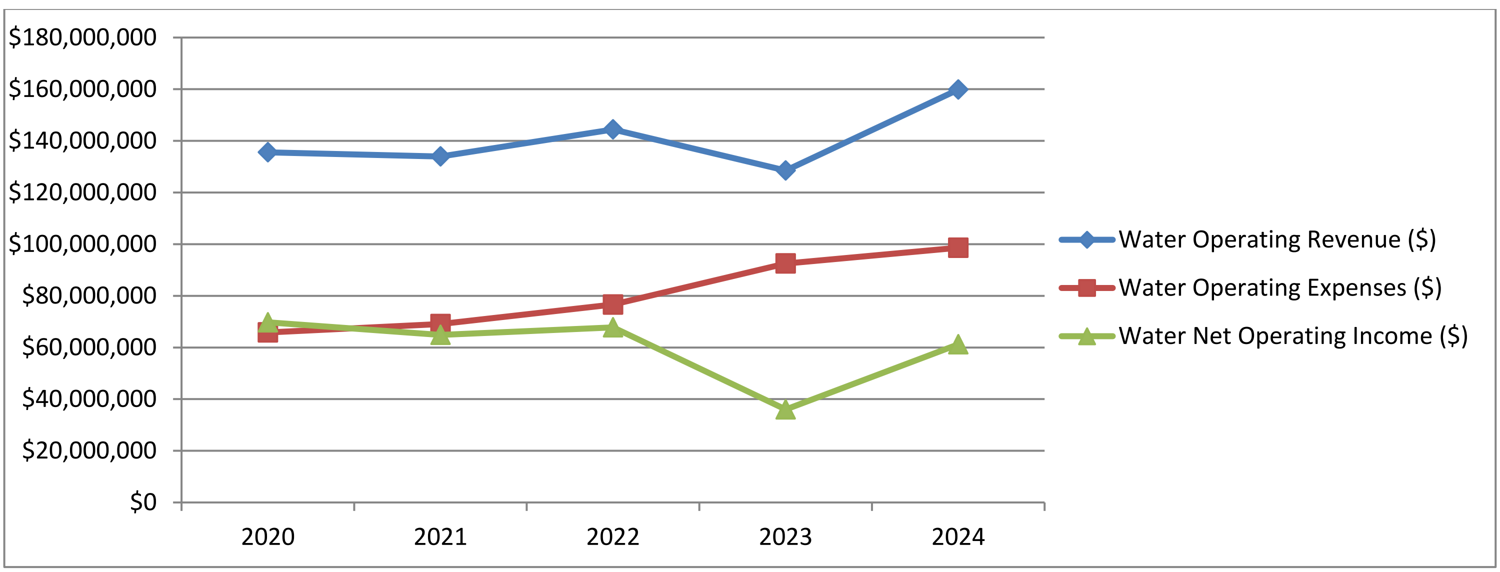
**REVENUE ANALYSIS:**
Operating revenue has increased over the years examined, driven by a consistent increase in base rates. In 2023, operating revenue decreased due to a decline in charges for services, as a wetter-than-normal spring reduced outdoor water usage among customers. However, it later increased in 2024 due to an increase in charges for services resulting from a drier-than-normal spring, which drove higher-than-normal outdoor water consumption. Operating expenses have increased over the years examined, generally attributable to a rise in costs of sales and services associated with inflation, depreciation, and a general increase in operating costs; in 2023, operating expenses rose at a higher-than-normal rate, driven by increased operating costs and costs of sales, including pension expenses, higher purchased water expenses, and intergovernmental agreements.

| TRENDS | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|
| Monthly Water Rate ($) | 49.59 | 49.59 | 50.08 | 51.49 | 52.66 | 53.60 | 55.68 |
| Monthly Sewer Rate ($) | 18.61 | 18.61 | 18.61 | 19.58 | 20.96 | 23.05 | 24.89 |
| Residential Water Tap Fee ($) | 9,760 | 10,798 | 10,284 | 12,341 | 13,631 | 14,313 | 14,313 |
| Residential Sewer Tap Fee ($) | 1,804 | 1,804 | 1,920 | 2,041 | 2,449 | 2,939 | 3,527 |
| Total Water Revenue ($) | 200,653,833 | 193,731,522 | 204,871,567 | 217,396,112 | 260,758,275 | | |
| Tap/Development Fees ($) | 57,219,210 | 58,560,561 | 61,893,769 | 75,801,038 | 93,509,466 | | |
| Water Operating Revenue ($) | 135,565,946 | 133,945,565 | 144,413,185 | 128,512,257 | 159,845,651 | | |
| Water Operating Expenses ($) | 65,816,272 | 69,063,516 | 76,634,537 | 92,512,411 | 98,612,286 | | |
| Water Net Operating Income ($) | 69,749,674 | 64,882,049 | 67,778,648 | 35,999,846 | 61,233,365 | | |
| Water Debt ($) | 389,675,000 | 554,275,000 | 542,532,955 | 528,468,967 | 652,280,899 | | |
| Total Debt ($) | 633,200,411 | 850,335,566 | 845,121,846 | 861,180,313 | 971,751,869 | | |
| Water Debt Service ($) | 20,925,026 | 23,340,576 | 27,208,735 | 28,718,219 | 28,942,365 | | |
| Water Debt Service/Tap/Month ($) | 19.47 | 21.25 | 24.29 | 25.20 | 24.86 | | |
| Water Fund Reserves ($) | 154,170,420 | 276,361,212 | 217,190,006 | 183,159,780 | 209,262,636 | | |

| Ratios | 2020 | 2021 | 2022 | 2023 | 2024 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 68% | 69% | 70% | 59% | 61% | 66% |
| Operating Revenue as % of Expenses | 206% | 194% | 188% | 139% | 162% | 178% |
| Tap Fee Revenue as % of Total Revenue | 29% | 30% | 30% | 35% | 36% | 32% |




**Recent Rate Increases**
The City's most recent rate increase of $2.08 was implemented on January 1, 2026.



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**User Charges**
The City's current monthly water rate is estimated at $55.68 compared to the 2024 estimated state median of $60.61. The City's average monthly water rate is based on typical residential consumption of 6,506 gallons per month. Residential users use a tiered structure. Users pay a volume charge of $5.80 per 1,000 gallons for consumption from 0 to 5,000 gallons. For consumption from 5,001 to 10,000 gallons, a volume charge of $7.30 per 1,000 gallons applies. For consumption from 10,001 to 19,999 gallons, a volume charge of $10.42 per 1,000 gallons applies. For consumption beginning at 20,000 gallons and any exceeding of it, a volume charge of $14.60 per 1,000 gallons applies.

Commercial users are given a "annual block allocation". This is an individualized water budget allocated each calendar year, determined by the General Manager, based on projected demand as defined by the city water engineer standards and specifications for the utility's cost recovery. The user may request a review or appeal process for which the current annual allotments may be adjusted. The purpose of this is to ensure the user is using best water management practices, not wasting water, and clearly show water efficiency measures have been implemented. Users are charged on a per 1,000 gallons basis, for which the cost per 1,000 gallons used up to 100% of the annual block allocation is $7.11, and the cost per 1,000 gallons used greater than the set annual allocation is $12.59.

All user types pay a monthly service charge which is dependent on the meter size. This starts at $15.69 for a 5/8'' and ¾'' meter, and go up to $585.46 for a 8'' meter.

The City's current estimated average monthly residential sewer rate is $24.89 compared to the 2024 estimated state median of $44.65. Users pay a monthly service charge based upon the size of the meter. These start at $5.95 for a 5/8'' and ¾'' meter and go up to $594.78 for a 6'' and 8'' meter. In addition to this, users pay $5.46 per 1,000 gallons utilized. All users follow the same structure.

**Contributed Capital**
Revenue from tap fees has ranged from $57,219,210 to $93,509,466 and has averaged 32% of total water revenue during the last five years. The City's most recent water tap fee rate increase occurred in January 1, 2026.

- Residential and commercial water tap fees are $14,313.
- Residential sewer tap fees are $3,527. Commercial sewer tap fees start at $12,822 for a ¾'' tap, with cost increasing in direct relation to the size of the tap.

| **Current System Utilization** | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 75% | 77% |
| **Non-residential (per EQR)** | 25% | 23% |

| **Current Fee Summary** | | |
|---|---|---|
| Tap size | Water user/tap fees | Sewer user/tap fees |
| ¾" | $55.68/$14,313 | $24.89/$3,527 |
| ¾" | $70.20/$14,313 | $24.89/$12,822 |

**DEBT as of December 31, 2024**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2009 | Series 2009, General Obligation Bonds | 2029 | General Fund | $200,000 | 5.250% | $55,500 |
| 2010 | Series 2010, General Obligation Bonds | 2031 | General Fund | $152,000 | 5.450% | $30,284 |
| 2010 | Series 2010, General Obligation Bonds | 2031 | General Fund | $195,000 | 4.990% | $39,731 |
| 2011 | Series 2011, General Obligation Bonds | 2031 | General Fund | $1,025,000 | 4.380% | $199,895 |
| 2015 | Series 2015, Certificates of Participation | 2040 | General Fund | $17,030,000 | 3.500% | $1,498,675 |
| 2016 | Aurora Urban Renewal Authority | 2041 | General Fund | $16,420,000 | 1.750% | $1,187,350 |
| 2016 | Series 2016, First-Lien Water Improvement Revenue Bonds | 2046 | Water Revenue | $125,935,000 | 3.000% - 5.000% | $16,861,300 |



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| | | | | | | |
|---|---|---|---|---|---|---|
| 2016 | Series 2016, First-Lien Sewer Improvement Revenue Bonds | 2026 | Sewer Revenue | $3,085,000 | 1.560% | $3,133,126 |
| 2017 | Series 2017, Certificates of Participation | 2042 | General Fund | $22,700,000 | 5.000% | $1,998,400 |
| 2017 | Series 2017B, Certificates of Participation | 2037 | General Fund | $19,440,000 | 5.000% | $1,998,369 |
| 2017 | Key Government Finance | 2032 | General Fund | $5,225,000 | 2.650% | $823,891 |
| 2017 | Series 2017, General Obligation Bonds | 2032 | General Fund | $193,000 | 3.270% | $31,311 |
| 2017 | Series 2017, Murphy Creek Golf Course | 2026 | Golf Enterprise | $534,000 | 2.000% | $544,680 |
| 2018 | Series 2018A, First-Lien Sewer Improvement Revenue Bonds | 2030 | Sewer Revenue | $1,074,728 | 3.035% | $234,886 |
| 2018 | Series 2018B, First-Lien Sewer Improvement Revenue Bonds | 2030 | Sewer Revenue | $15,249,673 | 1.231% - 1.322% | $3,168,235 |
| 2019 | Series 2019, Refunding and Improvement Certificates of Participation | 2031 | General Fund | $36,025,000 | 5.000% | $7,096,250 |
| 2019 | JP Morgan Equipment Finance | 2026 | General Fund | $577,208 | 1.768% | $587,413 |
| 2020 | Series 2020, Certificates of Participation | 2045 | General Fund | $29,315,000 | 4.000% | $1,998,700 |
| 2021 | Key Government Finance | 2028 | General Fund | $3,609,389 | 1.064% | $1,228,822 |
| 2021 | Series 2021, First-Lien Water Improvement Revenue Bonds | 2051 | Water Revenue | $122,760,000 | 2.250% | $2,762,100 |
| 2021 | Series 2021B, First-Lien Water Improvement Revenue Bonds | 2046 | Water Revenue | $250,085,000 | 0.923% - 2.720% | $9,241,395 |
| 2021 | Series 2021, First-Lien Sewer Improvement Revenue Bonds | 2051 | Sewer Revenue | $43,970,000 | 4.000% - 5.000% | $2,005,800 |
| 2022 | Series 2022, Certificates of Participation | 2029 | General Fund | $3,631,837 | 2.60% | $967,722 |
| 2022 | Banck of America Public Capital Corp | 2032 | General Fund | $5,759,975 | 3.31% | $990,832 |
| 2022 | NBH Capital Finance | 2039 | TIF Revenues of Lodge Rax, Sales & Use Tax, Property Tax, Net Garage Revenues and Net Conference Center Revenues | $18,045,000 | 4.060% | $1,717,627 |
| 2023 | JP Morgan Equipment Finance | 2030 | General Fund | $5,758,671 | 3.709% | $1,282,997 |
| 2023 | Series 2023, First-Lien Sewer Improvement Revenue Bonds | 2053 | Sewer Revenue | $43,780,000 | 4.000% - 5.000% | $1,867,450 |
| 2024 | Banc of America Public Capital Corp | 2031 | General Fund | $5,674,810 | 3.8249% | $1,153,913 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| 2024 | Series 2024, First-Lien Water Improvement Revenue Bonds | 2054 | Water Revenue | $133,935,000 | 4% - 5% | $8,574,700 |
| 2024 | Internal Lease | 2029 | Golf Enterprise | $868,324 | 2.700% | $231,929 |
| **2025 | Banc of America Public Capital Corp | 2032 | General Fund | $5,759,975 | 3.31% | $990,832 |
| **2025 | Series 2025, Certificates of Participation | 2054 | General Fund | $25,090,000 | 5% | $1,663,813 |
| **2025 | BOK Financial Public Finance, Inc. | 2030 | Golf Enterprise | $1,428,924 | 4.070% | $321,607 |
| **2025 | Series 2025, First-Lien Sewer Improvement Revenue Bonds | 2055 | Sewer Revenue | $84,530,000 | 4.125% - 5.000% | $2,573,323 |

****NOTE:** 2025 financial lending notes, bonds, and COPs are not yet present in the most recent audit presented to OSA. However, the City has provided documentation stating that these have been closed at the time of the presentation of this credit report and will cause additional debt burden to the related fund. The inclusion of these is for informative purposes to better present the City's overall financial standing.

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

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

Project #140131D-I
Cost Categories:
- Planning and Design: 10
- Construction: Transmission and Distribution: 90

Prepared by: Monica Munoz-Revelo
Date: July 28, 2026



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| July 28, 2026<br><br>DWRF Credit Report<br>City of Aurora, Adams, Arapahoe, and Douglas Counties, CO<br>Using most recent data available<br>(Census, audits, local records) | | | |
|---|---|---|---|
| Estimated Population - 2024 | 401,564 | | |
| Number of Water Taps/Customers - 2024 | 97,026 | | |
| Total Assessed Valuation - 2024 | $8,530,933,000 | | |
| Actual Value of All Real Property - 2024 | $74,393,029,000 | | |
| Median Household Income (MHI) - 2023 | $88,368 | | |
| Monthly Water Rate - 2024 | $0.00 | | |
| Water Operating Revenue - 2024 | $159,845,651 | | |
| Water Total Revenue - 2024<br>[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.] | $260,758,275 | | |
| Water Tap and System Development Fee Revenue - 2024 | $75,801,038 | | |
| Water Operating Expense - 2024 | $98,612,286 | | |
| Water Current Expense - 2024 | $127,554,651 | | |
| Water Debt - 2024 | $652,280,899 | | |
| Total Debt - 2024 | $971,751,869 | | |
| Water Fund Reserves - 2024 | $209,262,636 | | |
| Water Debt Service - 2024 | $28,942,365 | Base Direct Loan | IIJA/BIL LSL Loan |
| New Water Debt<br>[Requested DWRF loan amount.] | $16,305,181 | $8,754,238 | $7,550,943 |
| Requested DWRF Loan Term | 20 | 20 | 20 |
| Requested DWRF Loan Interest Rate | 3.25% | 3.25% | 3.25% |
| New Loan's Annual Water Debt Service (two payments annually) | $1,115,102 | $598,697 | $516,405 |

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## Current Indicators (2024)
## City of Aurora
## (Water)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $971,751,869 | ÷ | Population | 401,564 | = | $2,420 |
| | New Debt | $16,305,181 | ÷ | Population | 401,564 | = | $41 |
| | Total Debt + New Debt | $988,057,050 | ÷ | Population | 401,564 | = | $2,461 |
| 2 | Total Debt | $971,751,869 | ÷ | Number of Taps | 97,026 | = | $10,015 |
| | New Debt | $16,305,181 | ÷ | Number of Taps | 97,026 | = | $168 |
| | Total Debt + New Debt | $988,057,050 | ÷ | Number of Taps | 97,026 | = | $10,183 |
| 3 | Total Debt | $971,751,869 | ÷ | Assessed Value | $8,530,933,000 | = | 11.39% |
| | New Debt | $16,305,181 | ÷ | Assessed Value | $8,530,933,000 | = | 0.19% |
| | Total Debt + New Debt | $988,057,050 | ÷ | Assessed Value | $8,530,933,000 | = | 11.58% |
| 4 | Total Debt | $971,751,869 | ÷ | Actual Value | $74,393,029,000 | = | 1.31% |
| | New Debt | $16,305,181 | ÷ | Actual Value | $74,393,029,000 | = | 0.02% |
| | Total Debt + New Debt | $988,057,050 | ÷ | Actual Value | $74,393,029,000 | = | 1.33% |
| 5 | Current Water Debt | $652,280,899 | ÷ | Number of Taps | 97,026 | = | $6,723 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $6,891 | ÷ | MHI | $88,368 | = | 7.80% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $286,776,952 | ÷ | Current Liabilities | $77,514,316 | = | 370% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $209,262,636 | ÷ | Current Expenses | $127,554,651 | = | 164% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $159,845,651 | ÷ | Operating Expenses | $98,612,286 | = | 162% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $260,758,275 | - | | | | |
| | Minus Operating Expenses | $98,612,286 | | | | | |
| | = | $162,145,989 | ÷ | Current Debt Service | $28,942,365 | = | 560% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $162,145,989 | | | | | |
| | Minus Tap and Development Fee Revenu | $75,801,038 | | | | | |
| | = | $86,344,951 | ÷ | Current Debt Service | $28,942,365 | = | 298% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $260,758,275 | | | | | |
| | Minus Operating Expenses | $98,612,286 | | | | | |
| | = | $162,145,989 | | Total Debt Service (with new loan) | $30,057,467 | = | 539% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $162,145,989 | | | | | |
| | Minus Tap and Development Fee Revenu | $75,801,038 | | | | | |
| | = | $86,344,951 | ÷ | Total Debt Service (with new loan) | $30,057,467 | = | 287% |
| 13 | Current Debt Service | $28,942,365 | ÷ | Number of Taps | 97026 | = | $298.29 |
| | Annual New Water Debt Service | $1,115,102 | ÷ | Number of Taps | 97026 | = | $11.49 |
| 14 | 2024 Annual Water Rate (Monthly Rate x 12) | $0.00 | ÷ | MHI | $88,368 | = | 0.00% |
| | 2024 Annual Water Rate + New Annual Debt Service Per Tap | $11.49 | ÷ | MHI | $88,368 | = | 0.01% |
| 15 | Current 2024 Monthly User Charge | | | | | | $0.00 |
| | (Debt Service on DWRF Loan / 2024 Taps / Month) | | | | | | $0.96 |
| | Total | | | | | | $0.96 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $209,262,636 | ÷ | Operating Expenses | $98,612,286 | = | 212% |

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# Principal Forgiveness and Priority Point Scoring

Applicant: City of Aurora
DWRF or WPCRF: DWRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes.

Eligible BIL principal forgiveness percentage: 56.977%

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

## Base DWRF/WPCRF Principal Forgiveness Scoring

**DWRF/WPCRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 25 |
| DOLA Affordability Score: | 95 |
| Total Score | 120 |

Eligible as a base program DAC? No.

Eligible base program DWRF/WPCRF principal forgiveness percentage: N/A

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 40 |
| DOLA Affordability Score: | 95 |
| Total Score: | 135 |

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## 2026 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | City of Aurora |
| **Date of Scoring** | 6/8/2026 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 95 |
| **DAC:** | Not DAC |

| | | | | | |
|---|---|---|---|---|---|
| | **Benchmarks** | | | | |
| **$95,470** | **2020-2024 State MHI estimate** | | | | |
| | | **Points** | | **Entity Value** | |
| **P1** | **MHI** | | | $88,368 | 93% |
| | <50% of state MHI | 35 | | | |
| | Between 51% and 80% of state MHI | 20 | | | |
| | Between 81% and 100% of state MHI | 5 | x | | |
| | >100% state MHI | 0 | | | |
| **S5a** | **User Fees (current water rate at 110%/tap/MHI)** | | | 1.60% | |
| | Rates are > 1.55% | 45 | x | | |
| | Rates are between 1.11% and 1.55% | 25 | | | |
| | Rates are < 1.11% | 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 water debt per tap compared to MHV** | | | 2.10% | |
| | Debt is > 0.63% | 45 | x | | |
| | Debt is between 0.21% and 0.63% | 25 | | | |
| | Debt is < 0.21% | 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** | | | 401,564 | |
| | 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 | x | | |
| **S3** | **Assessed Value/Household** | | | 55,986 | |
| | 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 | x | | |

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| | | | | |
|---|---|---|---|---|
| Date: | 3/27/2024 | | | |
| Project Name: | Aurora Water Lead Replacement Program | | | |
| SRF Project Number: | 140131D-I | | | |
| ES Project Number: | ES.24.SRF.08418 | | | |
| **Drinking Water Revolving Fund Priority Scoring Model (Attachment I DWRF IUP 2024)** | | | | |
| **Drinking Water Quality and Public Health Points** | **Possible Points** | **Points Scored** | **WHO SCORES** | |
| **Project addresses a documented waterborne disease outbreak associated with the system within the last 24 months.** | 35 | 0 | Engineering Section | |
| **Project corrects or prevents violations of MCLs (primary standards)**1 (may score points in multiple categories) | | | | |
| • Nitrate, nitrite, TCR. | 30 | 0 | Engineering Section | |
| • Total trihalomethanes, total haloacetic acids. | 25 | 0 | Engineering Section | |
| • Arsenic, selenium. | 20 | 0 | Engineering Section | |
| • Other regulated contaminants. | 15 | 15 | Engineering Section | |
| 1 This accommodates repeat violations and provides indicators for both chronic and acute health hazards | | | | |
| **Project corrects or prevents exceedances of MCLs for radionuclides.** | 35 | 0 | Engineering Section | |
| **Project corrects inadequate treatment techniques that are unable to satisfy the requirements for:** (scores total 20 points one or more of the following) | 20 | 0 | Engineering Section | |
| • Surface water. | | | | |
| • GWUDI. | | | | |
| • Groundwater. | | | | |
| **Project corrects exceedances of secondary drinking water standards.** | 10 | 0 | Engineering Section | |
| **System has inadequate supply* to meet all current domestic water supply demands (*system must provide records of water usage to substantiate supply is inadequate).** | 25 | 0 | Engineering Section | |
| **Project will correct or prevent:** (points are not additive, scores points only in one category) | | | | |
| • Inadequate distribution due to system deterioration (e.g., experiencing multiple line breakages). | 20 | 0 | Engineering Section | |
| • Inadequate distribution due to chronic low pressure. | 15 | 0 | Engineering Section | |
| • Inadequate storage. | 10 | 0 | Engineering Section | |
| • Demand exceeding design capacity. | 5 | 0 | Engineering Section | |
| **Project incorporates fluoridation.** | 10 | 0 | Engineering Section | |
| **Total Drinking Water Quality & Public Health Score =** | | 15 | | |
| | | | | |
| **Affordability** | | | | |
| **Total Financial / Affordability Points scored by DOLA =** | | | DOLA | |
| | | | | |
| **CPDWR Compliance Points** | **Possible Points** | | | |
| (Points are not additive. Can score points only in one category) | | | | |
| **Project addresses an enforcement action by a regulatory agency and the facility is currently in violation of CPDWRs.** | 30 | 0 | Engineering Section | |
| **Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of a consent order, notice of violation or other enforcement action.** | 20 | 0 | Engineering Section | |
| **Project is designed to maintain CPDWR compliance, meet new requirements, or address contaminants included in the priority list submitted by the Division to the Commission for which standards may be considered.** | 15 | 0 | Engineering Section | |
| **System is currently meeting all CPDWRs.** | 10 | 10 | Engineering Section | |
| **Total CPDWR Compliance Points=** | | 10 | | |
| | | | | |
| **Total Addtional Subsidy Points =** | | 25 | (Sum of Drinking Water Quality&Public Health + Affordability + CPDWR Compliance points) | |
| **Points scored in highest priority drinking water & public health criteria sections? (Enter "Yes only if points scored for addressing water borne disease outbreaks, Nitrate/Nitrite/TCR, or radionuclides - RED boxes)** | | No | Grants&Loans | |
| | | | | |
| **Source Protection and Conservation** | **Possible Points** | | | |
| **Project addresses vulnerability to potential pollution by conditions identified in an approved source water protection area assessment:** (scores a total of 15 points for one or more of the following) | 15 | 0 | Engineering Section | |
| • Point source discharge within a delineated area. | | | | |
| • Areas impacted by agricultural chemical use or run-off. | | | | |
| • Area subject to oil/gas/mineral operations. | | | | |
| • Unprotected watershed area. | | | | |
| **Project establishes a protective zone to address potential pollution as a result of wildfires in burn scar areas** | 10 | 0 | Engineering Section | |
| **Utility rate structure currently in place:** | | | | |
| • Increasing block rates. | 15 | 15 | Grants& Loans | |
| • Seasonal rates. | 10 | 0 | Grants& Loans | |
| • Uniform. | 0 | 0 | Grants& Loans | |

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| | | | | |
|---|---|---|---|---|
| **Project will implement water metering, leak detection and/or other water conservation and efficiency infrastructure applications at a minimum of 20% of total project costs.** | **10** | 0 | **Grants&Loans** | |
| **Sustainability Points** | **Possible Points** | | | |
| **Project seeks to:** | | | | |
| ● Correct compliance issues, water quality problems, and/or water supply problems through physical consolidation and regionalization of water systems. | **10** | 0 | **Engineering Section** | |
| ● Correct and/or improve security of the water system. | **10** | 0 | **Engineering Section** | |
| ● Incorporate beneficial uses of water treatment plant sludge and/or alternative concentrate management options in an approved Beneficial Use Plan[2] | **10** | 0 | **Engineering Section** | |
| 2 The Hazardous Materials and Waste Management Division is the agency responsible for implementing the Regulations Pertaining to the Beneficial Use of Water Treatment Sludge and Fees applicable to the Beneficia | | | | |
| **Project promotes sustainable utilities and/or communities through a utility management plan that:** | | | | |
| ● Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed. | **5** | 0 | **Engineering Section** | |
| ● Provides sufficient revenues to meet O&M and capital needs. | **5** | 0 | **Engineering Section** | |
| ● Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so. | **5** | 0 | **Engineering Section** | |
| ● Incorporates a fix-it-first planning methodology. | **5** | 0 | **Engineering Section** | |
| **Readiness to Proceed Points** | **Possible Points** | | | |
| **Project has secured one or more of the following:** | **10** | 0 | **Engineering Section** | |
| ● Plans and specifications approved. | | | | |
| **Project has funding secured by multiple assistance provider.** | **10** | 0 | **Grants&Loans** | |
| | **Total Points Scored** | **40** | | |
| Yes | | | | |
| No | | | | |

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# DWRF LOAN CREDIT REPORT (2026)

Camelot Property Owner's Association (the "Association"), El Paso County

| | |
|---|---|
| **Recommendation:** | **CONDITIONAL APPROVAL** |
| **Loan Request:** | $1,000,000 |
| **Interest Rate & Term:** | 5.00%, 30 years |
| **Annual Debt Service:** | $64,707 |
| **Pledge:** | All Association Revenues |
| **Current Dues & Rates:** | $277.29 |
| **Estimated Dues Increase:** | $6.46 |

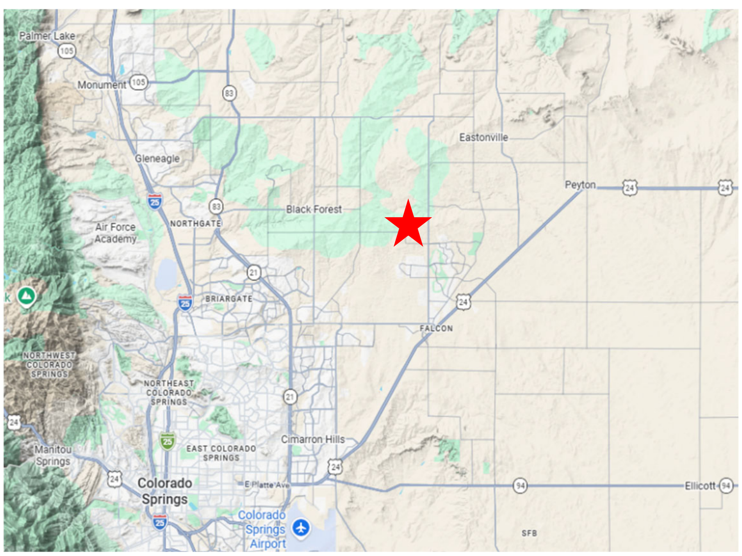
| **Project Budget** | |
|---|---|
| **DWRF Loan:** | $1,000,000 |
| **Total:** | $1,000,000 |

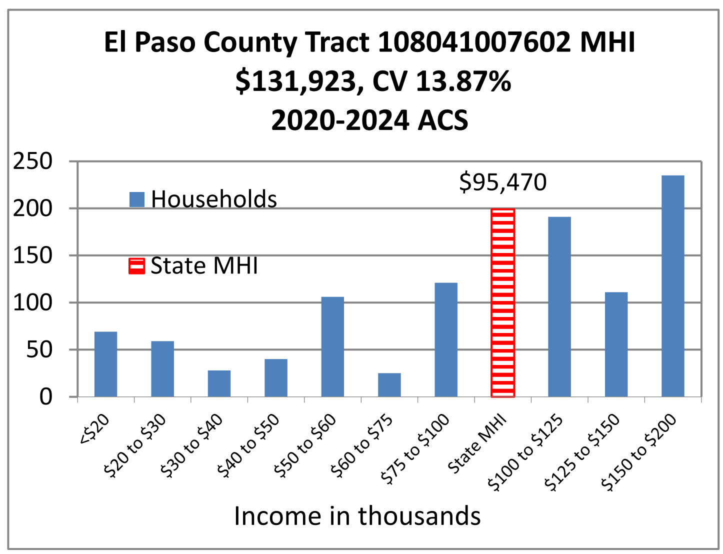
**PROJECT DESCRIPTION:** This project consists of a full replacement of the storage tank with two new 30,000-gallon water storage tanks and booster pump upgrades.

| **COMMUNITY PROFILE: Camelot Property Owner's Association** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| Association Population | | | 70 | 70 | 70 | 70 | 70 | 0.00% |
| El Paso County Population | 733,831 | 738,767 | 742,583 | 746,917 | 752,892 | | | 0.64% |
| El Paso County Jobs | 332,322 | 347,236 | 358,657 | 372,363 | 374,875 | | | 3.06% |
| Number of Water Taps | | | 28 | 28 | 28 | 28 | 28 | 0.00% |

*No assessed or actual values provided because the Association is not a taxing entity

**BORROWER BRIEF:** Camelot Property Owner's Association is located in northeastern El Paso County. The Association is located between State Highway 24 to its east and State Highway 83 to the west and is located approximately 16 miles northeast of downtown Colorado Springs and 4 miles north of Falcon.




**RECOMMENDATION:** The Association serves a small residential community in northeastern El Paso County. This proposed loan is necessary to replace this failing infrastructure before the tank collapses or the water becomes unsafe to drink. The small community relies on a single, structurally failing water tank and two aging well pumps that keep radioactive radium levels safe for a community serving only 28 lots. The Association has a very small financial base, making large capital projects financially burdensome. However, the Association raised dues via its water infrastructure fee significantly ($90.00) in 2026 and plans to raise the water infrastructure and consumption fees annually. The current projected dues increase is $6.46, and well within its approved amount for increases. We therefore recommend the DWRF Committee approve a $1,000,000 direct loan to the Camelot Property Owner's Association on the condition Association dues are increased to meet coverage ratio requirements.



BACK TO AGENDA

**PROJECT SUMMARY:**
**System summary:** The Association is a small community serving a population of 70 residents located in El Paso County. The water system was originally constructed in 2002. The system receives water from two groundwater wells, which are blended to reduce the concentration of Radium 226/228 in the finished water. The water is pumped to a treatment plant for chemical injection. It is then stored in a finished water tank for contact time disinfection before being sent out to distribution.

**Reason/need:** The Association's potable water system serves 28 single-family residential lots in El Paso County, Colorado. The system needs significant upgrades due to aging infrastructure, potential health risks, and operational inefficiencies. Specifically, the only water storage tank and booster pump station have deteriorated, with the water storage tank being the priority due to structural integrity concerns. There is no direct access to backup potable water if this water tank fails. A second possible compliance issue stems from the system's ongoing need to meet the Maximum Contaminant Level (MCL) for Radium 226/228. The Association relies on blending water from two wells to reduce radium concentrations, but aging equipment for Well No. 1 threatens the system's ability to maintain compliance. Without upgrades, the reliability of blending ratios and consistent water quality could be compromised, leading to potential violations.

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

**Project Delivery Method:** Design/Bid/Build

**Contingency:** 8.5% of the total project cost

| CURRENT INDICATORS: | 2023 | 2024 | 2025 | | Weak | | Average | | Strong |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 0 | 0 | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Total + New Debt/Capita ($): | | | 14,286 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 0 | 0 | 0 | | >$5,000 | | $2,500 - 5,000 | X | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 35,714 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Association Debt/Tap ($): | 0 | 0 | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Current Association + New Association Debt/Tap ($): | | | 35,714 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Curr. Assoc. Debt + New Debt/Tap/MHI: Association | | | 27% | X | >20% | | 10-20% | | <10% |
| Current Ratio (CA/CL): | | | N/A | | <100% | | 100-200% | X | >200% |
| Association Fund Reserves/Current Expense: | | | 487% | | <50% | | 50-100% | X | >100% |
| Association Operating Ratio (OR/OE): | 206% | 251% | 237% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | | | N/A | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | | | N/A | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 59% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 59% | X | <110% | | 110-125% | | >125% |
| Current Annual Assoc. Rates*/MHI: | | | 1.68% | | >3.0% | X | 1.5-3.0% | | <1.5% |
| Current Assoc. Rates* + New Assoc. Debt Service/MHI: | | | 3.44% | X | >3.0% | | 1.5-3.0% | | <1.5% |
| Operation and Maintenance Reserve: | | | 487% | | <25% | | 25-50% | X | >50% |
| *Total dues include annual Association dues, water infrastructure fees (base rates), and consumption charges | | | **Total:** | **7** | | **1** | | **9** | |

**FINANCIAL ANALYSIS:** Of the seventeen current indicators calculated, nine are rated strong, seven are considered weak, and one is considered average. Overall, the indicators illustrate a well-run and financially responsible system willing to take on significant debt. Strong indicators highlight robust reserves and solid operating and coverage ratios, with zero debt. While weak indicators reflect significant future debt, the Association is fully prepared to absorb it through sufficient planning and dues increases.

- Audited statements were used for the 2025 analysis; the audit covers October 1, 2024, to October 31, 2025. Expenses and revenues were then pro-rated to reflect a standard 12-month fiscal year. Prior to 2025, numbers came from the Association's records; as such, assets and liabilities were excluded.
- The Association charges annual dues, a monthly water infrastructure fee, and a monthly water usage fee. In 2026, the total monthly charges averaged $277.29, consisting of: $24.92 in Association dues ($299.00 billed annually), $190.00 for the water infrastructure fee, and an average $62.37 water consumption charge.
- The five-year average operating ratio is 184%. Only once (2021) has it dropped below the threshold for "strong," and following that year, the Association drastically increased its water infrastructure fees and subsequent revenues.
- Based on 2024/2025 financial information, coverage with the proposed loan is 59%. Additional annual revenue of about $33,138 or $98.63 per tap per month, would increase the coverage ratio to 110%. When incorporating the $90.00 increase and water consumption rate changes in 2026, the projected increase is estimated at only $6.46.

- Projections submitted by the Association show that it plans to increase volume charges by 3% every year in addition to increasing the water infrastructure base charge by 1% every other year.
- Indicators comparing current and projected debt to assessed and actual values are not included in this analysis. The Association is not a local government and does not receive these values from the County.

**DESCRIPTION OF THE LOAN:**
A $1,000,000 direct loan with a thirty-year term, two payments annually at an interest rate of 5% (4% loan interest rate and 1% up-front PNP Administration Fee) will cost the Association approximately $64,707 in debt service annually.

**ECONOMIC ANALYSIS:** Based on the State Demographer's estimate of 2.5 persons per tap, the Association has a 2025 population estimated at 70 and remains unchanged through the years observed. El Paso County has experienced an increase of 0.64% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

El Paso County's economy is dominated primarily by regional service, government and retirees. The County's largest job sectors include government (26%), retirees (15%), Education and Health Services (12%), and Professional and Business Services (11%). The area's largest employers consist of 4th Infantry Division & Fort Carson (36,000), Peterson Space Force Base (10,650), Schriever Space Force Base (8,000), the United States Air Force Academy (7,650), and UCHealth Memorial Health System (6,000).

Two customers account for more than 3% utilization: Account 128 is responsible for 15% total usage and 6.3% total revenue, while Account 125 is responsible for 10% total usage and 5.3% total revenue. The high usage is from a swimming pool and extensive landscaping. If these high-volume users were to significantly reduce their water consumption, it would have a direct impact on the Association's operations and maintenance budget. In that situation, the Association stated it would need to adjust rates accordingly to ensure adequate funding for ongoing system operations and maintenance needs. The Association completes an annual rate analysis to address shortfalls and is prepared to vote to increase usage rates more than the planned inflationary 3% annually.

**ORGANIZATIONAL ANALYSIS:**
**Bond Rating**
The Association's debt has not been rated by Fitch, Moody's, or Standard & Poor's in the last five years.

**Section 37-60-126(2) C.R.S. (Water Conservation Planning)**
The Association does not sell more than 2,000 acre-feet of water per year.

**Organizational Structure**
The Association is a Colorado nonprofit corporation, organized according to the Colorado Revised Nonprofit Corporation Act, (C.R.S. 7-121 to 7-127) in 2001. The Association is governed by a Board which has no fewer than three Directors. However, the bylaws also state that after control by the declarant terminates, the total number of directors can be subsequently increased or decreased by an affirmative vote of a majority of the members at an annual meeting. The Association currently operates with three board members. The articles of incorporation state that the purpose of the Association is to operate and manage the water system; maintain common areas, parks, roads, and street lighting; perform snow removal; and create and enforce community covenants.

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

The Association has no employees. The water utility is overseen by a contract operator, who reports to the Association Board.
- The Association completed a CPA audit of FY 2024/2025 financials per CWRPDA policy.
- The Association maintains general liability insurance coverage through Continental Casualty Company.
- There are currently no pending lawsuits against the Association.

**Membership**
Every person or entity who is a record owner of a fee or undivided interest in any lot subject to assessments is automatically a member of the Association. Membership is tied directly to lot ownership and cannot be separated from it. There are 28 lots in the Association, and it is fully built out.

The Association has distinct classes of voting membership:
- Class A (Built Lots): Owners of residential units are entitled to three (3) votes per unit. If multiple people own the same lot, they must decide among themselves how to vote, but no more than three votes can be cast per lot as an entirety.
- Class B (Vacant Lots): Owners of lots without a residential unit get one (1) vote per vacant lot. Multiple owners of a vacant lot are restricted to a single vote cast as an entirety.

**Authority to collect assessments and take on debt**
The Board must prepare an annual budget estimating common expenses, alongside a capital budget spanning at least five (5) years to establish a reserve fund for replacing or repairing community assets.

Copies of the budget and the annual general assessment totals must be emailed/posted on internal website at least 30 days before the annual meeting. The assessment can automatically increase year-over-year based on the percentage increase in the "Cost of Living Index". If a proposed budget exceeds this maximum authorized amount, a special meeting must be called where the budget can be vetoed by a majority of a quorum of members.

Both monthly installments and special assessments must be fixed at a uniform rate across all lots. However, a specific developer discount dictates that the rate for lots owned by the developer is fixed at exactly one-third of the regular assessment rate.

The Association has the explicit right to borrow money to improve common areas, buy additional land, or build facilities. However, the Board cannot borrow an amount exceeding 15% of the current annual general budget unless it is explicitly approved by a 75% vote of the membership present or represented by proxy at a meeting.

On April 12, 2025, a 3% water rate increase was proposed based on the annual water rates analyses report and passed unanimously supporting system operations and future upgrades. Additionally, on April 11, 2026, Association members approved an infrastructure fee increase of $90 per month, bringing the total dues to $277.29 per lot per month. Members also approved a maximum potential water infrastructure increase of $120 per lot per month, allowing the infrastructure fee to rise to as much as $220 per lot per month if needed. Additionally, on May 21, 2026, Bond Counsel confirmed that the Association has the approved authority to incur this proposed debt.

**Fee collection and enforcement**
The Association has the authority to levy charges and assessments in addition to collecting and enforcing payment. Every assessment is considered a lien on the lot and if unpaid, the Association may file a lawsuit to collect the debt or foreclose on the lien in the same manner as a mortgage under Colorado law.

**Technical/Managerial/Financial (TMF)**
The WQCD and DLG conducted a review of the Association's technical, managerial and financial capacity to operate the water system. The review resulted in the following mandatory recommendations:

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

**Capital Improvement Plan**
The Association does not anticipate any other major projects for the next 5-10 years.

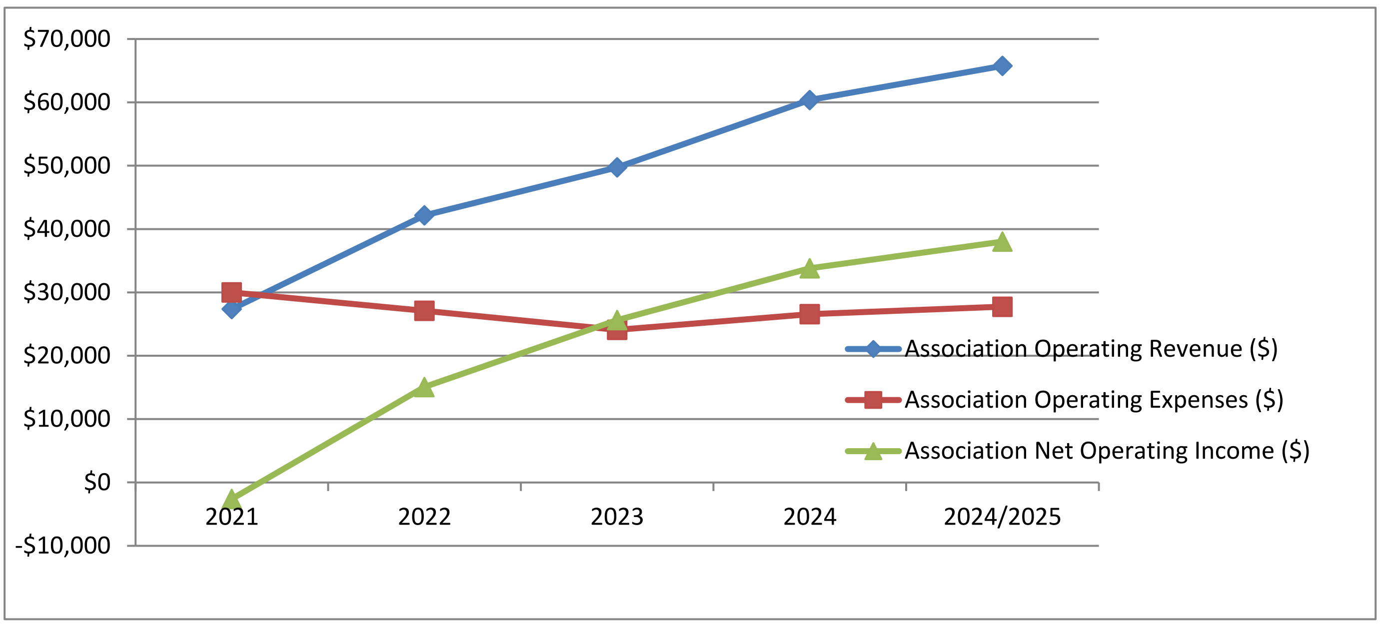
**REVENUE ANALYSIS:**
The Association's revenues have experienced strong, consistent growth over the observed five-year period, climbing each year. This steady upward trajectory was driven primarily by significant, ongoing adjustments to the monthly Association water infrastructure dues, which nearly tripled from 2021 to 2022, before continuing to rise by 2024/2025, and again rose significantly in 2026. In addition, the water consumption rates more than doubled between 2023 and 2024. Because tap and development fees remained nonexistent as a built-out community, operating revenues accounted for 100% of the Association's total revenue.

Association operating expenses remained relatively stable and well-managed over the same period, fluctuating slightly between a low of $24,097 in 2023 and a high of $29,998 in 2021. In 2021, operating revenues fell short of expenses, resulting in a net operating loss of $2,610 and an operating ratio of 91%. However, following the substantial dues increase in 2022, the Association's financial health pivoted sharply, and net operating income surged into positive territory. As a result of revenue outpacing expenses by a widening margin, the operating ratio climbed dramatically year-over-year with a robust five-year average of 184%. The Association carries no debt and has strong reserves.

Association reserves prior to 2025 could not be calculated as they were not audited and thus could not isolate assets and liabilities. However, the 2021-2024 financial documents were sufficient to perform the remaining financial analysis. For 2024/2025, the Association's audit was used for this analysis. The full audit covered October 1, 2024-October 31, 2025, in order to apply for a loan application during 2026. All figures were adjusted by a ratio of 12/13 months for consistency and to match the Association's standard fiscal year of January – December.

| TRENDS | 2021 | 2022 | 2023 | 2024 | 24/2025 | 2026 |
|---|---|---|---|---|---|---|
| Monthly Total Association Dues ($) | 73.43 | 148.43 | 150.79 | 183.71 | 185.12 | 277.29 |
| Total Association Revenue ($) | 27,388 | 42,169 | 49,733 | 60,372 | 65,783 | |
| Tap/Development Fees ($) | 0 | 0 | 0 | 0 | 0 | |
| Association Operating Revenue ($) | 27,388 | 42,169 | 49,733 | 60,372 | 65,783 | |
| Association Operating Expenses ($) | 29,998 | 27,103 | 24,097 | 26,565 | 27,744 | |
| Association Net Operating Income ($) | -2,610 | 15,066 | 25,636 | 33,807 | 38,039 | |
| Association Debt ($) | 0 | 0 | 0 | 0 | 0 | |
| Total Debt ($) | 0 | 0 | 0 | 0 | 0 | |
| Association Debt Service ($) | 0 | 0 | 0 | 0 | 0 | |
| Association Debt Service/Tap/Month ($) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Association Reserves ($) | 0 | 0 | 0 | 0 | 135,187 | |

| Ratios | 2021 | 2022 | 2023 | 2024 | ‘24/2025 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 100% | 100% | 100% | 100% | 100% | 100% |
| Operating Revenue as % of Expenses | 91% | 156% | 206% | 227% | 237% | 184% |
| Tap Fee Revenue as % of Total Revenue | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |




**Recent Rate Increases**
The Association’s most recent water infrastructure fee (base rate) increase of $90.00 ($92.16 total increase) was implemented on June 1, 2026.

**User Charges**
The Association’s current monthly water infrastructure fee plus water consumption rate is estimated at $252.37 combined, compared to the 2024 estimated state median of $60.61. The Association’s average monthly water rate is based on typical residential consumption of 9,407 gallons per month. Residential users pay a $190.00 base water infrastructure rate and a water volume charge of $0.00663 per gallon for consumption from 1-10,000 gallons. Above 10,000 gallons of consumption the following volume charges apply:

- $0.00895 per gallon for consumption from 10,001 - 35,000 gallons.
- $0.0133 per gallon for consumption from 35,001- 50,000 gallons.
- $100 surcharge plus $0.0133 per gallon for consumption above 50,000 gallons.

**Contributed Capital**
Revenue from tap fees has not been collected during the last five years as the community is built out.

| Current System Utilization | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 100% | 100% |
| **Non-residential (per EQR)** | 0% | 0% |

| Current Fee Summary | |
|---|---|
| Tap size | Association Dues plus Water Consumption/ Association Base Infrastructure Rate |
| ¾" | $252.37/$190.00 |
| ¾" | N/A |

**DEBT as of October 31, 2025**

The Association currently has no debt as of October 31, 2025. The Association has no existing debt with the Authority, including the SRF programs.

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

In addition to our standard covenants, Staff recommends the following:

1. The Association will establish a Debt Service Reserve Fund (DSRF) in an amount equal to one annual debt service payment (approximately $64,707). The reserve will be restricted as to use, and it will be held by the Authority's Trustee (currently U.S. Bank). The DSRF account will be owned by the Association, held by U.S. Bank, and may be accessed by the Trustee/Loan Servicer (U.S. Bank) in the event of a full or partial missed payment. The Association will receive all accrued interest from the DSRF account (annually). Should the Trustee need to access the DSRF account to make a full or partial payment on behalf of the Association, the Association will be required to replenish this DSRF account as soon as practical, but no longer than a six-month period. The DSRF funds will be returned to the Association when the loan is paid in full. This DSRF must be fully funded prior to the Association's loan repayment commencement date.

2. The Association will covenant to have a Certified Public Accountant prepare an annual CPA compilation, review, or audit, as required by total Association revenues or expenses.

3. When Association dues are received by the Association bookkeeper, the bookkeeper will be required to separate the portion of the dues allocable to upcoming loan payments and place this portion into a subaccount or separate account so that it is not commingled with dues allocable to operations of the Association. The objective is to physically separate funds to enhance accurate accounting and preparation for upcoming loan payments.

4. The Association must maintain a minimum of 3 Board Directors throughout the life of the loan.

Project # 230081D-Q
Cost Categories:

Planning and Design Only (non-construction): 12%
Construction - Transmission and distribution- 25%
Construction – Storage: 45%
Land Acquisition: 5%
Other: 13%
Total: 100%

Prepared by: Peter Dieterich
Date: July 28, 2026

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| July 28, 2026<br><br>DWRF Credit Report<br>Camelot Property Owner's Association, El Paso County<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| **Estimated Population - 2025** | **70** |
| **Number of Water Taps/Customers - 2025** | **28** |
| **Total Assessed Valuation - 2025** | **$0** |
| **Actual Value of All Real Property - 2025** | **$0** |
| **Median Household Income (MHI) - 2024** | **$131,923** |
| **Monthly Water Rate - 2025** | **$185.12** |
| **Water Operating Revenue - 2025** | **$65,783** |
| **Water Total Revenue - 2025**<br>**[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.]** | **$65,783** |
| **Water Tap and System Development Fee Revenue - 2024** | **$0** |
| **Water Operating Expense - 2025** | **$27,744** |
| **Water Current Expense - 2025** | **$27,744** |
| **Water Debt - 2025** | **$0** |
| **Total Debt - 2025** | **$0** |
| **Water Fund Reserves - 2025** | **$135,187** |
| **Water Debt Service - 2025** | **$0** |
| **New Water Debt**<br>**[Requested DWRF loan amount.]** | **$1,000,000** |
| **Requested DWRF Loan Term** | **30** |
| **Requested DWRF Loan Interest Rate** | **5.00%** |
| **New Loan's Annual Water Debt Service (two payments annually)** | **$64,707** |

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## Current Indicators (2024)
## Camelot Property Owner's Association
## (Water)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $0 | ÷ | Population | 70 | = | $0 |
| | New Debt | $1,000,000 | ÷ | Population | 70 | = | $14,286 |
| | Total Debt + New Debt | $1,000,000 | ÷ | Population | 70 | = | $14,286 |
| 2 | Total Debt | $0 | ÷ | Number of Taps | 28 | = | $0 |
| | New Debt | $1,000,000 | ÷ | Number of Taps | 28 | = | $35,714 |
| | Total Debt + New Debt | $1,000,000 | ÷ | Number of Taps | 28 | = | $35,714 |
| 3 | Total Debt | $0 | ÷ | Assessed Value | $0 | = | N/A |
| | New Debt | $1,000,000 | ÷ | Assessed Value | $0 | = | N/A |
| | Total Debt + New Debt | $1,000,000 | ÷ | Assessed Value | $0 | = | N/A |
| 4 | Total Debt | $0 | ÷ | Actual Value | $0 | = | N/A |
| | New Debt | $1,000,000 | ÷ | Actual Value | $0 | = | N/A |
| | Total Debt + New Debt | $1,000,000 | ÷ | Actual Value | $0 | = | N/A |
| 5 | Current Water Debt | $0 | ÷ | Number of Taps | 28 | = | $0 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $35,714 | ÷ | MHI | $131,923 | = | 27.07% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $135,187 | ÷ | Current Liabilities | $0 | = | N/A |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $135,187 | ÷ | Current Expenses | $27,744 | = | 487% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $65,783 | ÷ | Operating Expenses | $27,744 | = | 237% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $65,783 | - | | | | |
| | Minus Operating Expenses | $27,744 | | | | | |
| | = | $38,039 | ÷ | Current Debt Service | $0 | = | N/A |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $38,039 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $38,039 | ÷ | Current Debt Service | $0 | = | N/A |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $65,783 | | | | | |
| | Minus Operating Expenses | $27,744 | | | | | |
| | = | $38,039 | | Total Debt Service (with new loan) | $64,707 | = | 59% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $38,039 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $38,039 | ÷ | Total Debt Service (with new loan) | $64,707 | = | 59% |
| 13 | Current Debt Service | $0 | ÷ | Number of Taps | 28 | = | $0.00 |
| | Annual New Water Debt Service | $64,707 | ÷ | Number of Taps | 28 | = | $2,310.96 |
| 14 | 2024 Annual Water Rate (Monthly Rate x 12) | $2,221.46 | ÷ | MHI | $131,923 | = | 1.68% |
| | 2024 Annual Water Rate + New Annual Debt Service Per Tap | $4,532.41 | ÷ | MHI | $131,923 | = | 3.44% |
| 15 | Current 2024 Monthly User Charge | | | | | | $150.79 |
| | (Debt Service on DWRF Loan / 2024 Taps / Month) | | | | | | $192.58 |
| | Total | | | | | | $343.37 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $135,187 | ÷ | Operating Expenses | $27,744 | = | 487% |

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## 2026 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Camelot Property Owner's Association |
| **Date of Scoring** | 8/5/2026 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 35 |
| **DAC:** | Not DAC |

| | | | | |
|---|---|---|---|---|
| | **Benchmarks** | | | |
| **$95,470** | **2020-2024 State MHI estimate** | | | |
| | | **Points** | **Entity Value** | |
| **P1** | **MHI** | | $131,923 | 138% |
| | <50% of state MHI | 35 | | |
| | Between 51% and 80% of state MHI | 20 | | |
| | Between 81% and 100% of state MHI | 5 | | |
| | >100% state MHI | 0 | | |
| **S5a** | **User Fees (current water rate at 110%/tap/MHI)** | | 0.75% | |
| | Rates are > 1.55% | 45 | | |
| | Rates are between 1.11% and 1.55% | 25 | | |
| | Rates are < 1.11% | 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 water debt per tap compared to MHV** | | 0.00% | |
| | Debt is > 0.63% | 45 | | |
| | Debt is between 0.21% and 0.63% | 25 | | |
| | Debt is < 0.21% | 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** | | 70 | |
| | 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** | | #DIV/0! | |
| | 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 | | |

BACK TO AGENDA

# Principal Forgiveness and Priority Point Scoring

Applicant: Camelot Property Owner's Association
DWRF or WPCRF:DWRF

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: N/A

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

## Base DWRF/WPCRF Principal Forgiveness Scoring

**DWRF/WPCRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 10 |
| DOLA Affordability Score: | 35 |
| Total Score | 45 |

Eligible as a base program DAC?

Eligible base program DWRF/WPCRF principal forgiveness percentage:

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 40 |
| DOLA Affordability Score: | 35 |
| Total Score: | 75 |

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# DWRF LOAN CREDIT REPORT (2026)

Colorado City Metropolitan District ("The District"), Pueblo County

| | |
|---|---|
| **Recommendation:** | **CONDITIONAL APPROVAL** |
| **Total SRF Request:** | $7,500,000 |
| **SRF Loan:** | $5,000,000 |
| **Interest Rate & Term:** | 1.75%, 30 years |
| **Annual Debt Service:** | $214,939 |
| **Pledge:** | Water and sewer revenues |
| **Current Rate:** | $75.51 (W) $52.46 (S) |
| **Estimated Rate Increase:** | $36.34 |

**Project Budget**

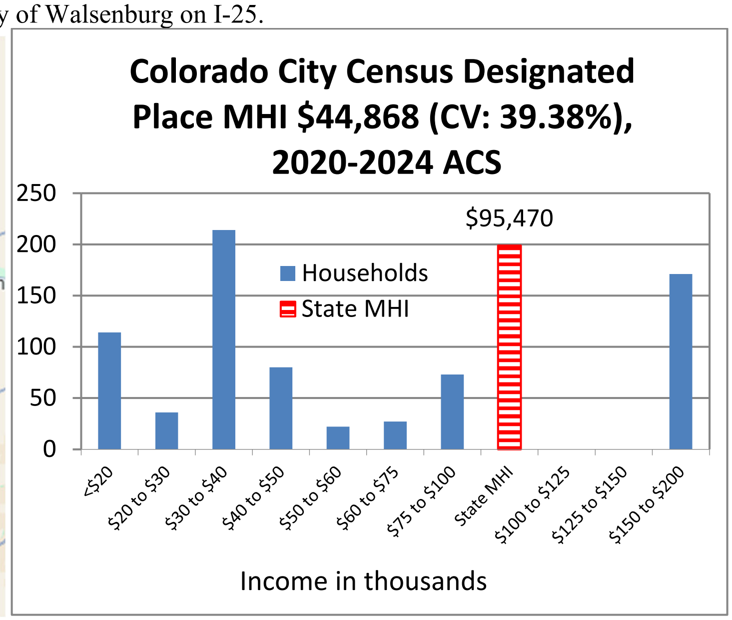
| | |
|---|---|
| **DWRF Base Loan:** | $2,905,087 |
| **DWRF BIL/IIJA Loan:** | $2,094,913 |
| **DWRF BIL/IIJA Principal Forgiveness:** | $2,500,000 |
| **DOLA EIAF Grant:** | $1,000,000 |
| **USDA Loan:** | $13,368,000 |
| **USDA Grant:** | $2,550,000 |
| **District Reserves:** | $1,125,000 |
| **Total:** | $25,543,000 |

**PROJECT DESCRIPTION:** The project consists of upgrades to the District's existing membrane filtration water treatment plant, including the design and construction of a drinking water pretreatment Dissolved Air Flotation (DAF) system, DAF treatment building and all associated appurtenances.

**COMMUNITY PROFILE:**

| **Colorado City Metropolitan District** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| District Population | | | 2,920 | 2,973 | 2,988 | 3,000 | 2,973 | 0.45% |
| Pueblo County Population | 168,339 | 169,307 | 169,404 | 169,681 | 169,916 | | | 0.23% |
| Pueblo County Jobs | 71,089 | 71,407 | 73,058 | 73,625 | 73,929 | | | 0.98% |
| Number of Water Taps | | | 1,168 | 1,189 | 1,195 | 1,200 | 1,189 | 0.45% |
| Number of Sewer Taps | | | 1,148 | 1,169 | 1,175 | 1,180 | 1,180 | 0.69% |
| Assessed Value ($000) | | $24,891 | $29,098 | $29,251 | $48,213 | $47,699 | $41,524 | 9.30% |
| Actual Value ($000) | | | $254,397 | $265,437 | $366,719 | $430,969 | $411,903 | 12.80% |

**BORROWER BRIEF:** The District serves an unincorporated community in Southern Pueblo County. It is located approximately 23 miles south of the City of Pueblo and about 25 miles north of the City of Walsenburg on I-25.


**RECOMMENDATION:** The District serves a bedroom community in southern Pueblo County. This proposed loan is necessary to reduce turbidity and increase the removal of Total Organic Carbon, which will improve water quality. This proposed loan is large for the size of the community and the District has previously submitted an unsuccessful application for DWRF funding for this project. However, the District has secured grant funding from USDA and DOLA in addition to addressing the issues which were identified during the previous loan application for this project. The District has increased rates significantly and indicates that it plans to further increase rates to meet coverage ratio requirements. We therefore recommend the DWRF Committee approve a $2,905,087 disadvantaged communities



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direct base loan, a $2,094,913 disadvantaged communities IIJA/BIL loan, and $2,500,000 in principal forgiveness to the Colorado City Metropolitan District on the condition rates are increased to meet coverage ratio requirements.

**PROJECT SUMMARY:**

**System summary:** The District is located approximately 23 miles south of the City of Pueblo off State Highway 165. The District's water treatment plant serves a population of approximately 2,973 based on 1,189 service connections. The treatment plant receives surface water from Beckwith Reservoir, where it is filtered and treated with chlorine at the existing membrane treatment plant before entering the distribution system. The District has made significant progress in addressing water loss by replacing outdated or inaccurate water meters, resolving water treatment plant operations that used excessive amounts of water, and repairing breaks in 6-inch and 8-inch water lines. The District's average monthly unaccounted for water for May 2026 is now in the range of twenty percent.

**Reason/need:** The District's primary raw water source, Beckwith Reservoir, contains high levels of turbidity and total organic carbon (TOC), a precursor to disinfection byproduct (DBP) formation. As a result of treatment system inadequacies, the District has been subject to water quality compliance violations due to exceedances in DBPs and other factors. A DAF pretreatment assembly was selected after analyzing the needs of the District. Public health benefits are related to increased potable water quality, potable water treatment capacity, and resolving distribution system-related water losses. This project will provide the following benefits: improve overall finished water quality, increase run times on existing membrane units by decreasing the turbidity in the feed water, increase run times and clean-in-place intervals by reducing turbidity, increase the removal of TOCs, which in turn lowers DBP levels in the distribution system, and improve community health and economic development.

**System Compliance:** The District (CO0151200) has an enforcement order (DW.03.18.151200) issued March 8, 2019, to address disinfection byproducts (DBPs). A second enforcement order (DW.09.23.151200) was issued September 27, 2023, to address noncompliance with the first order and ongoing DBP issues. A Compliance Order on Consent (COC) was issued on October 10, 2024, resulting from an appeal process. The District has a compliance schedule in order to perform activities to meet compliance with the DBP maximum contaminant level. The District must begin construction of system improvements by either: (a) December 31, 2025, or (b) within one hundred eight (180) calendar days of Department approval of the design plans and specifications for system improvements, whichever comes later. The schedule also dictates that the District must complete construction within seven hundred eighty-five (785) calendar days of beginning construction of system improvements. The project is intended to return the system to compliance.

**Project Delivery Method:** Design/Bid/Build.

**Contingency:** 8.6% of the total project cost is included as contingency.

| **CURRENT INDICATORS:** | **2022** | **2023** | **2024** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 1,240 | 1,145 | 1,067 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | | | 2,741 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 3,100 | 2,862 | 2,668 | | >$5,000 | X | $2,500 - 5,000 | | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 6,852 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current W&S Debt/Tap ($): | 3,072 | 2,853 | 2,668 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Current W&S + New W&S Debt/Tap ($): | | | 6,852 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 12% | 12% | 6.61% | | >50% | | 25-50% | X | <25% |
| Total Debt + New W&S Debt/Assessed Value: | | | 17% | | >50% | | 25-50% | X | <25% |
| Total Debt/Actual Value: | 1.42% | 1.28% | 0.87% | | >10% | | 5-10% | X | <5% |
| Total Debt + New W&S Debt/Actual Value: | | | 2.23% | | >10% | | 5-10% | X | <5% |
| Curr. W&S Debt + New Debt/Tap/MHI: | | | 15% | | >20% | X | 10-20% | | <10% |
| W&S Fund Current Ratio (CA/CL): | 501% | 521% | 475% | | <100% | | 100-200% | X | >200% |
| W&S Fund Reserves/Current Expense: | 148% | 126% | 114% | | <50% | | 50-100% | X | >100% |
| W&S Operating Ratio (OR/OE): | 123% | 104% | 120% | | <100% | X | 100-120% | | >120% |
| Coverage Ratio (TR-OE)/DS: | 219% | 180% | 239% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 140% | 59% | 174% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 142% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 103% | X | <110% | | 110-125% | | >125% |



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|---|---|---|---|---|---|---|---|
| Current Annual Water Rates/MHI: | 2.02% | ___ | >3.0% | X | 1.5-3.0% | ___ | <1.5% |
| Current Water Rates + New W&S Debt Service/MHI: | 2.42% | ___ | >3.0% | X | 1.5-3.0% | ___ | <1.5% |
| Operation and Maintenance Reserve: | 132% | | <25% | | 25-50% | X | >50% |
| | **Total:** | **5** | | **6** | | **10** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, ten are rated strong, six are average and five are considered weak. Overall, the indicators illustrate a system which has sufficient revenues to cover expenses. The strong indicators show that the community is in good financial condition. The weak indicators reflect that the debt will be a burden for the community when compared to the number of households.

- The District is pledging water and sewer revenues for the proposed loan. The District's audit presents the water and sewer funds as separate funds. For the purposes of this financial analysis and indicators, the water and sewer funds have been added together.
- Over the past five years, operating revenues have averaged 118% of expenses.
- The District received a Letter of Conditions from USDA for a funding package with a $13,368,000 loan and a $2,550,000 grant. The estimated repayment cost of the loan is $562,776 annually.
- Based on 2024 financial information, estimated repayment on the USDA loan, as well as increased payments for existing water and wastewater debt, coverage with the proposed loan is 65% with tap fee revenue and 47% without tap fee revenue. Additional annual revenue of about $518,452, or $36.34 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue. Additional annual revenue of about $723,452, or $50.70 per tap per month, would increase the coverage ratio to 110% excluding tap fee revenue.
- The District anticipates operations and maintenance costs to decrease approximately $511,391 from the current operations and maintenance baseline. This projected decrease is due to less need for professional services related to current projects in addition to automated processes and reduced backwashing leading to lower costs related to monitoring and testing. Cost savings are also anticipated in chemical and energy costs as a result of more efficient equipment and reduced backwashing.
- If the estimated operations and maintenance costs savings from the proposed project are realized, the projected coverage ratio rises to 109% with tap fee revenue and 92% without tap fee revenue. With tap fee revenue, additional annual revenue of about $7,061, or $0.49 per tap per month, is estimated to be necessary to meet the coverage ratio requirement. Excluding tap fee revenue, additional annual revenue of about $212,061, or $14.86 per tap per month, would be necessary.
- Projections submitted by the District shows a 40% increase in rates starting 2027, with rate revenue increasing roughly 2.4% annually after the initial 40% increase. A 40% increase should be sufficient to meet the coverage ratio requirement on the proposed loan.
- Without principal forgiveness, the coverage ratio moves to 59% with tap fee revenue and 43% without tap fee revenue. Additional annual revenue of about $636,669, or $44.62 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue.

**Additional Project Financing**

The District submitted a USDA application and received a Letter of Conditions on April 9, 2026, for a $13,368,000 loan and a $2,550,000 grant.

The District submitted an Energy and Mineral Impact Assistance Fund grant application for $1,000,000 which was awarded in March 2024.

**DESCRIPTION OF THE LOAN:**

An estimated $5,000,000 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the District approximately $214,939 in debt service annually. The District also qualifies for $2,500,000 in IIJA/BIL principal forgiveness.

**Disadvantaged Community:**

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

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

| | Benchmark | | Borrower | Met? |
|---|---|---|---|---|



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| | | | | |
|---|---|---|---|---|
| P1: MHI | $76,376 | >= | $44,868 | Y |
| P2: MHV | $431,520 | >= | $259,100 | Y |
| P3: County Unemployment | 5.35% | <= | 5.10% | N |
| County Job Change | 0.00% | >= | 10.04% | N |
| S1: County MHI | $76,376 | >= | $64,010 | Y |
| S2: Ten Year % Change in Population | 0.00% | >= | N/A | N/A |
| S3: Assessed Value per Housing unit | $24,337 | >= | $40,346 | N |
| S4b: Curr. and Proj. System Debt | 0.57% | < | 3.45% | Y |
| S4b: 80th Percentile | 1.57% | < | 3.45% | Y |
| S5b: Proj. System Cost Per Tap to MHI | 1.84% | < | 5.57% | Y |
| S5b: 80th Percentile | 2.67% | < | 5.57% | Y |

Based on 2020-2024 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1.

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

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

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | 1.93% | 0 |
| 2a: County Job Change | 0.00% | > | 10.04% | |
| 2b: County Unemployment | 5.35% | < | 5.10% | 0 |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | | |
| | $119,338 | < | $44,868 | 1 |
| 4: Rates to MHI | 0.76% | < | 3.42% | 1 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 10.22% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 39.12% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 33.96% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 74.52% | 1 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| **Total Points Scored:** | | | | 6 |

The District qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. The District qualifies for approximately $2,500,000 in principal forgiveness, which is the current maximum for IIJA/BIL DWRF supplemental principal forgiveness.

**ECONOMIC ANALYSIS:** Based on the State Demographer's estimate of 2.5 people per tap, the District had a 2024 population estimated at 2,988 and has grown at an average annual rate of 0.45% since 2020. Pueblo County has experienced an increase of 0.23% in population since 2020. The state population increased at an average annual rate estimated 0.73%.

The County's economy is dominated by education and health services, retirees, government, households with public assistance income (excluding retirees), and manufacturing. Correspondingly, the largest job sectors in the county are government, health services, retail trade, accommodation and food, and construction.

The District's largest employers consist of Siete Inc, with 45 employees; Alcon, with 30 employees; Colorado City Unified School District, with 28 employees; the District itself, with 17 employees; and CSS Potato Farms, with 15 employees.

No customer accounts 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 governed by a five-member board of directors form of government and was organized in 1964. The District provides services including roads, parks and recreation, and water and wastewater services. Approximately four full-time employees staff the water utility. The water utility is overseen by the supervisor for plant operations, 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 Property and Liability Pool.
- There are currently no pending lawsuits against the District.
- There have been no recall elections in the last ten years.

**Technical/Managerial/Financial (TMF)**

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

- Financial Criterion #F-2: Cash flow projection/analysis/financial plan

  The District should also be prepared to raise rates as necessary to meet the 110% debt coverage ratio requirement.

When the District previously applied to the DWRF for project funding, the WQCD identified several items needing follow up. Below is an update of those items:

- Water loss in the distribution system continues to be a chronic issue and while the District continues to attempt to address this concern by replacing all outdated water meters, water loss is still significant.
  - Update: The District has made significant progress in addressing water loss by replacing outdated or inaccurate water meters, resolving wastewater treatment plant operations that used excessive amounts of water, and repairing breaks found in 6-inch and 8-inch water lines. The District's average monthly unaccounted for water for May 2026 is now in the range of 20%, previously estimated to be 50%.
- Concerns regarding procurement of BABA-compliant (Build-America, Buy-America) water treatment equipment persist.
  - Update: The District is coordinating BABA compliance efforts through the USDA Rural Development, which is the lead funding agency. The District has provided confirmation to the WQCD that a BABA-compliant 1.5 MGD DAF pretreatment system will be installed.
- The District expects that the project may reduce operating costs by up to $500,000 however, the WQCD has not received any information to substantiate this amount.
  - Update: The District has provided an explanation and calculations demonstrating how annual operation and maintenance costs will be reduced by approximately $511,391 upon project completion. Cost savings will be seen in a reduction of energy usage, less treatment process chemicals will be needed, and monitoring and testing needs are expected to decrease substantially. The project will reduce the cost of buying new filters for the plant, at a rate of $158,000 every two years, and reduce chlorine usage by 50% because the District will no longer have to clean filters daily or backwash every 20 minutes.

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- The current project scope presented for the SRF loan application is inconsistent with the Environmental Assessment. The EA includes dam rehabilitation and a new raw water pipeline, however, the SRF Project Needs Assessment and subsequent loan application do not include dam rehabilitation.
  - Update: Early in the planning process, the District had combined two distinctly separate projects into one environmental assessment: the DAF Pretreatment project and the Dam Embankment Modification project. This was done because the projects are adjacent to one another and at the time, development of one EA made sense. The dam embankment project is not included in this project.
- The local, state and federal agency consultations required for the Environmental Assessment (EA) are out of date. Due to design changes and project scope changes, consultations with the agencies listed need to be re-initiated. Consultation with the following agencies has not yet occurred or the agency comments from the initial EA were not addressed:
    - CDPHE Air Quality Control Division
    - State Engineer's Office
    - Local Floodplain Permitting Officer
    - Colorado Parks and Wildlife
    - U.S. Fish and Wildlife Office
    - State Historical Preservation Office
    - Department of Natural Resources
  - Update: Colorado City Metropolitan District has fulfilled the obligations required per the State Environmental Review Process (SERP). Though the official environmental determination will be finalized by USDA, CDPHE considers the environmental assessment complete and will defer to the determination published by USDA.

**Capital Improvement Plan**
As part of the application process, the District submitted a capital improvement schedule through 2028, which anticipates capital outlay of $13,212,175 for system-wide meter replacements, Lake Beckwith dam rehabilitation, and a leak detection project to be funded from a combination of grants, loans, and reserves.

**Intergovernmental**
The District has a 2018 intergovernmental agreement with the Town of Rye. The District treats the Town's wastewater. The Town is billed according to a master meter. The agreement is for a term of 20 years, unless terminated earlier by mutual agreement.

**REVENUE ANALYSIS:**
Operating revenues from the water and sewer funds have covered operating expenses for four of the five years examined. While operating expenses have consistently increased, operating revenues are also on a positive trend and net operating income increased between 2023 and 2024. The District is planning a 40% increase to rates to meet the additional bonds test on an existing Bank of the San Juans loan in addition to meet interest payments on the interim loan for USDA-RD financing. Operating expenses have increased due to outside contracted services.

| TRENDS | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|
| Monthly Water Rate ($) | | | 49.27 | 53.67 | 75.51 | 75.51 | 75.51 |
| Monthly Sewer Rate ($) | | | 47.46 | 47.46 | 52.46 | 52.46 | 52.46 |
| Residential Water Tap Fee ($) | | | 5,100 | 11,000 | 15,000 | 15,000 | 15,000 |
| Residential Sewer Tap Fee ($) | | | 4,900 | 9,000 | 10,000 | 10,000 | 10,000 |
| Total W&S Revenue ($) | 2,357,876 | 2,161,618 | 2,222,699 | 2,416,751 | 2,826,392 | | |
| Tap/Development Fees ($) | 524,310 | 361,145 | 249,250 | 380,500 | 205,000 | | |
| W&S Operating Revenue ($) | 1,777,396 | 1,717,532 | 1,884,608 | 1,924,726 | 2,492,253 | | |
| W&S Operating Expenses ($) | 1,375,074 | 1,484,017 | 1,533,319 | 1,849,156 | 2,077,984 | | |
| W&S Net Operating Income ($) | 402,322 | 233,515 | 351,289 | 75,570 | 414,269 | | |
| W&S Debt ($) | 3,969,592 | 3,769,917 | 3,587,860 | 3,391,999 | 3,187,729 | | |
| Total Debt ($) | 4,034,083 | 3,816,792 | 3,620,691 | 3,402,980 | 3,188,120 | | |
| W&S Debt Service ($) | 2,905,551 | 334,722 | 314,299 | 314,958 | 312,572 | | |
| W&S Debt Service/Tap/Month ($) | | | 22.42 | 22.07 | 21.80 | | |
| W&S Funds Reserves ($) | 1,453,903 | 1,505,057 | 2,729,850 | 2,736,997 | 2,736,075 | | |



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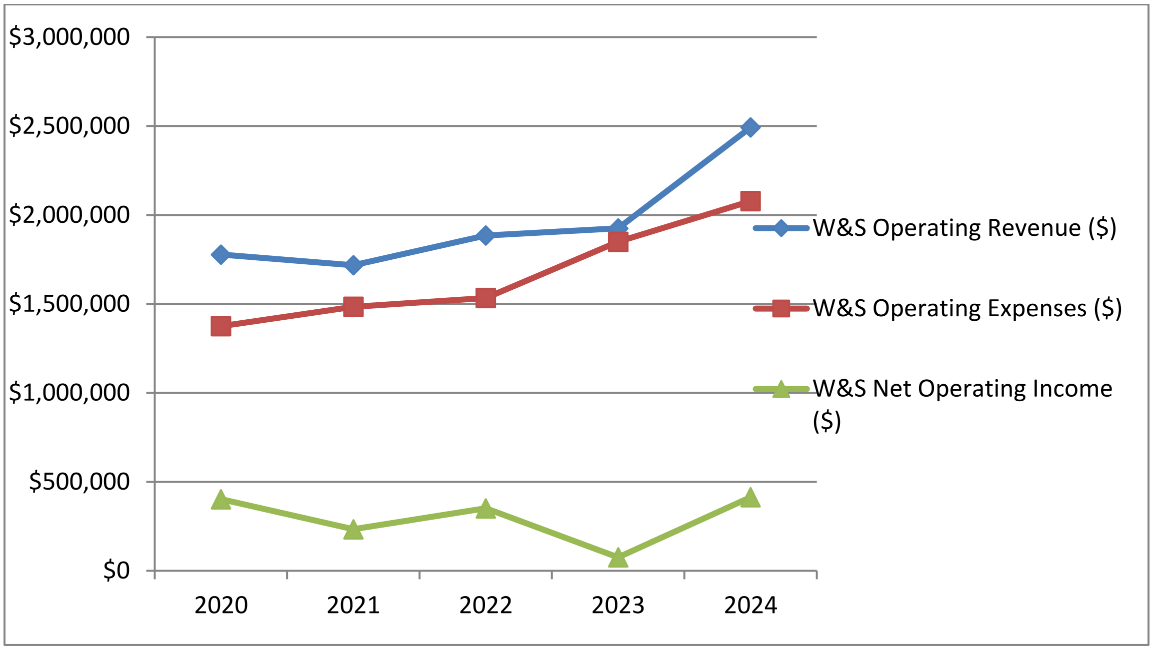
| Ratios | 2020 | 2021 | 2022 | 2023 | 2024 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 75% | 79% | 85% | 80% | 88% | 81% |
| Operating Revenue as % of Expenses | 129% | 116% | 123% | 104% | 120% | 118% |
| Tap Fee Revenue as % of Total Revenue | 22% | 17% | 11% | 16% | 7% | 15% |




**Recent Rate Increases**
The District's most recent water rate increase of $21.84 and sewer rate increase of $5.00 were implemented on January 25, 2024.

**User Charges**
The District's current monthly water rate is estimated at $75.51 compared to the 2024 estimated state median of $60.61. The District's average monthly water rate is based on typical residential consumption of 5,000 gallons per month. Residential users with a ¾" tap pay a $37.37 base rate and a volume charge of $7.627 per 1,000 gallons for consumption up to 5,000 gallons, $9.918 between 5,001 and 15,000 gallons, $11.904 between 15,001 and 35,000 gallons, and $15.486 for consumption over 35,000 gallons. Residential users with a 1" tap pay a higher base fee of $43.01 but the same volume charges. Commercial users with a ¾" tap pay a $38.48 base rate, which increases with tap size up to $76.87 for commercial users with a 2" tap. All commercial users pay a volume charge of $10.856 per 1,000 gallons.

District's current estimated average monthly residential sewer rate is $52.46 compared to the 2024 estimated state median of $44.65. Residential users pay a base rate of $18.36 and a volume charge of $6.82 per 1,000 gallons of the average water consumption in December, January, and February. Commercial users pay a base rate of $18.81 and a volume charge of $8.17 per 1,000 gallons of actual water usage.

**Contributed Capital**
Revenue from tap fees has ranged from $137,100 to $279,860 and has averaged 15% of total water revenue during the last five years. The District's most recent water tap fee rate increase occurred in 2024.

- Residential and commercial water tap fees are $15,000.
- Residential and commercial sewer tap fees are $10,000.

| Current System Utilization | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 82% | 83% |

| Current Fee Summary | | |
|---|---|---|
| Tap size | Water user/tap fees | Sewer user/tap fees |
| ¾" | $75.51/$15,000 | $52.46/$10,000 |



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|---|---|---|---|---|---|
| **Non-residential (per EQR)** | 18% | 17% | ¾" | $79.33/$15,000 | $59.21/$10,000 |

**DEBT as of December 31, 2024**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2020 | Bank of the San Juans | 2030 | Water and sewer fund revenues | $3,187,729 | 3.39% | $261,404 |

**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.

Prepared by: Victor Chen
Date: July 28, 2026

Project # 160121D-Q
Cost Categories: Planning and Design Only (non-construction): 15.5%
Construction - Treatment: 76.5%
Other: 8%

| August 28, 2026<br><br>DWRF Credit Report<br>Colorado City Metropolitan District, Pueblo County, CO<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| Estimated Population - 2024 | 2,988 |
| Number of Water Taps/Customers - 2024 | 1,195 |
| Total Assessed Valuation - 2024 | $48,213,000 |
| Actual Value of All Real Property - 2024 | $366,719,000 |
| Median Household Income (MHI) - 2023 | $44,868 |
| Monthly Water Rate - 2024 | $75.51 |
| W&S Operating Revenue - 2024 | $2,492,253 |
| W&S Total Revenue - 2024<br>[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.] | $2,826,392 |
| W&S Tap and System Development Fee Revenue - 2024 | $205,000 |
| W&S Operating Expense - 2024 | $2,077,984 |
| W&S Current Expense - 2024 | $2,390,556 |
| W&S Debt - 2024 | $3,187,729 |
| Total Debt - 2024 | $3,188,120 |
| W&S Fund Reserves - 2024 | $2,736,075 |
| W&S Debt Service - 2024 | $312,572 |
| New W&S Debt<br>[Requested DWRF loan amount.] | $5,000,000 |
| Requested DWRF Loan Term | 30 |
| Requested DWRF Loan Interest Rate | 1.75% |
| New Loan's Annual W&S Debt Service (two payments annually) | $214,939 |

## Current Indicators (2024)
## Colorado City Metropolitan District
## (Water and Sewer Funds)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $3,188,120 | ÷ | Population | 2,988 | = | $1,067 |
| | New Debt | $5,000,000 | ÷ | Population | 2,988 | = | $1,674 |
| | Total Debt + New Debt | $8,188,120 | ÷ | Population | 2,988 | = | $2,741 |
| 2 | Total Debt | $3,188,120 | ÷ | Number of Taps | 1,195 | = | $2,668 |
| | New Debt | $5,000,000 | ÷ | Number of Taps | 1,195 | = | $4,184 |
| | Total Debt + New Debt | $8,188,120 | ÷ | Number of Taps | 1,195 | = | $6,852 |
| 3 | Total Debt | $3,188,120 | ÷ | Assessed Value | $48,213,000 | = | 6.61% |
| | New Debt | $5,000,000 | ÷ | Assessed Value | $48,213,000 | = | 10.37% |
| | Total Debt + New Debt | $8,188,120 | ÷ | Assessed Value | $48,213,000 | = | 16.98% |
| 4 | Total Debt | $3,188,120 | ÷ | Actual Value | $366,719,000 | = | 0.87% |
| | New Debt | $5,000,000 | ÷ | Actual Value | $366,719,000 | = | 1.36% |
| | Total Debt + New Debt | $8,188,120 | ÷ | Actual Value | $366,719,000 | = | 2.23% |
| 5 | Current Water Debt | $3,187,729 | ÷ | Number of Taps | 1,195 | = | $2,668 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $6,852 | ÷ | MHI | $44,868 | = | 15.27% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $3,465,318 | ÷ | Current Liabilities | $729,243 | = | 475% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $2,736,075 | ÷ | Current Expenses | $2,390,556 | = | 114% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $2,492,253 | ÷ | Operating Expenses | $2,077,984 | = | 120% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $2,826,392 | - | | | | |
| | Minus Operating Expenses | $2,077,984 | | | | | |
| | = | $748,408 | ÷ | Current Debt Service | $312,572 | = | 239% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $748,408 | | | | | |
| | Minus Tap and Development Fee Revenu | $205,000 | | | | | |
| | = | $543,408 | ÷ | Current Debt Service | $312,572 | = | 174% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $2,826,392 | | | | | |
| | Minus Operating Expenses | $2,077,984 | | | | | |
| | = | $748,408 | | Total Debt Service (with new loan) | $527,511 | = | 142% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $748,408 | | | | | |
| | Minus Tap and Development Fee Revenu | $205,000 | | | | | |
| | = | $543,408 | ÷ | Total Debt Service (with new loan) | $527,511 | = | 103% |
| 13 | Current Debt Service | $312,572 | ÷ | Number of Taps | 1195 | = | $261.57 |
| | Annual New Water Debt Service | $214,939 | ÷ | Number of Taps | 1195 | = | $179.87 |
| 14 | 2024 Annual Water Rate (Monthly Rate x 12) | $906.06 | ÷ | MHI | $44,868 | = | 2.02% |
| | 2024 Annual Water Rate + New Annual Debt Service Per Tap | $1,085.93 | ÷ | MHI | $44,868 | = | 2.42% |
| 15 | Current 2024 Monthly User Charge | | | | | | $53.67 |
| | (Debt Service on DWRF Loan / 2024 Taps / Month) | | | | | | $14.99 |
| | Total | | | | | | $68.66 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $2,736,075 | ÷ | Operating Expenses | $2,077,984 | = | 132% |

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## 2026 SRF Disadvantaged Community Criteria

**Applicant:** Colorado City Metropolitan District

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 7,500,000 |
| Interest Rate: | 3.25% |
| Term (years): | 20 |
| Annual Payment: | $ 512,921 |

| | | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|---|
| | Current Population (2024) | <= | 10,000 | 2,988 | Y | |
| | Population 5 years ago (2020) | | | 2,768 | | |
| | Poulation 10 years ago (2015) | | | | | |
| | **Primary Factors** | | | | | |
| P1 | MHI (Place) | <= | $ 76,376 | 44,868 | Y | |
| | Margin of Error (MOE) | ± | | 29,065 | | Census Designated Place |
| P2 | MHV (Place) | <= | $ 431,520 | 259,100 | Y | |
| | Margin of Error (MOE) | ± | | 108,143 | | Census Designated Place |
| P3 | 24 Month Unemployment (County) | >= | 5.35% | 5.10% | N | |
| | or 10 Year % Chng. Jobs (County) | <= | 0.00% | 10.04% | N | |
| | Jobs (2024) | | | 73,560 | | |
| | Jobs (2015) | | | 66,847 | | |
| | **Priority Factor Count** | | | | 2 | |
| | **Secondary Factors** | | | | | |
| S1 | MHI (County) | <= | $ 76,376 | 64,010 | Y | |
| | Margin of Error (MOE) | ± | | 2,208 | | |
| | Reliability (CV) | <= | 18.00% | 2.10% | Y | |
| S2 | 10 Year % Chng. Population | <= | 0.00% | #DIV/0! | #DIV/0! | |
| S3 | Assessed Value / Housing Unit | <= | $ 24,337 | $40,346 | N | |
| | Assessed Value | | | 48,212,945 | | |
| | Total Housing Units | | | 1195 | | Used # of housing units to estimate taps. |

| | | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S4 | Current Debt / Tap / MHV | > | 0.57% | 1.03% | Y | | |
| WS | Current + Projected Debt/Tap/MHV | > | 0.57% | 3.45% | Y | | |
| | S4b 80th percentile | | 1.57% | 3.45% | Y | | |

| | | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S5 | System Full Cost / Tap / MHI | > | 2.03% | 5.00% | Y | | |
| | Projected Rate @ 110% Coverage | > | 1.84% | 5.57% | Y | | |
| | S5b 80th percentile | | 2.67% | 5.57% | Y | | |
| | **Secondary Factor Count** | | | | 3 | | |

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

| | |
|---|---|
| Taps or EQR's | 1,195 |
| Total Debt | 3,187,729 |
| Principal & Interest | 312,572 |
| Operating Expenses (including operating transfers out) | 2,077,984 |
| Depreciation | 601,920 |

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## WPCRF & DWRF

| # | Eligiblity Criteria | | Benchmark | Applicant | Points | Notes on Data Used |
|---|---|---|---|---|---|---|
| 1 | Population loss or growth is slower than the state's over 5 years | <= | 0.73% | 1.93% | 0.0 | |
| | Current Population (2024) | | | 2,988 | | |
| | Poulation five years ago (2020) | | | 2,768 | | |
| 2a | 10 Year % County Job Change | >= | 0 | 10.04% | 0.0 | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | 5.35% | 5.10% | 0.0 | |
| 3 | Median Household Income | <= | $ 95,470 | 44,868 | 1.0 | **If MHI CV > 40%, calculate result at top of band** / **Result** |
| | | >= | $ 119,338 | | 0.0 | |
| 4 | Rates compared to MHI | > | 1.32% | 3.42% | 1.0 | **If MHI CV > 40%, calculate result at top of band** / **Result** |
| WS | Monthly Residential Rate | > | | 127.97 | | |
| 5 | Project addresses removal of lead or emerging contaminants | | Yes | No | 0.0 | |
| 6 | % Population that identifies as minority is greater than 40% | > | 40.00% | 10.22% | 0.0 | |
| 7 | % Population that are housing burdened is greater than 50% | > | 50.00% | 39.12% | 0.0 | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | 40.00% | 33.96% | 0.0 | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | 55.00% | 74.52% | 1.0 | |
| | % Population over 65 years old | | | 40.56% | | |
| 10 | Meets base program DAC criteria? | | | Yes | 3.0 | |
| | **BIL Eligibility Points** | | | | 6.0 | |

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# Principal Forgiveness and Priority Point Scoring

Applicant: Colorado City Metropolitan District
DWRF or WPCRF: DWRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 54.408%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): $2,500,000

## Base DWRF Principal Forgiveness Scoring

**DWRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 55 |
| DOLA Affordability Score: | 130 |
| Total Score | 185 |

Eligible as a base program DAC? Yes

Eligible base program DWRF/WPCRF principal forgiveness percentage: 80%

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 95 |
| DOLA Affordability Score: | 130 |
| Total Score: | 225 |

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## 2026 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Colorado City Metropolitan District |
| **Date of Scoring** | 6/30/2026 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 130 |
| **DAC:** | DAC |

| | | | | | |
|---|---|---|---|---|---|
| | **Benchmarks** | | | | |
| $95,470 | **2020-2024 State MHI estimate** | | | | |
| | | **Points** | | **Entity Value** | |
| **P1** | **MHI** | | | $44,868 | 47% |
| | <50% of state MHI | 35 | x | | |
| | Between 51% and 80% of state MHI | 20 | | | |
| | Between 81% and 100% of state MHI | 5 | | | |
| | >100% state MHI | 0 | | | |
| **S5a** | **User Fees (current water rate at 110%/tap/MHI)** | | | 5.00% | |
| | Rates are > 1.55% | 45 | | | |
| | Rates are between 1.11% and 1.55% | 25 | | | |
| | Rates are < 1.11% | 0 | | | |
| | **OR** | | | | |
| **S5a** | **User Fees for a combined water & sewer fund** | | | | |
| | Rates are > 2.70% | 45 | x | | |
| | Rates are between 2.03% and 2.70% | 25 | | | |
| | Rates are < 2.03% | 0 | | | |
| **S4a** | **Current water debt per tap compared to MHV** | | | 1.03% | |
| | Debt is > 0.63% | 45 | | | |
| | Debt is between 0.21% and 0.63% | 25 | | | |
| | Debt is < 0.21% | 0 | | | |
| | **OR** | | | | |
| **S4a** | **Current water & sewer debt (for combined systems)** | | | | |
| | Debt is > 1.26% | 45 | | | |
| | Debt is between 0.57% and 1.26% | 25 | x | | |
| | Debt is < 0.57% | 0 | | | |
| | **Population served** | | | 2,988 | |
| | Less than 500 | 35 | | | |
| | Between 500 and 1,000 | 25 | | | |
| | Between 1,000 and 2,000 | 20 | | | |
| | Between 2,000 and 5,000 | 15 | x | | |
| | Betweeen 5,000 and 10,000 | 5 | | | |
| | >10,000 | 0 | | | |
| **S3** | **Assessed Value/Household** | | | 40,346 | |
| | 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 | x | | |
| | AV per household is greater than $46,151 | 0 | | | |

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# DWRF LOAN CREDIT REPORT (2026)

Penrose Water District ("District"), Fremont County

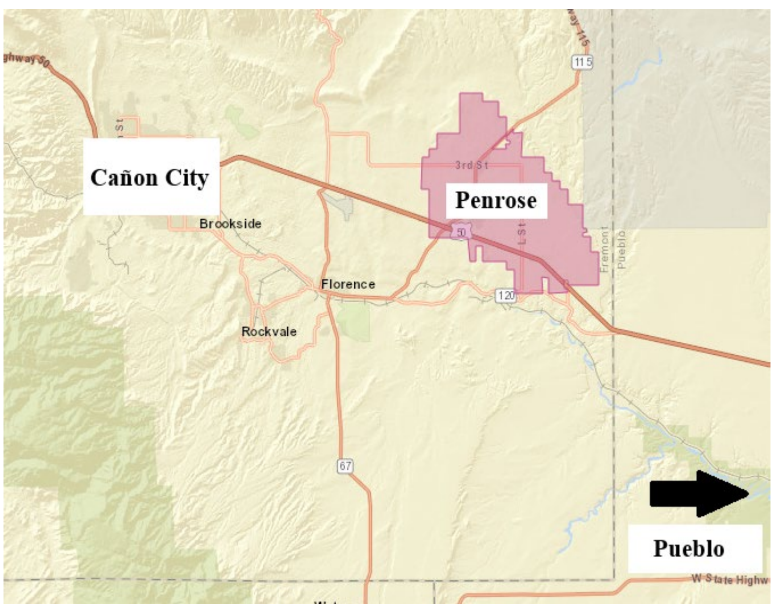
| | | | |
|---|---|---|---|
| **Recommendation:** | **CONDITIONAL APPROVAL** | **Project Budget** | |
| **Loan Request:** | $14,860,000 | **DWRF Leveraged Loan:** | $13,022,035 |
| **Total Annual Debt Service:** | $794,574 | **DWRF IIJA/BIL Loan:** | $837,965 |
| **Base Leveraged Loan:** | $13,022,035 | **DWRF IIJA/BIL PF:** | $1,000,000 |
| **Interest Rate & Term:** | 4.00% & 30 years | **2026 EIAF:** | $500,000 |
| **Annual Debt Service:** | $749,235 | **Reserves** | $2,000,000 |
| **DWRF IIJA/BIL Loan:** | $837,965 | **Total:** | $17,360,000 |
| **Interest Rate & Term:** | 3.50% & 30 years | | |
| **Annual Debt Service:** | $45,340 | | |
| **Pledge:** | Water System Revenue | | |
| **Current Rate:** | $77.70 | | |
| **Estimated Rate Increase:** | $12.12 | | |

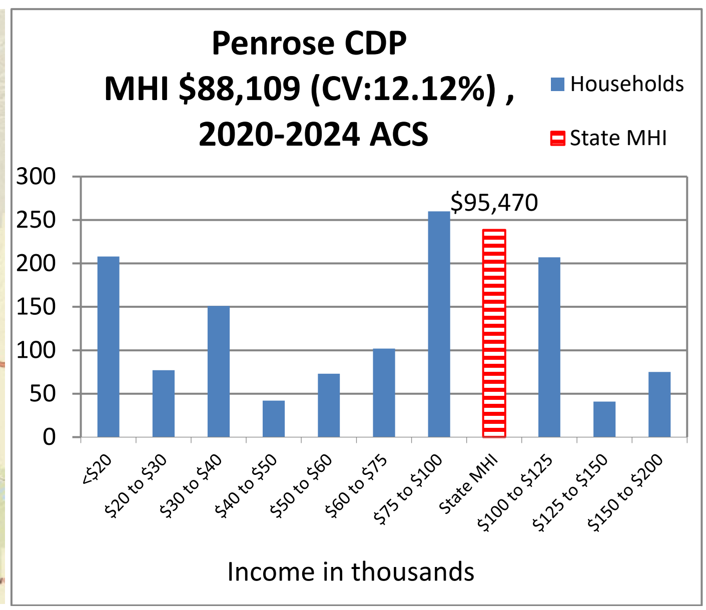
**PROJECT DESCRIPTION:** The project consists of the construction of a new water treatment plant and associated appurtenances, as well as decommissioning of the old treatment plant.

| **COMMUNITY PROFILE:** Penrose Water District | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | Avg. Annual Change |
|---|---|---|---|---|---|---|---|---|
| **District Population | | | 4,468 | 4,475 | 4,513 | 4,515 | 4,515 | 0.26% |
| Fremont County Population | 48,891 | 49,251 | 49,588 | 50,372 | 50,071 | | | 0.60% |
| Fremont County Jobs | 16,513 | 17,074 | 17,165 | 17,576 | 18,139 | | | 2.38% |
| Number of Water Taps | | 1,766 | 1,787 | 1,790 | 1,805 | 1,806 | 1,806 | 0.26% |
| Assessed Value ($000) | | | $39,116 | $39,249 | $40,839 | $42,368 | $49,431 | 6.03% |
| Actual Value ($000) | | | $389,033 | $393,564 | $422,294 | $436,952 | $558,506 | 9.46% |

**Special district population estimates are based on the standard state demographer's metric of 2.5 persons per tap.

**BORROWER BRIEF:** The District serves the unincorporated community of Penrose, located off the Arkansas River between Cañon City and Pueblo. The District is located approximately 40 miles southwest of Colorado Springs.




**RECOMMENDATION:** The District serves an unincorporated community in Fremont County. This proposed loan is necessary due to the water treatment plan being outdated, unable to manage rising contaminants, and no longer meet state requirements due to increased demand during the summer months. The loan is large relative to the size of the District, and there are concerns regarding the elevated debt levels and long-term affordability due to insufficient reserves and increased debt per tap. However, the District has steadily raised rates over the past five years to prepare for debt service on the proposed loan. Moreover, the District's board understands that further rate increases will be required and is prepared to take all necessary financial steps to complete the project. We therefore recommend the DWRF Committee approve a $13,022,035 leveraged loan, a $837,965 IIJA/BIL loan, and $1,000,000 in IIJA/BIL principal forgiveness to the Penrose Water District on the condition rates are increased to meet coverage ratio requirements.



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**PROJECT SUMMARY:**

**System summary:** The Penrose Water District is located in Fremont County and serves 1,806 customer accounts. The District's water system relies on a blend of surface water and groundwater under the direct influence of surface water, drawing from the Brush Hollow Supply Ditch, Beaver Park Ditch (via Brush Hollow Reservoir), and six alluvial wells along the Arkansas River. Raw water is processed at a centralized treatment facility originally constructed in 1992, providing conventional filtration and chlorine disinfection. The existing distribution system is maintained through gravity and pumped pressurization zones to residential neighborhoods and agricultural properties.

**Reason/need:** The current water treatment plant has reached the end of its useful life and is experiencing operational limitations. The outdated facility lacks the automated controls needed to handle rising manganese concentrations, summertime algae blooms, and increasing disinfection byproducts caused by total organic carbons in the raw water. Furthermore, peak summer water demands have exceeded the plant's rated capacity, creating a vulnerability that violates state redundancy requirements.

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

**Project Delivery Method:** Design/Bid/Build.

**Contingency:** 11.7% of the total project cost is included as contingency.

| **CURRENT INDICATORS:** | **2023** | **2024** | **2025** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 1,555 | 1,493 | 1,441 | ___ | >$2,000 | X | $1,000 - 2,000 | ___ | <$1,000 |
| Total + New Debt/Capita ($): | | | 4,511 | X | >$2,000 | ___ | $1,000 - 2,000 | ___ | <$1,000 |
| Total Debt/Tap ($): | 3,887 | 3,732 | 3,604 | ___ | >$5,000 | X | $2,500 - 5,000 | ___ | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 11,278 | X | >$5,000 | ___ | $2,500 - 5,000 | ___ | <$2,500 |
| Current Water Debt/Tap ($): | 3,887 | 3,732 | 3,604 | X | >$2,000 | ___ | $1,000 - 2,000 | ___ | <$1,000 |
| Current Water + New Water Debt/Tap ($): | | | 11,278 | X | >2,000 | ___ | $1,000 - 2,000 | ___ | <$1,000 |
| Total Debt/Assessed Value: | 18% | 16% | 15% | ___ | >50% | ___ | 25-50% | X | <25% |
| Total Debt + New Water Debt/Assessed Value: | | | 48% | ___ | >50% | X | 25-50% | ___ | <25% |
| Total Debt/Actual Value: | 1.77% | 1.60% | 1.49% | ___ | >10% | ___ | 5-10% | X | <5% |
| Total Debt + New Water Debt/Actual Value: | | | 4.66% | ___ | >10% | ___ | 5-10% | X | <5% |
| Curr. Water Debt + New Debt/Tap/MHI: | | | 13% | ___ | >20% | X | 10-20% | ___ | <10% |
| Water Fund Current Ratio (CA/CL): | 119% | 116% | 116% | ___ | <100% | X | 100-200% | ___ | >200% |
| Water Fund Reserves/Current Expense: | 38% | 34% | 35% | X | <50% | ___ | 50-100% | ___ | >100% |
| Water Operating Ratio (OR/OE): | 130% | 133% | 122% | ___ | <100% | ___ | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 188% | 216% | 180% | ___ | <110% | ___ | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 169% | 200% | 164% | ___ | <110% | ___ | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 65% | X | <110% | ___ | 110-125% | ___ | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 59% | X | <110% | ___ | 110-125% | ___ | >125% |
| Current Annual Water Rates/MHI: | | | 1.06% | ___ | >3.0% | ___ | 1.5-3.0% | X | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | | | 1.56% | ___ | >3.0% | X | 1.5-3.0% | ___ | <1.5% |
| Operation and Maintenance Reserve: | | | 47% | | <25% | X | 25-50% | | >50% |
| | | | **Total:** | **7** | | **7** | | **7** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, seven are rated strong, seven are average, and seven are considered weak. Overall, the indicators illustrate a generally manageable financial position for the enterprise, with elevated debt levels and rate affordability as areas of concern. The strong indicators show affordability relative to current annual water rates and median household income (MHI), and debt service coverage ratios that comfortably exceed minimum thresholds, indicating the system's ability to meet its existing debt obligations from operating revenues. The weak indicators reflect elevated current and proposed total and water debt per tap, reflecting a heavier proposed debt burden on rate payers; insufficient reserves relative to current expense; and a reduced coverage ratio with the inclusion of the proposed loan relative to MHI, raising affordability concerns for the community's households.

- Based on 2025 financial information, coverage with the proposed loan is 65% with tap fee revenue and 59% without tap fee revenue. Additional annual revenue of about $558,329, or $25.76 per tap per month, would increase the coverage ratio to the required 110% when including tap fee revenue. Without tap fees, an additional annual revenue of about $632,329 or $29.18 per tap per month, would be needed.
- In 2025, the District incurred $186,934 in engineering costs relating to this project. When these are removed from the enterprise's operating expenses, the coverage ratio moves to 80% with tap fee revenue. Additional revenue of approximately $371,395, or $17.14 per tap per month, would increase the coverage ratio to the required 110%. Without tap fee revenue, the



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coverage ratio moves to 74%. Additional revenue of approximately $445,395, or $20.55 per tap per month, would increase the coverage ratio to the required 110%.

- In December 2025, the District adopted a resolution to increase base rates and volume charges for a total of $5.02 for typical residential consumption. With this adjustment, the projected rate increase drops to $12.12 when including tap fee revenue, and $15.53 when excluding tap fee revenue.
- The District is eligible to receive $1,000,000 in IIJA/BIL principal forgiveness. Without principal forgiveness, the coverage ratio moves to 62% with tap fee revenue. Additional annual revenue of approximately $624,780, or $28.83 per tap per month, would increase the coverage ratio to the necessary 110%.
- Without principal forgiveness and without tap fee revenue, the coverage ratio moves to 56%. Additional revenue of approximately $698,780, or $32.24 per tap per month, would increase the coverage ratio to the required 110%.
- The District's operating expenses have increased in the years examined. The proposed loan is expected to address these issues, as they primarily pertain to the operation of the water plant. The completion of the project is expected to reduce maintenance costs and staff demand (by decreasing the overtime hours needed). The decrease in operating expenses will later improve indicators related to it, further strengthening the system's financial standing.
- Over the years examined, the enterprise's operating ratio has exceeded the strong benchmark. However, it is in a downward trend due to the previously discussed increase in operating expenses.
- The District has reported a total of 1,806 taps, but has 1,935 customer accounts due to taps larger than 3/4'' serving multi-residential properties.
- The District has been consistently increasing rates and tap fees over the years examined. Documentation states that these rates and fees have been increased to ensure the District's enterprise can "generate sufficient revenues to meet annual debt service of loans, capital projects, and the necessary operating and maintenance costs of operating the system".

**Additional Project Financing**

The District submitted an Energy/Mineral Impact Assistance Fund (EIAF) grant application for $500,000, which was awarded in May 2026.

**DESCRIPTION OF THE LOAN:**

An estimated $13,022,035 leveraged loan with a thirty-year term with two payments annually at an interest rate of 4.00% will cost the District approximately $749,235 in debt service annually. An estimated $837,965 IIJA/BIL loan with a thirty-year term with two payments annually at an interest rate of 3.50% will cost the District approximately $45,340 in debt service annually. The total annual debt service is approximately $794,574. The District also qualifies for $1,000,000 in IIJA/BIL principal forgiveness.

**IIJA/BIL Principal Forgiveness Eligibility:**

In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The District scores 3.5 points as shown below.

| **IIJA/BIL PF DETERMINATION** | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | 0.26% | 1 |
| 2a: County Job Change | 0.00% | > | 13.63% | 0.5 |
| 2b: County Unemployment | 5.35% | < | 5.55% | |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | $88,109 | 1 |
| | $119,338 | < | | |
| 4: Rates to MHI | 0.76% | < | 1.06% | 1 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 19.82% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 29.49% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 27.08% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 47.54% | 0 |
| 10: Meets DAC criteria | Yes | | No | 0 |
| | | | **Total Points Scored:** | 3.5 |



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The District qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. The District qualifies for approximately $1,000,000 in principal forgiveness, which is the current maximum for IIJA/BIL DWRF supplemental principal forgiveness.

In 2020, the District was determined to be a disadvantaged community (DAC). As of now with the application for this proposed loan, the District's Median Household income estimate exceeds the current benchmark for DAC status.

**ECONOMIC ANALYSIS:** The District has a 2026 population estimated at 4,515 and has grown at an average annual rate of 0.26% since 2022. Special district population estimates are based on the standard state demographer's metric of 2.5 persons per tap. Fremont County has experienced an increase of 0.60% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

The regions economy is dominated by retirees (i.e., retiree spending from sources such as Social Security, pension, and investment income), tourism, government, regional services (i.e., services that serve a multi-county region such as trade, transport, business services, etc.), and agriculture. Fremont county's economy is dominated by health care and social assistance, retail trade, local government, construction, accommodation and food services.

The District reports that its largest employers consist of the RE-2 School District, with 25 employees; Estes Industries (manufacturer), with 25 employees; US Transport, with 25 employees; Alta Convenience Store, with 10 employees; and Dollar General, with 10 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 5-member board of directors' form of government and was organized 1967. The District is a single-purpose special district with the purpose of providing drinking water to users within the District's boundaries. Approximately 7 full-time employees staff the water utility. The water utility is overseen by the Operator Responsible Charge (ORC), who reports to the District's 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 (CSD Pool).
- There are currently no pending lawsuits against the District.
- There have been no recall elections in the last ten years.

**Technical/Managerial/Financial (TMF)**

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

- **Financial Criterion #F-2:** Cash Flow Projection/Analysis/Financial Plan: The District should be prepared to raise rates as needed to meet loan coverage ratio requirements.

**Capital Improvement Plan**

As part of the application process, the District submitted a capital improvement schedule through 2040, which anticipates capital outlay of $165,500 for a variety of projects which include distribution system upgrades, additional storage, interior and exterior tank painting, and the construction of a raw water pump station at Brush Hollow Reservoir to be funded from reserves.

**Intergovernmental**

The District has two IGAs with Southeastern Colorado Water Conservancy District for excess capacity storage and water exchange related to the Fryingpan-Arkansas (Fry-Ark) Project, both effective in 2016.

- The excess capacity storage agreement gives the District up to 400-acre feet of storage space in the Pueblo reservoir annually. The District will pay the excess capacity rate plus an annual administrative charge. If the master contract is terminated, this one will be as well.

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- The exchange, storage, and use agreement relates to the District's rights to an annual allocation of water from the Fry-Ark Project. The agreement establishes the terms and conditions for the District's exchange and storage of project water in nonproject facilities.

The District has an agreement in place with Beaver Park Water, Inc., a mutual ditch company that was originally put in place in 1990 and renewed in 2019. The District requires a minimum of 350-acre feet of raw water annually from Beaver Park, and may purchase up to 1,000-acre feet, for a current price of $429 per acre foot. This agreement may be renewed and the rate negotiated in five-year increments until 2090.

The District has a second agreement in place with Beaver Park signed in 2010, wherein the District purchased 500-acre feet of storage space in the Brush Hollow Reservoir, which is owned by Beaver Park. As part of the agreement, the District constructed a pipeline from the Arkansas River, including an inlet to the reservoir and granted Beaver Park the use of excess capacity in the pipeline. The District obtained funding from CWCB (loan agreement executed in 2010 with a term ending in 2045) to finance this pipeline and storage purchase.

**REVENUE ANALYSIS:**
Operating expenses have steadily increased over the past five years for several reasons. The District cites price inflation, higher chemical demand, and costs due to the outdated water plant, ongoing maintenance needs related to aging infrastructure, and increased wages to retain staff. The District expects that completing the proposed project will address most of these reasons and help reduce operating expenses. Additionally, in 2025, the expenses increased by $186,934 due to engineering costs related to this project. Project engineering costs are expected to decrease with the approval of this project, further decreasing operating expenses for future years. The District supports operations with property and specific ownership taxes, which are not included in the net operating income calculation. Of the District's 5.627 mill levy, 2.627 have been voter approved for operating expenses, and the remaining 3.000 mills are covenanted to the CWCB loan. Operating income has been steadily increasing due to a yearly increase in rates and tap fees. Each year, the District assesses projected costs as part of the budget process and the board adjusts rates as necessary to provide a balanced budget. Moreover, rate increases in the last five-years examined have been directly related to the Districts anticipation of debt service for the proposed project. In 2024, there was an increase in revenue due to an increase in sales of taps related to new development.

| TRENDS | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|
| Monthly Water Rate ($) | 57.13 | 59.81 | 63.98 | 67.66 | 72.68 | 77.70 |
| Residential Water Tap Fee ($) | 12,000 | 15,000 | 16,000 | 16,500 | 18,000 | 21,000 |
| Mill Levy | 5.627 | 5.627 | 5.627 | 5.627 | 5.627 | |
| Total Water Revenue ($) | 2,383,511 | 2,199,352 | 2,021,536 | 2,195,593 | 2,240,399 | |
| Tap/Development Fees ($) | 241,050 | 405,200 | 83,400 | 69,200 | 74,000 | |
| Property Tax Revenue ($) | 185,879 | 221,211 | 220,547 | 274,582 | 235,152 | |
| S.O. Tax Revenue ($) | 29,825 | 28,577 | 28,996 | 28,251 | 28,236 | |
| Water Operating Revenue ($) | 1,449,408 | 1,502,665 | 1,542,146 | 1,644,564 | 1,742,255 | |
| Water Operating Expenses ($) | 1,076,270 | 1,153,982 | 1,188,325 | 1,237,050 | 1,431,561 | |
| Water Net Operating Income ($) | 373,138 | 348,683 | 353,821 | 407,514 | 310,694 | |
| Water Debt ($) | 7,381,411 | 7,173,349 | 6,958,588 | 6,736,910 | 6,508,092 | |
| Total Debt ($) | 7,381,411 | 7,173,349 | 6,958,588 | 6,736,910 | 6,508,092 | |
| Water Debt Service ($) | 445,389 | 441,193 | 444,267 | 444,211 | 448,305 | |
| Water Debt Service/Tap/Month ($) | 21.02 | 20.57 | 20.68 | 20.51 | 20.69 | |
| Water Fund Reserves ($) | 499,234 | 620,574 | 613,996 | 576,266 | 666,579 | |

| Ratios | 2021 | 2022 | 2023 | 2024 | 2025 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 61% | 68% | 76% | 75% | 73% | 70% |
| Operating Revenue as % of Expenses | 135% | 130% | 130% | 133% | 133% | 132% |
| Tap Fee Revenue as % of Total Revenue | 10% | 18% | 4.13% | 3.15% | 3.30% | 8.95% |



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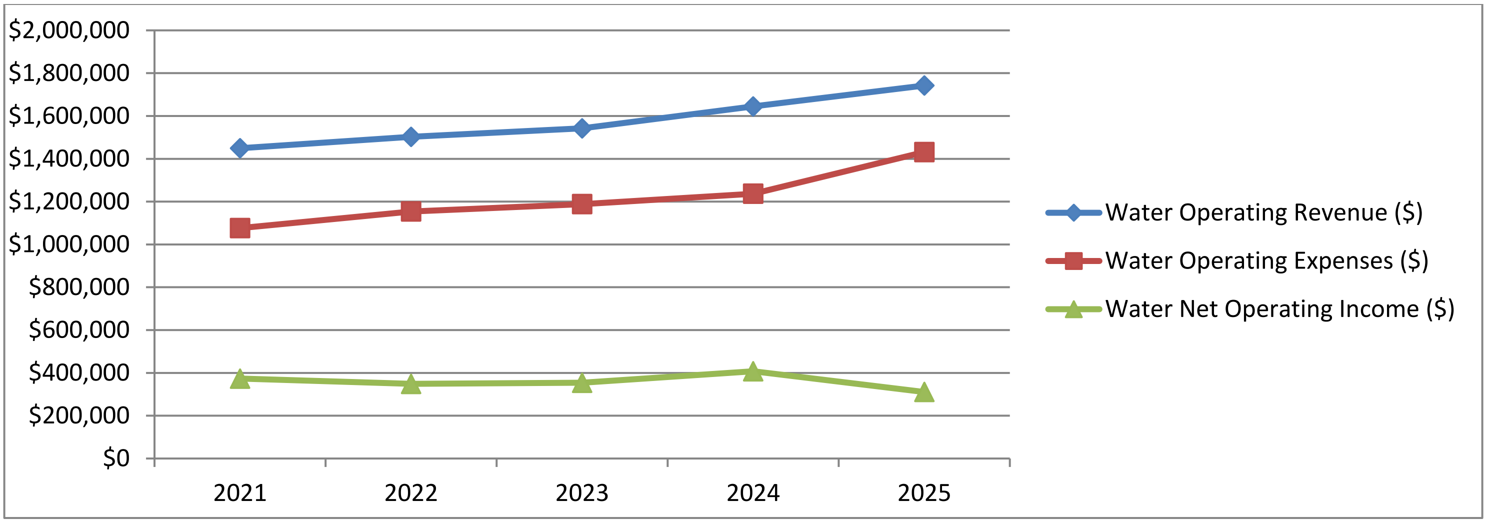


**Recent Rate Increases**
The District's most recent rate increase of $5.02 was implemented in January 2026.

**User Charges**
The District's current monthly water rate is estimated at $77.70 compared to the 2024 estimated state median of $60.61. The District's average monthly water rate is based on typical residential consumption of 5,390 gallons per month. Residential users pay a $56.00 base rate up to 2,000 gallons and a volume charge of $6.40 per 1,000 gallons for consumption exceeding 2,000 gallons. Commercial users follow the same rate structure as residential users.

Base charges increase as the meter size increases. For users with a 1'' meter, the monthly charge increases to $99.60. For a 1.5'' meter, the monthly charge increases to $224. For a 2'' meter, the monthly charge increases to $398. For any meter larger than 3'', the charge for it is determined at the time of approval by the board.

Bulk water sold by the District is metered and charged at a rate of $11 per 1,000 gallons (or $1.10 per 100 gallons) or portion of thereof.

**Contributed Capital**
Revenue from tap fees has ranged from $69,200 to $405,200 and has averaged 8.95% of total water revenue during the last five years. The District's most recent water tap fee rate increase occurred in January 2026.

- Residential and commercial water tap fees are $21,000.

| **Current System Utilization** | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 89.6% | 89.9% |
| **Non-residential (per EQR)** | 10.4% | 10.1% |

| **Current Fee Summary** | |
|---|---|
| Tap size | Water user/tap fees |
| ¾" | $77.70/$21,000 |
| ¾" | $77.70/$21,000 |

**Property Tax**
The District proposed to pay for the proposed loan with water system revenue. The District levies a property tax for general operations, which accounted for approximately 11% of total revenues in 2025.

| **Property Tax Analysis** | **2021** | **2022** | **2023** | **2024** | **2025** |
|---|---|---|---|---|---|
| Mill levy | 5.627 | 5.627 | 5.627 | 5.627 | 5.627 |
| Assessed Value (000) | 33,057 | 39,116 | 39,249 | 40,839 | 42,368 |
| Property tax revenue | 185,879 | 221,211 | 220,547 | 274,582 | 235,152 |
| %Property tax revenue/total revenue | 8% | 10% | 11% | 13% | 11% |



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**DEBT as of December 31, 2024**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2015 | Colorado Water Conservation Board (CWCB) | 2045 | Base Water Revenues and 3.000 mill levy | $6,446,058 | 3.25% | $443,353 |
| 2020 | Colorado Water Resources and Power Development Authority (CWRPDA) | 2050 | Water System Revenue | $62,034 | 0.50% | $1,939 |

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

The District has met the Loan Covenants on its DWRF direct loan dated 2020 with the SRF. The District has also had no debt service payment issues.

Project #143052D-A
Cost Categories:

- Planning and Design Only: 8%
- Construction - Treatment: 84%
- Construction - Transmission and Distribution: 2%
- Other: 6%

Prepared by: Monica Munoz-Revelo
Date: July 28, 2026

| July 28, 2026<br><br>DWRF Credit Report<br>Penrose Water District, Fremont County, CO<br>Using most recent data available<br>(Census, audits, local records) | | | |
|---|---|---|---|
| Estimated Population - 2025 | 4,515 | | |
| Number of Water Taps/Customers - 2025 | 1,806 | | |
| Total Assessed Valuation - 2025 | $42,368,000 | | |
| Actual Value of All Real Property - 2025 | $436,952,000 | | |
| Median Household Income (MHI) - 2024 | $88,109 | | |
| Monthly Water Rate - 2026 | $77.70 | | |
| Water Operating Revenue - 2025 | $1,742,255 | | |
| Water Total Revenue - 2025<br>[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.] | $2,240,399 | | |
| Water Tap and System Development Fee Revenue - 2025 | $74,000 | | |
| Water Operating Expense - 2025 | $1,431,561 | | |
| Water Current Expense - 2025 | $1,879,866 | | |
| Water Debt - 2025 | $6,508,092 | | |
| Total Debt - 2025 | $6,508,092 | | |
| Water Fund Reserves - 2025 | $666,579 | | |
| Water Debt Service - 2025 | $448,305 | Leveraged Loan | IIJA/BIL Loan |
| New Water Debt<br>[Requested DWRF loan amount.] | $13,860,000 | $13,022,035 | $837,965 |
| Requested DWRF Loan Term | 30 | 30 | 30 |
| Requested DWRF Loan Interest Rate | 4.00% & 3.50% | 4.00% | 3.50% |
| New Loan's Annual Water Debt Service (two payments annually) | $794,574 | $749,235 | $45,340 |

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## Current Indicators (2025)
## Penrose Water District
## (Water)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $6,508,092 | ÷ | Population | 4,515 | = | $1,441 |
| | New Debt | $13,860,000 | ÷ | Population | 4,515 | = | $3,070 |
| | Total Debt + New Debt | $20,368,092 | ÷ | Population | 4,515 | = | $4,511 |
| 2 | Total Debt | $6,508,092 | ÷ | Number of Taps | 1,806 | = | $3,604 |
| | New Debt | $13,860,000 | ÷ | Number of Taps | 1,806 | = | $7,674 |
| | Total Debt + New Debt | $20,368,092 | ÷ | Number of Taps | 1,806 | = | $11,278 |
| 3 | Total Debt | $6,508,092 | ÷ | Assessed Value | $42,368,000 | = | 15.36% |
| | New Debt | $13,860,000 | ÷ | Assessed Value | $42,368,000 | = | 32.71% |
| | Total Debt + New Debt | $20,368,092 | ÷ | Assessed Value | $42,368,000 | = | 48.07% |
| 4 | Total Debt | $6,508,092 | ÷ | Actual Value | $436,952,000 | = | 1.49% |
| | New Debt | $13,860,000 | ÷ | Actual Value | $436,952,000 | = | 3.17% |
| | Total Debt + New Debt | $20,368,092 | ÷ | Actual Value | $436,952,000 | = | 4.66% |
| 5 | Current Water Debt | $6,508,092 | ÷ | Number of Taps | 1,806 | = | $3,604 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $11,278 | ÷ | MHI | $88,109 | = | 12.80% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $4,711,603 | ÷ | Current Liabilities | $4,045,024 | = | 116% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $666,579 | ÷ | Current Expenses | $1,879,866 | = | 35% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $1,742,255 | ÷ | Operating Expenses | $1,431,561 | = | 122% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $2,240,399 | - | | | | |
| | Minus Operating Expenses | <u>$1,431,561</u> | | | | | |
| | = | $808,838 | ÷ | Current Debt Service | $448,305 | = | 180% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $808,838 | | | | | |
| | Minus Tap and Development Fee Revenu | <u>$74,000</u> | | | | | |
| | = | $734,838 | ÷ | Current Debt Service | $448,305 | = | 164% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $2,240,399 | | | | | |
| | Minus Operating Expenses | <u>$1,431,561</u> | | | | | |
| | = | $808,838 | | Total Debt Service (with new loan) | $1,242,879 | = | 65% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $808,838 | | | | | |
| | Minus Tap and Development Fee Revenu | <u>$74,000</u> | | | | | |
| | = | $734,838 | ÷ | Total Debt Service (with new loan) | $1,242,879 | = | 59% |
| 13 | Current Debt Service | $448,305 | ÷ | Number of Taps | 1806 | = | $248.23 |
| | Annual New Water Debt Service | $794,574 | ÷ | Number of Taps | 1806 | = | $439.96 |
| 14 | 2026 Annual Water Rate (Monthly Rate x 12) | $932.35 | ÷ | MHI | $88,109 | = | 1.06% |
| | 2026 Annual Water Rate + New Annual Debt Service Per Tap | $1,372.32 | ÷ | MHI | $88,109 | = | 1.56% |
| 15 | Current 2026 Monthly User Charge | | | | | | $77.70 |
| | (Debt Service on DWRF Loan / 2024 Taps / Month) | | | | | | <u>$36.66</u> |
| | Total | | | | | | $114.36 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $666,579 | ÷ | Operating Expenses | $1,431,561 | = | 47% |

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# WPCRF & DWRF

| | | | Benchmark | Applicant | Points | Notes on Data Used | |
|---|---|---|---|---|---|---|---|
| | **Eligiblity Criteria** | | | | | | |
| 1 | Population loss or growth is slower than the state's over 5 years | <= | 0.73% | 0.26% | 1.0 | 2026 v. 2022 | |
| | Current Population (2024) | | | 4,515 | | | |
| | Poulation five years ago (2020) | | | 4,468 | | | |
| 2a | 10 Year % County Job Change | >= | 0 | 13.63% | 0.0 | | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | 5.35% | 5.55% | 0.5 | | |
| 3 | Median Household Income | <= | $ 95,470 | 88,109 | 1.0 | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| | | >= | $ 119,338 | | 0.0 | | |
| | Reliability (CV) | <= | 40.00% | N/A | N | | |
| | | | | | | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| 4 | Rates compared to MHI | > | 0.76% | 1.06% | 1.0 | | |
| W | Monthly Residential Rate | > | | 77.70 | | | |
| | | | | *Based on Resolution No. 2025-17* | | | |
| 5 | Project addresses removal of lead or emerging contaminants | | Yes | No | 0.0 | | |
| 6 | % Population that identifies as minority is greater than 40% | > | 40.00% | 19.82% | 0.0 | | |
| 7 | % Population that are housing burdened is greater than 50% | > | 50.00% | 29.49% | 0.0 | | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | 40.00% | 27.08% | 0.0 | | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | 55.00% | 47.54% | 0.0 | | |
| | % Population over 65 years old | | | 20.46% | | | |
| 10 | Meets base program DAC criteria? | | | No | 0.0 | | |
| | **BIL Eligibility Points** | | | | 3.5 | | |

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# Principal Forgiveness and Priority Point Scoring

Applicant: Penrose Water District
DWRF or WPCRF: DWRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 68.724%

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

## Base DWRF/WPCRF Principal Forgiveness Scoring

**DWRF/WPCRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 10 |
| DOLA Affordability Score: | 75 |
| Total Score | 85 |

Eligible as a base program DAC? No.

Eligible base program DWRF/WPCRF principal forgiveness percentage: N/A

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 45 |
| DOLA Affordability Score: | 75 |
| Total Score: | 120 |

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## 2026 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Penrose Water District |
| **Date of Scoring** | 6/10/2026 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 75 |
| **DAC:** | Not DAC |

| | | | | | |
|---|---|---|---|---|---|
| | **Benchmarks** | | | | |
| **$95,470** | **2020-2024 State MHI estimate** | | | | |
| | | **Points** | | **Entity Value** | |
| **P1** | **MHI** | | | $88,109 | 92% |
| | <50% of state MHI | 35 | | | |
| | Between 51% and 80% of state MHI | 20 | | | |
| | Between 81% and 100% of state MHI | 5 | x | | |
| | >100% state MHI | 0 | | | |
| **S5a** | **User Fees (current water rate at 110%/tap/MHI)** | | | 1.08% | |
| | Rates are > 1.55% | 45 | | | |
| | Rates are between 1.11% and 1.55% | 25 | | | |
| | Rates are < 1.11% | 0 | x | | |
| | **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 water debt per tap compared to MHV** | | | 1.17% | |
| | Debt is > 0.63% | 45 | x | | |
| | Debt is between 0.21% and 0.63% | 25 | | | |
| | Debt is < 0.21% | 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** | | | 4,515 | |
| | Less than 500 | 35 | | | |
| | Between 500 and 1,000 | 25 | | | |
| | Between 1,000 and 2,000 | 20 | | | |
| | Between 2,000 and 5,000 | 15 | x | | |
| | Betweeen 5,000 and 10,000 | 5 | | | |
| | >10,000 | 0 | | | |
| **S3** | **Assessed Value/Household** | | | 25,179 | |
| | 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 | x | | |
| | AV per household is greater than $46,151 | 0 | | | |

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| | | | | |
|---|---|---|---|---|
| PreQual Date Score: | 5/20/2025 | Project Manager | ES Review Engineer | DOLA Representative |
| PNA Date Score: | 1-12-2026 | Jeff Zajdel | Kristen Harris | Monica Muñoz-Revelo |
| Project Name: | Penrose Water District | | | |
| SRF Project Number: | 143052D-A | | | |
| ES PQ Project Number: | ES.25.SRF.09437 | | | |
| ES PNA Project Number: | 259833 | | | |

## Drinking Water Revolving Fund Priority Scoring Model (Attachment I DWRF IUP 2025)

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

| Affordability | Possible Points | PQ Points Scored (leave blank if not scored) | PNA Points Scored | Comments | | Responsible Party | Scoring criteria | Resources |
|---|---|---|---|---|---|---|---|---|
| **Total Financial / Affordability Points scored by DOLA =** | | **100** | **75** | | | **DOLA** | | |

| CPDWR Compliance Points | Possible Points | PQ Points Scored (leave blank if not scored) | PNA Points Scored | Comments | | Responsible Party | Scoring criteria | Resources |
|---|---|---|---|---|---|---|---|---|
| (Points are not additive. Can score points only in one category) | | | | | | | | |
| **Project addresses an enforcement action by a regulatory agency and the facility is currently in violation of CPDWRs.** | **30** | 0 | 0 | | PQ/PNA | Engineering Section | Check OnBase and/or comp report to see if system has an enforcement order. Give points if an EO has been issued that the proposed project will address or partially address. | SDWIS comp report, OnBase |
| **Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of a consent order, notice of violation or other enforcement action.** | **20** | 0 | 0 | | PQ/PNA | Engineering Section | Check OnBase see if system has been issued an enforcement order warning letter. If not, check comp report to see if vios related to the project. Give points if a warning letter has been issues or if there is other correspondence from CAS.<br><br>Give points to systems reclassified to GWUDI that are under the 18 month clock. Project to bring inactive source with MCL violations online, projects that resolve sanitary survey violations, required OCCT under the LCR, etc. | SDWIS comp report, OnBase |
| **Project is designed to maintain CPDWR compliance, meet new requirements, or address contaminants included in the priority list submitted by the Division to the Commission for which standards may be considered.** | **15** | 0 | 0 | | PQ/PNA | Engineering Section | Verify contaminate or treatment tech is listed in either Reg 11 or the WQCD report to the WQCC. If so, give points.<br><br>For new requirements, review situation to see if appropriate. Some possible situations include: TNC reclassified to NTNC/CWS and associated treatment, upgrade SCADA system for cybersecurity, Mn removal to prevent PN. | Regulation 11 and/or check the priority contaminated in the WQCD annual report |
| **System is currently meeting all CPDWRs.** | **10** | 10 | 10 | | PQ/PNA | Engineering Section | Check OnBase and/or comp report to see if system has any outstanding violations. Give points if no outstanding violations. | SDWIS comp report, OnBase |
| **Total CPDWR Compliance** | | **10** | **10** | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Total Additional Subsidy Points =** | | **110** | **85** | | | **(Sum of Drinking Water Quality&Public Health + Affordability + CPDWR Compliance points)** | | |
| **Points scored in highest priority drinking water & public health criteria sections? (Enter "Yes" only if points scored for addressing water borne disease outbreaks, Nitrate/Nitrite/TCR, or radionuclides - RED boxes)** | | No | No | | | **SRF Team** | | |

| Source Protection and Conservation | Possible Points | PQ Points Scored (leave blank if not scored) | PNA Points Scored | Comments | | Responsible Party | Scoring criteria | Resources |
|---|---|---|---|---|---|---|---|---|
| **Project addresses vulnerability to potential pollution by conditions identified in an approved source water protection area assessment:** (scores a total of 15 points for one or more of the following):<br>**• Point source discharge within a delineated area.**<br>**• Areas impacted by agricultural chemical use or run-off.**<br>**• Area subject to oil/gas/mineral operations.**<br>**• Unprotected watershed area.** | **15** | 0 | 0 | | PQ/PNA | Engineering Section | Confirm system has a substantially implemented SWAP (see folder link). If they have a plan in the folder (about 10% of systems have plans) that mentions potential contamination sources and/or BMPs which the project addresses then give them the points.<br><br>If they are working on a plan or you aren't sure, then check with Kristen Hughes or Robert Murphy. | I:\SWAP-Protection Phase\SWAP Protection Plans\Substantially Implemented |
| **Project establishes a protective zone to address potential pollution as a result of wildfires in burn scar areas.** | **10** | 0 | 0 | | PQ/PNA | Engineering Section | If proposed project includes working on or addresses potential pollution as a result of wildfires in burn scar areas then give points. To verify, the system should be working on a wildland fire decision support system (WFDSS) with the SWAP group and are on the WFDSS list or if they have wildfire as a potential contamination source in their SWAP then give them points. No set design standards for fire mitigation. | WFDSS tracking document |
| **Utility rate structure currently in place** (points for rate structure are not additive, score points only in one category): | | | | | | | | |
| • Increasing block rates. | **15** | 15 | 15 | | PQ/PNA | SRF Team | If information not provided in PQ or PNA check with applicant | |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| • Seasonal rates. | **10** | 0 | 0 | | **PQ/PNA** | **SRF Team** | If information not provided in PQ or PNA check with applicant | |
| • Uniform. | 0 | 0 | 0 | | **PQ/PNA** | **SRF Team** | If information not provided in PQ or PNA check with applicant | |
| **Project will implement water metering, leak detection and/or other water conservation and efficiency infrastructure applications at a minimum of 20% of total project costs.** | **10** | 0 | 0 | | **PQ/PNA** | **SRF Team** | If detailed information included at PQ, then score. If not enough information, score as 0 and score at PNA step. | |
| **Sustainability Points** | **Possible Points** | **PQ Points Scored (leave blank if not scored)** | **PNA Points Scored** | **Comments** | | **Responsible Party** | **Scoring criteria** | **Resources** |
| **Project seeks to:** | | | | | | | | |
| • Correct compliance issues, water quality problems, and/or water supply problems through physical consolidation and regionalization of water systems. | **10** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | Review proposed project to see if consolidation or regionalization is included. If so, score points.<br><br>If information included at PQ, then score. If not enough information, score as 0 and score at PNA step. | n/a |
| • Correct and/or improve security of the water system. | **10** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | Security improvements must meet the requirements of Item 1.2.11 Security and Emergency Response Program of the Design Criteria. Review if submittal indicates both physical security design/improvements and a security and emergency response program will be created, then give the points.<br><br>If information included at PQ, then score. If not enough information, score as 0 and score at PNA step. | Design Criteria |
| • Incorporate beneficial uses of water treatment plant sludge and/or alternative concentrate management options in an approved Beneficial Use Plan.2 | **10** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | For improvements to an existing or a new sludge control process incorporated into the proposed project. Please reach out to HMWMD (either Michael Bankoff michael.bankoff@state.co.us or our Customer Technical Assistance line at 303-692-3320 or comments.hmwmd@state.co.us) to check with them before granting points. HMWMD can let you know if they are approved for beneficial use of the sludge/concentrate or give insight if the proposed project would be approved. | |
| *2 The Hazardous Materials and Waste Management Division is the agency responsible for implementing the Regulations Pertaining to the Beneficial Use of Water Treatment Sludge and Fees applicable to the Beneficial Use of Sludges pursuant to 5CCR1003-7.* | | | | | | | | |
| **Project promotes sustainable utilities and/or communities through a utility management plan that:** | | | | | | | | |
| • Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed. | **5** | 0 | 5 | | **PNA** | **Engineering Section** | Presence/absence. As long as the 20-year cash flow plan has a capital improvements line or some type of replacement fund line then score points.<br><br>If information included at PQ, then score. If not enough information, leave blank and score at PNA step. | n/a |
| • Provides sufficient revenues to meet O&M and capital needs. | **5** | 0 | 5 | | **PNA** | **Engineering Section** | Presence/absence. If the 20-year cash flow plan has an O&M line then score points.<br><br>If information included at PQ, then score. If not enough information, leave blank and score at PNA step. | n/a |
| • Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so. | **5** | 5 | 5 | | **PQ/PNA** | **Engineering Section** | Check OnBase/Comp report to see any system's operator issues and that the current operator meets the certification levels.<br><br>If project will not impact the operator certification level, give points.<br><br>If the project will impact the op certification level, the system must either have an operator certified to the new level or have a plan to get a properly certified operator to get points. | SDWIS comp report, OnBase |
| • Incorporates a fix-it-first planning methodology. | **5** | **0** | **5** | PER; O&M schedule - tank painting project budgeted for 2035 | **PQ/PNA** | **Engineering Section** | System submits documentation to demonstrate planning and have been following through on the plans. For example: have a master plan, asset management plan or capital improvement plan, O&M schedule for repairs. If documentation is provided then give points.<br><br>If information included at PQ, then score. If not enough information, leave blank and score at PNA step. | n/a |
| **Readiness to Proceed Points** | **Possible Points** | **PQ Points Scored (leave blank if not scored)** | **PNA Points Scored** | **Comments** | | **Responsible Party** | **Scoring criteria** | **Resources** |
| **Project has secured one or more of the following:** | | | | | | | | |
| • Plans and specifications approved. | **10** | **0** | **0** | | **PQ/PNA** | **Engineering Section** | Give points if system has approval letter for the project as described in the PQ/IUP application or that covers the majority of the proposed project (roughly 80%). | PWS Search/ RAW Database |
| Project has funding secured by multiple assistance providers. | **10** | **0** | **10** | | **PQ/PNA** | **SRF Team** | Give points if applicant can document an award or a commitment from another funding agency for the same project being funded by SRF. | |
| **Total Points Score** | | **130** | **130** | | | | | |
| Yes | | | | | | | | |
| No | | | | | | | | |

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# DWRF LOAN CREDIT REPORT (2026)

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

| | |
|---|---|
| **Recommendation:** | **APPROVAL** |
| **Total SRF Request:** | $2,265,498 |
| **Interest Rate & Term:** | 1.75%, 30 years |
| **Annual Debt Service:** | $44,401 |
| **Pledge:** | Water and sewer revenues |
| **Current Rate:** | $60.50 (W) $81.50 (S) |
| **Estimated Rate Increase:** | $0.00 |

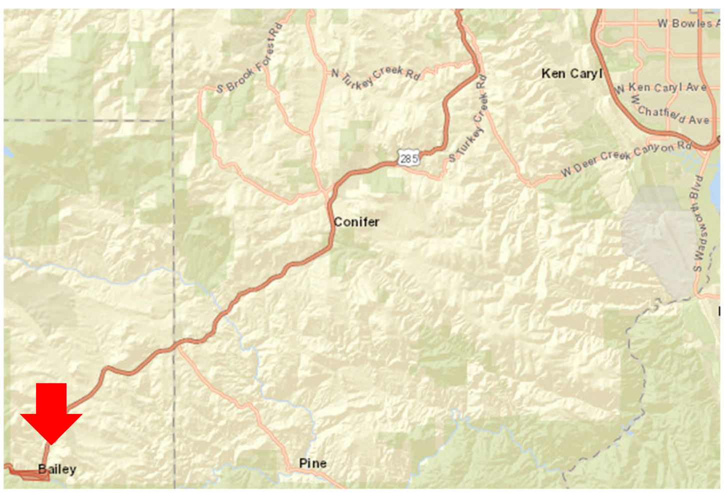
| **Project Budget** | |
|---|---|
| **DWRF IIJA/BIL Loan:** | $1,032,886 |
| **DWRF IIJA/BIL Principal Forgiveness** | $1,232,612 |
| **2023 D&E Grant:** | $215,000 |
| **2026 EIAF Grant** | $750,000 |
| **Park County Grant:** | $500,000 |
| **Total:** | $3,730,498 |

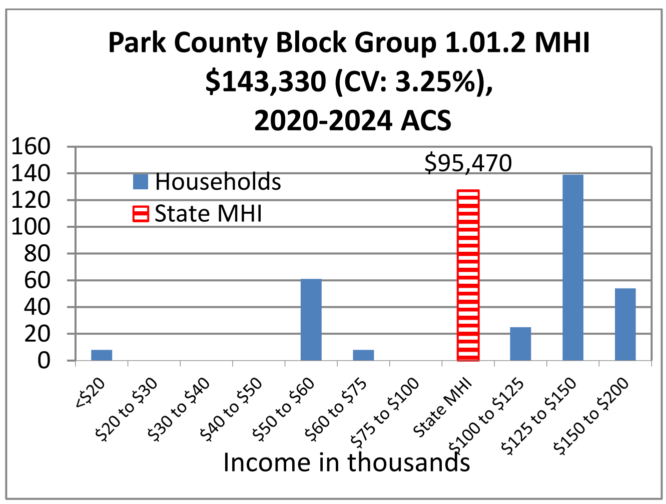
**PROJECT DESCRIPTION:** The proposed project will include the expansion of the facility's hydraulic capacity, additional treatment and pre-treatment processes for heavy metals, as well as the construction of a second infiltration gallery, which will increase the raw water supply, and a new water treatment plant (WTP) building with adequate space.

**COMMUNITY PROFILE:**

| **Bailey Water and Sanitation District** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| District Population | | | 310 | 310 | 310 | 310 | 310 | 0.00% |
| Park County Population | 17,419 | 17,740 | 17,914 | 18,124 | 18,327 | | | 1.28% |
| Park County Jobs | 4,512 | 4,787 | 4,923 | 5,121 | 5,365 | | | 4.42% |
| Number of Water Taps | | | 124 | 124 | 124 | 124 | 124 | 0.00% |
| Number of Sewer Taps | | | 124 | 124 | 124 | 124 | 124 | 0.00% |
| Assessed Value ($000) | | | $4,601 | $4,640 | $5,158 | $5,119 | $5,541 | 4.76% |
| Actual Value ($000) | | | $30,580 | $30,622 | $35,459 | $34,652 | $40,682 | 7.40% |

**BORROWER BRIEF:** The District serves a small unincorporated mountain community in northwest Park County, approximately 47 miles to the southwest of Denver on State Highway 285, close to the border of Jefferson and Park Counties.




**RECOMMENDATION:** The District serves a small rural community in Park County. This proposed loan is necessary to improve water treatment and replace outdated filtration systems. The system is small and the proposed loan will be a burden on the community. However, the District has increased rates in the past few years and has successfully obtained grant financing from other sources. We therefore recommend the DWRF Committee approve a $1,032,886 Disadvantaged Communities IIJA/BIL direct loan and $1,232,612 in IIJA/BIL principal forgiveness to the Bailey Water and Sanitation District.

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**PROJECT SUMMARY:**
**System summary:** The District serves a population of approximately 310 individuals with 124 taps. The water treatment plant (WTP) capacity is 30 gallons per minute (gpm). The existing source of water is an infiltration gallery located underneath the North Fork of the South Platte River. The WTP also has a bypass to pull water directly from the river in the event of high demand and poor infiltration gallery performance. Treatment at the existing WTP includes polymer injection, pressure filtration through a pressure sand filter, filtration through strain-rite bag filters, UV disinfection, and chlorine disinfection. The facility currently does not have appropriate treatment processes to treat for metals.

**Reason/need:** The existing WTP is outdated, and the current filtration systems are in poor physical condition and past their useful life. The current building also lacks the necessary space for any expansion to install additional treatment processes.

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

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

**Contingency:** 8.45% of the total project cost is included as contingency. However, 12.6% of the construction cost is included as contingency.

| **CURRENT INDICATORS:** | **2022** | **2023** | **2024** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 0 | 0 | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Total + New Debt/Capita ($): | | | 7,308 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 0 | 0 | 0 | | >$5,000 | | $2,500 - 5,000 | X | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 18,270 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current W&S Debt/Tap ($): | 0 | 0 | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Current W&S + New W&S Debt/Tap ($): | | | 18,270 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 0% | 0% | 0% | | >50% | | 25-50% | X | <25% |
| Total Debt + New W&S Debt/Assessed Value: | | | 44% | | >50% | X | 25-50% | | <25% |
| Total Debt/Actual Value: | 0% | 0% | 0% | | >10% | | 5-10% | X | <5% |
| Total Debt + New W&S Debt/Actual Value: | | | 6.39% | | >10% | X | 5-10% | | <5% |
| Curr. W&S Debt + New Debt/Tap/MHI: | | | 13% | | >20% | X | 10-20% | | <10% |
| W&S Fund Current Ratio (CA/CL): | 442% | 411% | 291% | | <100% | | 100-200% | X | >200% |
| W&S Fund Reserves/Current Expense: | 172% | 181% | 82% | | <50% | X | 50-100% | | >100% |
| W&S Operating Ratio (OR/OE): | 41% | 60% | 37% | 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: | | | -119% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | -150% | X | <110% | | 110-125% | | >125% |
| Current Annual Water Rates/MHI: | | | 0.41% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Water Rates + New W&S Debt Service/MHI: | | | 0.96% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | | | 82% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **6** | | **4** | | **11** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, eleven are rated strong, four are average and six are considered weak. Overall, the indicators illustrate a small system which will be burdened by the proposed debt. The strong indicators show that the system has no current debt and that rates appear to be affordable. The weak indicators reflect that the debt will be a burden for the size of the community and that system costs had risen in 2024.

- The District supports operations with property tax revenues in addition to water and sewer charges.
- Based on 2024 financial information, coverage with the proposed loan is -261%. Additional annual revenue of about $164,619, or $110.63 per tap per month, would increase the coverage ratio to 110%.



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- The District identified $105,130 in 2024 one-time expenses for leak repair, changing electric service, water treatment facility design, and engineering services. In 2026, the District increased both water and sewer rates for an estimated combined total increase of $44.10, which is anticipated to bring in $65,620.80 of additional annual revenue compared with 2024. Once these one-time expenses are removed and the impact of the rate increase is considered, coverage with the proposed loan increases to 124% and no further rate increases are projected to be necessary.
- The District has discussed and anticipates further rate increase to support debt service and will determine a final increase during loan execution while considering CMAR value engineering implementations.
- Projections submitted by the District show revenues and expenses increasing by approximately 3% annually.
- District voters approved $5,000,000 in debt for planning, design, construction, and operations/maintenance of water and sewer infrastructure with 40 for and 24 against the ballot measure at the November 7, 2023, election.
- Without principal forgiveness, the coverage ratio moves to 56% and additional annual revenue of about $52,153 or $35.05 per tap per month, would increase the coverage ratio to 110%.

**Additional Project Financing**
The District submitted an Energy and Mineral Impact Assistance Fund grant application for $1,000,000 and $750,000 was awarded in May 2026.

The District submitted an application for grant funds from the Park County Land and Water Trust Fund and $500,000 was approved in May 2026.

**DESCRIPTION OF THE LOAN:**
An estimated $1,032,886 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the District approximately $44,401 in debt service annually. The District also qualifies for $1,232,612 in IIJA/BIL principal forgiveness.

**Disadvantaged Community:**

In order to qualify as a disadvantaged community (DAC), an applicant must meet one (1) of three (3) scenarios.
1. Meets benchmarks for P1, and either P2 or P3
2. Meets benchmarks for P1, not for P2 or P3, and meets two or more secondary factors
3. P1 is unreliable. Meets benchmarks for P2 and P3, and two or more secondary factors

| | Benchmark | | Borrower | Met? |
|---|---|---|---|---|
| P1: MHI | $76,376 | >= | $143,330 | N |
| P2: MHV | $431,520 | >= | $347,891 | Y |
| P3: County Unemployment | 5.35% | <= | 3.20% | N |
| County Job Change | 0.00% | >= | 33.10% | N |
| S1: County MHI | $76,376 | >= | $103,670 | N |
| S2: Ten Year % Change in Population | 0.00% | >= | N/A | N/A |
| S3: Assessed Value per Housing unit | $24,337 | >= | $41,600 | N |
| S4b: Curr. and Proj. System Debt | 0.57% | < | 5.25% | Y |
| S4b: 80th Percentile | 1.57% | < | 5.25% | Y |
| S5b: Proj. System Cost Per Tap to MHI | 1.84% | < | 3.49% | Y |
| S5b: 80th Percentile | 2.67% | < | 3.49% | Y |

Based on 2020-2024 American Community Survey data, the District did not meet the requirements of a DAC due the lack of reliable and specific data for the small community. Because there is no geographically specific demographic data, the CWRPDA Board approved the District's business case for DAC status on January 29, 2026.

Due to its projected rates to MHI and MHV exceeding the 80th percentile, the District qualifies for the lowest interest rate available (Category 2 DAC, 1.5% or 1.75%).



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**IIJA/BIL Principal Forgiveness Eligibility:**
In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. While the District originally scored zero points, the CWRPDA Board approved the District's business case for BIL eligibility on January 29, 2026 which increases the total score to three points.

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | 0.20% | 1 |
| 2a: County Job Change | 0.00% | > | 33.10% | |
| 2b: County Unemployment | 5.35% | < | 3.20% | 0 |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | | |
| | $119,338 | < | $143,330 | -1 |
| 4: Rates to MHI | 1.32% | < | 1.19% | 0 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 15.42% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 8.26% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 14.90% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 32.55% | 0 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| | | | **Total Points Scored:** | 3 |

The District qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. The District qualifies for $1,232,612 in principal forgiveness, leaving an estimated loan of $1,032,886.

**ECONOMIC ANALYSIS:** The District has a 2024 population estimated at 310 and has grown at an average annual rate of 0.20% since 2020. Park County has experienced an increase of 1.28% in population since 2020. The state population increased at an average annual rate estimated 0.73%.

Retirees, commuters, tourists, and regional services make up most of Park County's economy. The sectors of professional services, construction, government, agriculture, hospitality, and waste management and remediation services dominate the regional economy.

The District indicated that the area's largest employers consist of education, food and lodging, construction, retail, and professional and technical services.

The Bailey Self Service Station, a convenience store and gas station, represents 13% of total system usage.

**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 32-1 special district governed by a five-member board of directors and was organized in 1967. The District provides water and wastewater services. Approximately 1.25 full-time employees staff the water utility. The water utility is overseen by the contract ORC who reports the District Administrator.

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

**Technical/Managerial/Financial (TMF)**
The WQCD and DLG conducted a review of the District's technical, managerial and financial capacity to operate the water system. The review resulted in no mandatory recommendations.

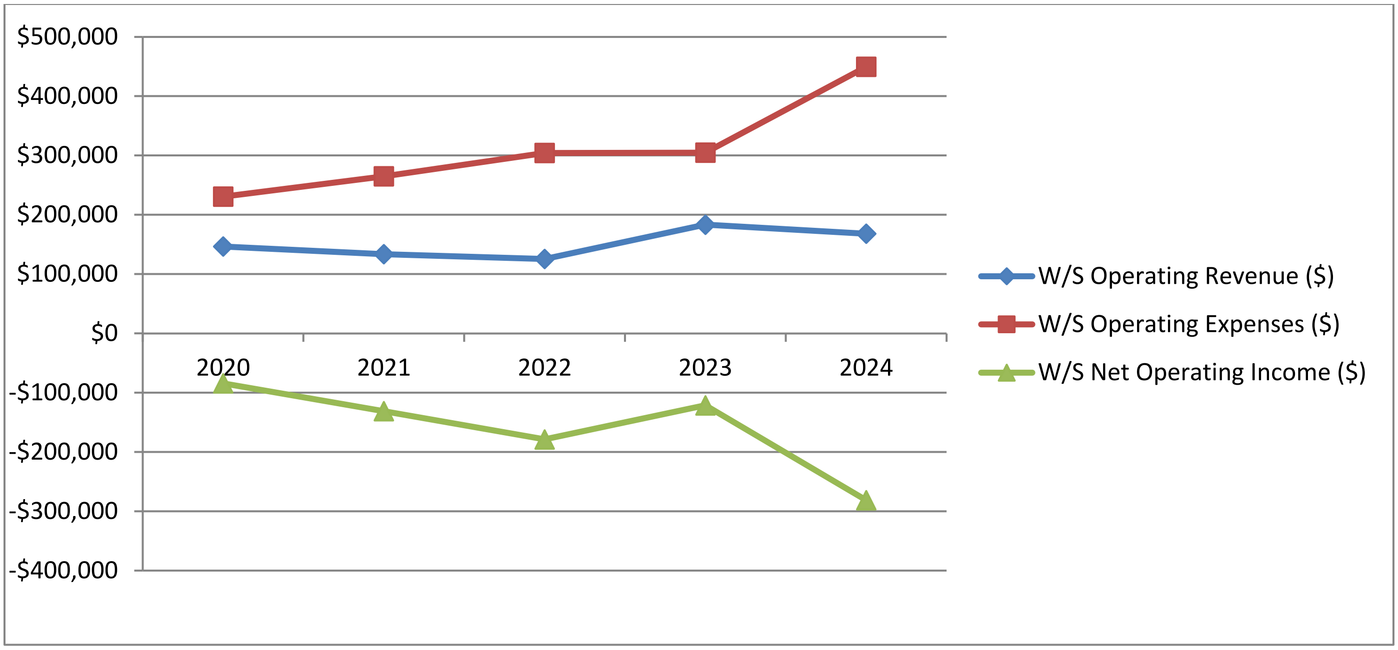
**Capital Improvement Plan**
As part of the application process, the District submitted its capital improvement plan, which anticipates capital outlay of approximately $6,000,000 for replacement of the wastewater treatment facility. Other anticipated projects which do not have cost estimates yet include lift station improvements, water line replacements, and water storage tank lining.

**REVENUE ANALYSIS:**
Water and sewer charges make up the majority of fund revenues. Net operating income has been negative, but the District also uses property taxes to cover operating expenses. Operating expenses have been on an increasing trend for the past five years; however, rate increases in 2023 increased revenues from charges and large rate increases in 2026 are expected to further increase operating revenues. 2024 operating expenses increased due to increased contractor and professional services, supplies, chemicals, repairs, and maintenance.

Prior to 2026, water and sewer charges were a combined charge based on water usage, for illustration below that combined charge has been split evenly between the water and sewer rate rows.

| TRENDS | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|
| Monthly Water Rate ($) | | | 22.15 | 48.95 | 48.95 | 48.95 | 60.50 |
| Monthly Sewer Rate ($) | | | 22.15 | 48.95 | 48.95 | 48.95 | 81.50 |
| Residential Water Tap Fee ($) | | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Residential Sewer Tap Fee ($) | | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Mill Levy | 25.392 | 25.392 | 25.392 | 25.392 | 25.392 | | |
| Total W/S Revenue ($) | 304,568 | 269,446 | 265,135 | 370,466 | 333,709 | | |
| Tap/Development Fees ($) | 20,000 | 0 | 0 | 30,000 | 0 | | |
| Property Tax Revenue ($) | 119,733 | 119,534 | 119,610 | 120,539 | 130,518 | | |
| S.O. Tax Revenue ($) | 15,574 | 15,807 | 13,484 | 13,495 | 12,071 | | |
| W/S Operating Revenue ($) | 146,526 | 133,598 | 125,415 | 183,350 | 168,050 | | |
| W/S Operating Expenses ($) | 230,744 | 264,866 | 304,164 | 304,696 | 449,486 | | |
| W/S Net Operating Income ($) | -84,218 | -131,268 | -178,749 | -121,346 | -281,436 | | |
| W/S Debt ($) | 0 | 0 | 0 | 0 | 0 | | |
| Total Debt ($) | 0 | 0 | 0 | 0 | 0 | | |
| W/S Debt Service ($) | 0 | 0 | 0 | 0 | 0 | | |
| W/S Debt Service/Tap/Month ($) | | | 0.00 | 0.00 | 0.00 | | |
| W/S Fund Reserves ($) | 623,921 | 613,206 | 524,633 | 550,518 | 367,740 | | |

| Ratios | 2020 | 2021 | 2022 | 2023 | 2024 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 48.11% | 49.58% | 47.30% | 49.49% | 50.36% | 48.97% |
| Operating Revenue as % of Expenses | 63.50% | 50.44% | 41.23% | 60.17% | 37.39% | 50.55% |
| Tap Fee Revenue as % of Total Revenue | 6.57% | 0.00% | 0.00% | 8.10% | 0.00% | 2.93% |




**Recent Rate Increases**
The District's most recent water and sewer rate increase of $44.10 was implemented on June 1, 2026

**User Charges**
The District's current monthly water rate is estimated at $60.50 compared to the 2024 estimated state median of $60.61. The District's average monthly water rate is based on typical residential consumption of 3,100 gallons per month. Users pay a $45.00 base and volume charges of $5.00 per 1,000 gallons for consumption from 0 to 6,000 gallons and $6.00 per 1,000 for consumption over 6,000 gallons. Bulk water is sold at $0.10 per gallon. Residential and commercial users pay the same rates.

The District's current estimated average monthly residential sewer rate is $81.50 compared to the 2024 estimated state median of $44.65. Users pay a $66.00 base and volume charges of $5.00 per 1,000 gallons for usage from 0 to 6,000 gallons and $6.00 per 1,000 for usage over 6,000 gallons. The unmetered sewer fee is $90 per month.

**Contributed Capital**
Revenue from tap fees has ranged from $0 to $30,000 and has averaged 2.93% of total water revenue during the last five years. The District's most recent water tap fee rate increase occurred in 2010.

- Residential water tap fees are $15,000
- Residential sewer tap fees are $15,000

| **Current System Utilization** | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 57% | 65% |
| **Non-residential (per EQR)** | 43% | 35% |

| **Current Fee Summary** | | |
|---|---|---|
| Tap size | Water user/tap fees | Sewer user/tap fees |
| ¾" | $60.50/$ | $81.50/$15,000 |
| ¾" | $60.50/$ | $81.50/$15,000 |

**DEBT as of December 31, 2024**
The District has no debt as of December 31, 2024.

**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.

Prepared by: Victor Chen
Date: July 28, 2026

Project # 190121D-Q
Cost Categories: Construction - Treatment - 90%,
Construction - Source - 10%

BACK TO AGENDA

**July 28, 2026**

**DWRF Credit Report**
**Bailey Water and Sanitation District, Park County, CO**
**Using most recent data available**
**(Census, audits, local records)**

| | |
|---|---|
| Estimated Population - 2024 | 310 |
| Number of Water Taps/Customers - 2024 | 124 |
| Total Assessed Valuation - 2024 | $5,158,000 |
| Actual Value of All Real Property - 2024 | $35,459,000 |
| Median Household Income (MHI) - 2023 | $143,330 |
| Monthly Water Rate - 2024 | $48.95 |
| Water Operating Revenue - 2024 | $168,050 |
| W/S 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.] | $333,709 |
| W/S Tap and System Development Fee Revenue - 2024 | $0 |
| W/S Operating Expense - 2024 | $449,486 |
| W/S Current Expense - 2024 | $449,486 |
| W/S Debt - 2024 | $0 |
| Total Debt - 2024 | $0 |
| W/S Fund Reserves - 2024 | $367,740 |
| W/S Debt Service - 2024 | $0 |
| New W/S Debt [Requested DWRF loan amount.] | $1,032,886 |
| Requested DWRF Loan Term | 30 |
| Requested DWRF Loan Interest Rate | 1.75% |
| New Loan's Annual Water Debt Service (two payments annually) | $44,401 |

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| Current Indicators (2024)<br>Bailey Water and Sanitation District<br>(Water and Sewer Fund) | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $0 | ÷ | Population | 310 | = | $0 |
| | New Debt | $1,032,886 | ÷ | Population | 310 | = | $3,332 |
| | Total Debt + New Debt | $1,032,886 | ÷ | Population | 310 | = | $3,332 |
| 2 | Total Debt | $0 | ÷ | Number of Taps | 124 | = | $0 |
| | New Debt | $1,032,886 | ÷ | Number of Taps | 124 | = | $8,330 |
| | Total Debt + New Debt | $1,032,886 | ÷ | Number of Taps | 124 | = | $8,330 |
| 3 | Total Debt | $0 | ÷ | Assessed Value | $5,158,000 | = | 0.00% |
| | New Debt | $1,032,886 | ÷ | Assessed Value | $5,158,000 | = | 20.02% |
| | Total Debt + New Debt | $1,032,886 | ÷ | Assessed Value | $5,158,000 | = | 20.02% |
| 4 | Total Debt | $0 | ÷ | Actual Value | $35,459,000 | = | 0.00% |
| | New Debt | $1,032,886 | ÷ | Actual Value | $35,459,000 | = | 2.91% |
| | Total Debt + New Debt | $1,032,886 | ÷ | Actual Value | $35,459,000 | = | 2.91% |
| 5 | Current Water Debt | $0 | ÷ | Number of Taps | 124 | = | $0 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $8,330 | ÷ | MHI | $143,330 | = | 5.81% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $560,718 | ÷ | Current Liabilities | $192,978 | = | 291% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $367,740 | ÷ | Current Expenses | $449,486 | = | 82% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $168,050 | ÷ | Operating Expenses | $449,486 | = | 37% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $333,709 | - | | | | |
| | Minus Operating Expenses | $449,486 | | | | | |
| | = | -$115,777 | ÷ | Current Debt Service | $0 | = | #DIV/0! |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | -$115,777 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | -$115,777 | ÷ | Current Debt Service | $0 | = | #DIV/0! |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $333,709 | | | | | |
| | Minus Operating Expenses | $449,486 | | | | | |
| | = | -$115,777 | | Total Debt Service (with new loan) | $44,401 | = | -261% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | -$115,777 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | -$115,777 | ÷ | Total Debt Service (with new loan) | $44,401 | = | -261% |
| 13 | Current Debt Service | $0 | ÷ | Number of Taps | 124 | = | $0.00 |
| | Annual New Water Debt Service | $44,401 | ÷ | Number of Taps | 124 | = | $358.08 |
| 14 | 2024 Annual Water Rate (Monthly Rate x 12) | $587.40 | ÷ | MHI | $143,330 | = | 0.41% |
| | 2024 Annual Water Rate + New Annual Debt Service Per Tap | $945.48 | ÷ | MHI | $143,330 | = | 0.66% |
| 15 | Current 2024 Monthly User Charge | | | | | | $48.95 |
| | (Debt Service on DWRF Loan / 2024 Taps / Month) | | | | | | $29.84 |
| | Total | | | | | | $78.79 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $367,740 | ÷ | Operating Expenses | $449,486 | = | 82% |

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## 2026 SRF Disadvantaged Community Criteria

**Applicant:** Bailey Water and Sanitation District

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 2,265,498 |
| Interest Rate: | 3.25% |
| Term (years): | 20 |
| Annual Payment: | $ 154,936 |

| | | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|---|
| | Current Population (2024) | <= | 10,000 | 310 | Y | |
| | Population 5 years ago (2020) | | | 308 | | |
| | Poulation 10 years ago (2015) | | | | | |
| | **Primary Factors** | | | | | |
| P1 | MHI (Place) | <= | $ 76,376 | 143,330 | N | |
| | Margin of Error (MOE) | ± | | 7,659 | | |
| P2 | MHV (Place) | <= | $ 431,520 | 347,891 | Y | |
| | Margin of Error (MOE) | ± | | | | Assessor MHV |
| P3 | 24 Month Unemployment (County) | >= | 5.35% | 3.20% | N | |
| | or 10 Year % Chng. Jobs (County) | <= | 0.00% | 33.10% | N | |
| | Jobs (2024) | | | 5,485 | | |
| | Jobs (2015) | | | 4,121 | | |
| | **Priority Factor Count** | | | | 0 | |
| | **Secondary Factors** | | | | | |
| S1 | MHI (County) | <= | $ 76,376 | 103,670 | N | |
| | Margin of Error (MOE) | ± | | 17,612 | | |
| | Reliability (CV) | <= | 18.00% | 10.33% | Y | |
| S2 | 10 Year % Chng. Population | <= | 0.00% | N/A | N/A | |
| S3 | Assessed Value / Housing Unit | <= | $ 24,337 | $41,600 | N | |
| | Assessed Value | | | 5,158,417 | | |
| | Total Housing Units | | | 124 | | Used number of taps to estimate housing units |

| | | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S4 | Current Debt / Tap / MHV | > | 0.57% | 0.00% | N | | |
| WS | Current + Projected Debt/Tap/MHV | > | 0.57% | 5.25% | Y | | |
| | S4b 80th percentile | | 1.57% | 5.25% | Y | | |

| | | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S5 | System Full Cost / Tap / MHI | > | 2.03% | 2.66% | Y | | |
| | Projected Rate @ 110% Coverage | > | 1.84% | 3.49% | Y | | |
| | S5b 80th percentile | | 2.67% | 3.49% | Y | | |
| | **Secondary Factor Count** | | | | 2 | | |

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

| | |
|---|---|
| Taps or EQR's | 124 |
| Total Debt | 0 |
| Principal & Interest | 0 |
| Operating Expenses (including operating transfers out) | 449,486 |
| Depreciation | 23,509 |

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# WPCRF & DWRF

| | | | Benchmark | Applicant | Points | Notes on Data Used | Result |
|---|---|---|---|---|---|---|---|
| | **Eligiblity Criteria** | | | | | | |
| 1 | Population loss or growth is slower than the state's over 5 years | <= | 0.73% | 0.20% | 1.0 | | |
| | Current Population (2024) | | | 310 | | | |
| | Poulation five years ago (2020) | | | 308 | | | |
| 2a | 10 Year % County Job Change | >= | 0 | 33.10% | 0.0 | | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | 5.35% | 3.20% | 0.0 | | |
| 3 | Median Household Income | <= | $ 95,470 | 143,330 | 0.0 | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| | | >= | $ 119,338 | | -1.0 | | |
| | | | | | | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| 4 | Rates compared to MHI | > | 1.32% | 1.19% | 0.0 | | |
| WS | Monthly Residential Rate | > | | 142.00 | | | |
| | | | | | | *2026 rates and 3,100 gallons of typical resisdental consumption* | |
| 5 | Project addresses removal of lead or emerging contaminants | | Yes | No | 0.0 | | |
| 6 | % Population that identifies as minority is greater than 40% | > | 40.00% | 15.42% | 0.0 | | |
| 7 | % Population that are housing burdened is greater than 50% | > | 50.00% | 8.26% | 0.0 | | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | 40.00% | 14.90% | 0.0 | | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | 55.00% | 32.55% | 0.0 | | |
| | % Population over 65 years old | | | 17.65% | | | |
| 10 | Meets base program DAC criteria? | | | Yes | 3.0 | | |
| | **BIL Eligibility Points** | | | | 3.0 | | |

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COLORADO
Department of Local Affairs
Division of Local Government

| Project Budget | |
|---|---|
| **DWRF Supplemental Loan:** | $1,500,000 |
| **2024 DWRF Base and IIJA Loan:** | $12,922,960 |
| **2024 DWRF IIJA/BIL PF:** | $3,000,000 |
| **2024 EIAF Grant:** | $1,000,000 |
| **2023 D&E Grant:** | $300,000 |
| **Total:** | $18,722,960 |

TO: Wesley Williams and Members of the Board of the CWRPDA
FROM: Victor Chen, DLG
SUBJECT: Town of Kremmling ("The Town"), DWRF Credit Report Update
DATE: August 19, 2026

This project consists of replacing the Town's existing water treatment facility with ultrafiltration (UF) treatment skids to aid in raw water quality and finished water quality goals. The new water treatment facility project includes three UF treatment skids and eight UF membrane modules housed in a new treatment plant building. Other new additions include a clearwell, booster pump, and potable water storage tank.

The Town previously received DWRF funding for this project as a $4,676,154 direct loan with a thirty-year term at an interest rate of 1.75% that included $3,000,000 of IIJA/BIL principal forgiveness, and a $11,246,806 leveraged loan with a thirty-year term at an interest rate of 3.35%. Both loans were executed on November 22, 2024. The original loans were executed before the Town had the 90% guaranteed maximum price from their contractor and additional funds are needed to complete the project. Therefore, the Town is requesting a supplemental loan.

When including the previous 2024 DWRF loan, the Town's 2024 financials show that this proposed supplemental loan represents a growing but manageable debt burden for the rural mountain community in Grand County. Due to increased Median Household Income (Census Bureau American Communities Survey), the Town no longer meets the criteria for disadvantaged community status; however, current policy states supplemental loans receive the same interest rate as the initial loan or the prevailing interest rate, whichever is lower. We therefore recommend the DWRF Committee approve a $1,500,000 supplemental DWRF base direct loan over 30 years at an interest rate of 1.75% to the Town of Kremmling on the condition that rates are increased to meet the 110% coverage ratio requirement (approximate required rate increase of $14.20).

| **CURRENT INDICATORS:** | **2022** | **2023** | **2024** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 756 | 697 | 7,937 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | | | 8,932 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 1,594 | 1,434 | 16,142 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 18,166 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Water Debt/Tap ($): | 1,594 | 1,434 | 16,142 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Current Water + New Water Debt/Tap ($): | | | 18,166 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 5.59% | 5.20% | 46% | | >50% | X | 25-50% | | <25% |
| Total Debt + New Water Debt/Assessed Value: | | | 52% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 0.67% | 0.62% | 5.18% | | >10% | X | 5-10% | | <5% |
| Total Debt + New Water Debt/Actual Value: | | | 5.83% | | >10% | X | 5-10% | | <5% |
| Curr. Water Debt + New Debt/Tap/MHI: | | | 23% | X | >20% | | 10-20% | | <10% |
| Water Fund Current Ratio (CA/CL): | 999% | 1,161% | 2,705% | | <100% | | 100-200% | X | >200% |
| Water Fund Reserves/Current Expense: | 318% | 310% | 1,788% | | <50% | | 50-100% | X | >100% |
| Water Operating Ratio (OR/OE): | 191% | 152% | 130% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 242% | 258% | 141% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 235% | 178% | 85% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan: | | | 105% | X | <110% | | 110-125% | | >125% |



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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Coverage Ratio with New Loan Excluding Tap Fees: | 63% | X | <110% | ___ | 110-125% | ___ | >125% |
| Current Annual Water Rates/MHI: | 0.97% | ___ | >3.0% | ___ | 1.5-3.0% | X | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | 1.08% | ___ | >3.0% | ___ | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | 2,430% | | <25% | | 25-50% | X | >50% |
| | **Total:** | **11** | | **3** | | **7** | |

**Financial Analysis**
Of the twenty-one current indicators calculated, seven are rated strong, three are average and eleven are considered weak. Overall, the indicators illustrate a system that can successfully take on the proposed debt with a moderate rate increase. The strong indicators show strong reserves and a healthy operating cash flow. The weak indicators reflect high debt burden for the community with a coverage ratio that is below the requirement.

- Operating revenues have consistently covered operating expenses for each of the five years examined.
- In 2024, the Town paid off a series of Water Revenue Bonds issued in 2004, which freed up additional cashflow for debt service.
- Based on 2024 financial information and including debt service on the original 2024 DWRF loans for this project, coverage with the proposed loan is 31% with tap fee revenue and 21% without tap fee revenue. Additional annual revenue of about $674,591 or roughly $73.97 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue. Additional annual revenue of about $760,954, or roughly $83.44 per tap per month, would increase the coverage ratio to 110% excluding tap fee revenue.
- The Town has almost doubled water rates (increasing from $62.50 in 2024 to $121.40 in 2026) to meet coverage ratio requirements on the original 2024 DWRF loans. Based on 760 taps, annual operating revenues are estimated to increase by $537,168 compared to 2024. This increases the projected coverage ratio to 94% with tap fee revenue and 84% without tap fee revenue. Additional annual revenue of about $137,423 or roughly $15.07 per tap per month would increase the coverage ratio to 110% when including tap fee revenue. Additional annual revenue of about $223,786, or roughly $24.54 per tap per month, would increase the coverage ratio to 110% excluding tap fee revenue.
- In 2024, the Town had one-time expenses of $7,929 for distribution repairs. By removing these one-time expenses, it increases the projected coverage ratio to 95% with tap fee revenue and 85% without tap fee revenue. Additional annual revenue of about $129,494, or roughly $14.20 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue. Additional annual revenue of $215,857, or roughly $23.67 per tap per month, would increase the coverage ratio to 110% excluding tap fee revenue.
- Projections submitted by the Town show water fund revenues increasing annually by approximately 3% and expenses increasing annually by approximately 3% as well. The Town is considering further rate increases in 2027.

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| July 28, 2026<br><br>DWRF Credit Report<br>Town of Kremmling, Grand County, CO<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| **Estimated Population - 2024** | **1,507** |
| **Number of Water Taps/Customers - 2024** | **741** |
| **Total Assessed Valuation - 2024** | **$25,855,000** |
| **Actual Value of All Real Property - 2024** | **$230,782,000** |
| **Median Household Income (MHI) - 2024** | **$77,407** |
| **Monthly Water Rate - 2024** | **$62.50** |
| **Water Operating Revenue - 2024** | **$686,568** |
| **Water Total Revenue - 2024**<br>**[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.]** | **$794,660** |
| **Water Tap and System Development Fee Revenue - 2024** | **$106,000** |
| **Water Operating Expense - 2024** | **$528,271** |
| **Water Current Expense - 2024** | **$717,831** |
| **Water Debt - 2024** | **$11,960,994** |
| **Total Debt - 2024** | **$11,960,994** |
| **Water Fund Reserves - 2024** | **$12,838,211** |
| **Water Debt Service - 2024** | **$189,560** |
| **New Water Debt**<br>**[Requested DWRF loan amount.]** | **$1,500,000** |
| **Requested DWRF Loan Term** | **30** |
| **Requested DWRF Loan Interest Rate** | **1.75%** |
| **New Loan's Annual Water Debt Service (two payments annually)** | **$64,482** |

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## Current Indicators (2024)
## Kremmling
## (Water)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $11,960,994 | ÷ | Population | 1,507 | = | $7,937 |
| | New Debt | $1,500,000 | ÷ | Population | 1,507 | = | $995 |
| | Total Debt + New Debt | $13,460,994 | ÷ | Population | 1,507 | = | $8,932 |
| 2 | Total Debt | $11,960,994 | ÷ | Number of Taps | 741 | = | $16,142 |
| | New Debt | $1,500,000 | ÷ | Number of Taps | 741 | = | $2,024 |
| | Total Debt + New Debt | $13,460,994 | ÷ | Number of Taps | 741 | = | $18,166 |
| 3 | Total Debt | $11,960,994 | ÷ | Assessed Value | $25,855,000 | = | 46.26% |
| | New Debt | $1,500,000 | ÷ | Assessed Value | $25,855,000 | = | 5.80% |
| | Total Debt + New Debt | $13,460,994 | ÷ | Assessed Value | $25,855,000 | = | 52.06% |
| 4 | Total Debt | $11,960,994 | ÷ | Actual Value | $230,782,000 | = | 5.18% |
| | New Debt | $1,500,000 | ÷ | Actual Value | $230,782,000 | = | 0.65% |
| | Total Debt + New Debt | $13,460,994 | ÷ | Actual Value | $230,782,000 | = | 5.83% |
| 5 | Current Water Debt | $11,960,994 | ÷ | Number of Taps | 741 | = | $16,142 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $18,166 | ÷ | MHI | $77,407 | = | 23.47% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $13,331,010 | ÷ | Current Liabilities | $492,799 | = | 2705% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $12,838,211 | ÷ | Current Expenses | $717,831 | = | 1788% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $686,568 | ÷ | Operating Expenses | $528,271 | = | 130% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $794,660 | - | | | | |
| | Minus Operating Expenses | <u>$528,271</u> | | | | | |
| | = | $266,389 | ÷ | Current Debt Service | $189,560 | = | 141% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $266,389 | | | | | |
| | Minus Tap and Development Fee Revenu | <u>$106,000</u> | | | | | |
| | = | $160,389 | ÷ | Current Debt Service | $189,560 | = | 85% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $794,660 | | | | | |
| | Minus Operating Expenses | <u>$528,271</u> | | | | | |
| | = | $266,389 | | Total Debt Service (with new loan) | $254,042 | = | 105% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $266,389 | | | | | |
| | Minus Tap and Development Fee Revenu | <u>$106,000</u> | | | | | |
| | = | $160,389 | ÷ | Total Debt Service (with new loan) | $254,042 | = | 63% |
| 13 | Current Debt Service | $189,560 | ÷ | Number of Taps | 741 | = | $255.82 |
| | Annual New Water Debt Service | $64,482 | ÷ | Number of Taps | 741 | = | $87.02 |
| 14 | 2024 Annual Water Rate (Monthly Rate x 12) | $750.00 | ÷ | MHI | $77,407 | = | 0.97% |
| | 2024 Annual Water Rate + New Annual Debt Service Per Tap | $837.02 | ÷ | MHI | $77,407 | = | 1.08% |
| 15 | Current 2024 Monthly User Charge | | | | | | $62.50 |
| | (Debt Service on DWRF Loan / 2024 Taps / Month) | | | | | | <u>$7.25</u> |
| | Total | | | | | | $69.75 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $12,838,211 | ÷ | Operating Expenses | $528,271 | = | 2430% |

BACK TO AGENDA

BACK TO AGENDA

# DWRF LOAN CREDIT REPORT (2024)

Town of Kremmling ("The Town"), Grand County

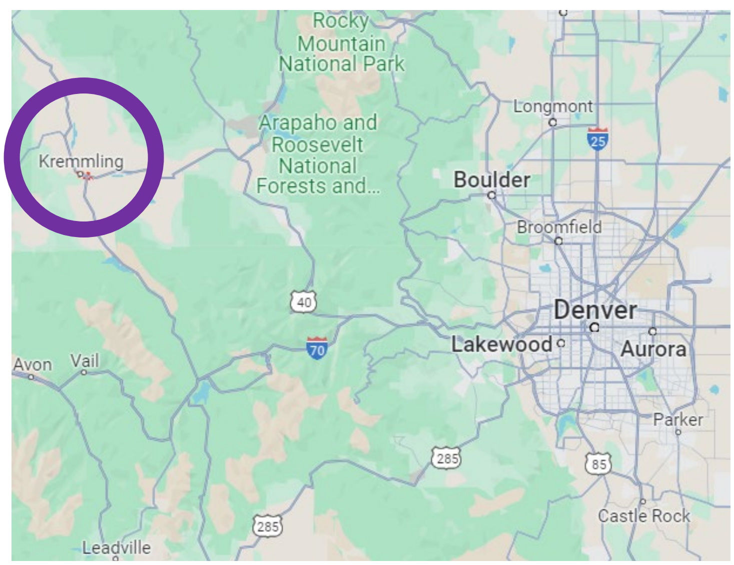
| | |
|---|---|
| **Recommendation:** | **CONDITIONAL APPROVAL** |
| **Loan Request:** | $15,922,960 |
| **Total Est. Annual Debt Service:** | $699,715 |
| **Leveraged Loan:** | $11,246,806 |
| **Interest Rate & Term:** | 3.75%, 30 years |
| **Direct Loan:** | $1,676,154 |
| **Interest Rate & Term:** | 1.75%, 30 years |
| **Pledge:** | Water revenues |
| **Current Rate:** | $63.50 |
| **Estimated Rate Increase:** | $68.41 |

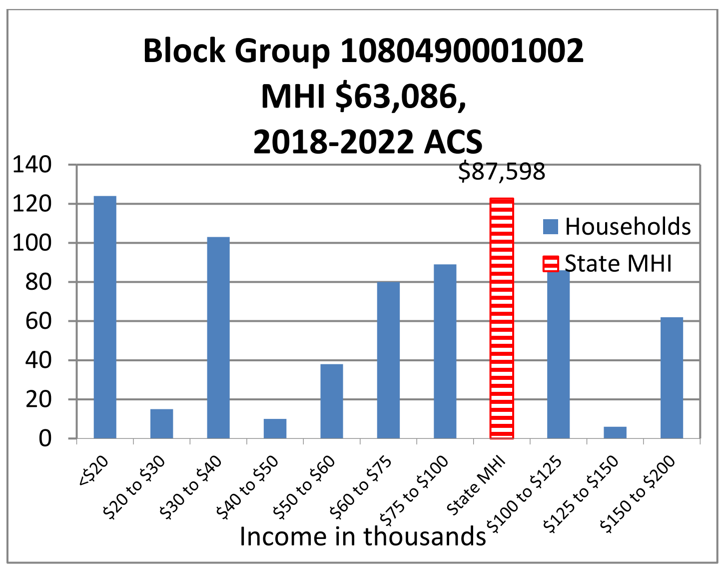
| **Project Budget** | |
|---|---|
| **DWRF BIL Loan:** | $1,676,154 |
| **DWRF BIL Supplemental PF:** | $3,000,000 |
| **DWRF Base Loan:** | $11,246,806 |
| **Planning, D&E Grants:** | $300,000 |
| **Total:** | $16,222,960 |

**PROJECT DESCRIPTION:** This project consists of replacing the Town's existing water treatment facility with ultrafiltration (UF) treatment skids to aid in raw water quality and finished water quality goals. The new water treatment facility project includes three UF treatment skids and eight UF membrane modules housed in a new treatment plant building. Other additions include a clearwell, booster pump, and potable water storage tank.

| **COMMUNITY PROFILE:**<br>**Town of Kremmling** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| Town Population | 1,342 | 1,350 | 1,499 | 1,534 | 1,478 | | | 2.44% |
| Grand County Population | 15,268 | 15,408 | 15,748 | 15,860 | 15,748 | | | 0.78% |
| Grand County Jobs | 10,280 | 10,352 | 9,381 | 9,987 | 10,253 | | | -0.07% |
| Number of Water Taps | | | 704 | 710 | 712 | 731 | 741 | 1.29% |
| Assessed Value ($000) | | | 17,053 | 17,313 | 20,314 | 20,152 | 25,855 | 10.96% |
| Actual Value ($000) | | | 141,932 | 144,880 | 168,537 | 168,887 | 230,782 | 12.92% |

**BORROWER BRIEF:** The Town is located on the northern bank of the Colorado River in western Grand County, approximately 37 miles north of Silverthorne on State Highway 9 and approximately 34 miles downstream of Lake Granby on the Colorado River.




**RECOMMENDATION:** The Town serves a rural mountain community in Grand County. This proposed loan is necessary to make improvements to the Town's water treatment facility which does not currently meet State Design Criteria. The proposed loan would be a significant burden on the community. However, the Town's water fund is currently in good financial condition and the Town is prepared to implement high rate increases which were recently presented to the Town Board. We therefore recommend the DWRF Committee approve a $1,676,154 disadvantaged communities DWRF BIL supplemental direct loan, a $11,246,806 leveraged loan, and $3,000,000 in DWRF BIL supplemental principal forgiveness to the Town on the condition rates are increased to meet loan requirements.



BACK TO AGENDA

**PROJECT SUMMARY:**

**System summary:** The Town's water treatment facility (WTF) receives surface water primarily from Sheep Creek that is treated in two microfloc package plants. The treatment facility consists of flocculation basins and gaseous chlorine. The treated water is sent to two storage tanks before being distributed to the 710 service connections in the area, mostly consisting of single-family residences.

**Reason/need:** The Town's existing water treatment facility (WTF) consists of two filtration units from 1979 that do not currently meet the State Design Criteria for Potable Water Systems. The system is outdated and the WTF requires higher chlorine dose which presents a higher risk for disinfection byproduct formation. The Town's site-specific issues include capacity and demand; raw water quality and finished water quality goals; site space availability; potential for future expansion; and offers desirable operational characteristics. The proposed project will address these issues. The proposed project will be a complete replacement of existing WTF. This will replace an aging building showing signs of corrosion, increase the removal of turbidity and microorganisms from raw water, replacement of gas chlorine with liquid sodium hypochlorite, and increase storage capability from 500k gallons to 1.5 million gallon capacity.

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

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

**Contingency:** 9.78% of total project cost included as contingency.

| **CURRENT INDICATORS:** | **2020** | **2021** | **2022** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 868 | 795 | 768 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Total + New Debt/Capita ($): | | | 9,511 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 1,848 | 1,717 | 1,594 | | >$5,000 | | $2,500 - 5,000 | X | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 19,744 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Water Debt/Tap ($): | 1,848 | 1,717 | 1,594 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Current Water + New Water Debt/Tap ($): | | | 19,744 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 7.63% | 7.04% | 5.59% | | >50% | | 25-50% | X | <25% |
| Total Debt + New Water Debt/Assessed Value: | | | 69% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 0.92% | 0.84% | 0.67% | | >10% | | 5-10% | X | <5% |
| Total Debt + New Water Debt/Actual Value: | | | 8.34% | | >10% | X | 5-10% | | <5% |
| Curr. Water Debt + New Debt/Tap/MHI: | | | 31% | X | >20% | | 10-20% | | <10% |
| Water Fund Current Ratio (CA/CL): | 1,046% | 482% | 999% | | <100% | | 100-200% | X | >200% |
| Water Fund Reserves/Current Expense: | 300% | 280% | 318% | | <50% | | 50-100% | X | >100% |
| Water Operating Ratio (OR/OE): | 195% | 168% | 191% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 254% | 178% | 242% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 233% | 171% | 235% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 39% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 38% | X | <110% | | 110-125% | | >125% |
| Current Annual Water Rates/MHI: | | | 1.19% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | | | 2.75% | | >3.0% | X | 1.5-3.0% | | <1.5% |
| Operation and Maintenance Reserve: | | | 443% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **7** | | **3** | | **11** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, 11 are rated strong, three are average, and seven are considered weak. Overall, the indicators illustrate a small system covering expenses but needing additional revenues to pay for the large proposed loan. The strong indicators show that the water system is in good financial condition with sufficient reserves and operating ratios. The weak indicators reflect that the proposed loan will burden the community and that rates will need to be raised to meet the coverage ratio requirement.

- Operating revenues have consistently covered operating expenses, with a strong average operating ratio of 205% over the past five years examined. Operating revenues averaged 97% of total revenue during the same period.
- Based on 2022 financial information and an estimated annual increase in operations and maintenance expenses of $27,500, coverage with the proposed loan is 36% with tap fee revenue and 35% without tap fee revenue. Additional annual revenue of about $617,237, or $69.41 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue. The Town raised rates by $1 in 2023, reducing the rate increase to $68.41.
- While the rate increases are high, the Town has performed multiple rate studies and is preparing to increase the rates to meet the 110% coverage ratio requirement. The Town Board is currently considering three rate increase scenarios that were presented by

the Rural Community Assistance Corporation in June 2024. The rate increase scenario with the lowest rate increase would raise the typical residential user's monthly bill by roughly $85.50. If the Town adopts any of the rate increase scenarios under consideration, the water fund is projected to meet the 110% coverage ratio requirement on the proposed loan.

- In 2025, the Town is expected to pay off a series of water revenue bonds issued in 2004. This will decrease expenses by the current annual payment of $38,972, strengthening the water fund's position.
- Projections submitted by the Town show an annual increase in operations and maintenance expenses of $27,500 and a steadily increasing number of taps, which should increase revenue. All three of the rate increase scenarios under consideration by the Town would increase rates by approximately 5% every year.
- Without principal forgiveness, the coverage ratio moves to 31% with tap fee revenue and 30% without tap fee revenue. Additional annual revenue of about $782,775, or $88.03 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue.

**DESCRIPTION OF THE LOAN:**

An estimated $1,676,154 direct loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the Town approximately $72,054 in debt service annually. An estimated $11,246,806 leveraged loan with a thirty-year term with two payments annually at an interest rate of 3.75% will cost the Town approximately $627,661 in debt service annually. The Town also qualifies for $3,000,000 in BIL principal forgiveness.

**Disadvantaged Community:**

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

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

| | Benchmark | | Borrower | Met? | | Benchmark | | Borrower | Met? |
|---|---|---|---|---|---|---|---|---|---|
| P1: MHI | $70,078 | >= | $63,086 | Y | S1: County MHI | $70,078 | >= | $79,367 | N |
| P2: MHV | $465,900 | >= | $314,200 | Y | S2: Population Loss | 0.00% | >= | 10.71% | N |
| P3: County Unemployment | 5.38% | <= | 2.69% | N | S3: Assessed Value per Housing unit | $24,963 | >= | $29,229 | N |
| County Job Change | 0.00% | >= | 12.68% | N | S4b: Curr. and Proj. System Debt | 0.30% | < | 7.62% | Y |
| | | | | | S4b: 80th Percentile | 1.05% | < | 7.62% | Y |
| | | | | | S5b: Proj. System Cost Per Tap to MHI | 1.08% | < | 3.77% | Y |
| | | | | | S5b: 80th Percentile | 1.63% | < | 3.77% | Y |

Based on 2018-2022 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1. Due to its projected rates to MHI and MHV exceeding the 80th percentile, the Town's proposed direct loan qualifies for the lowest interest rate available (Category 2 DAC, 1.75%).

**BIL Principal Forgiveness Eligibility:**

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

| BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.71% | > | 2.44% | 0 |
| 2a: County Job Change | 0.00% | > | 12.68% | |
| 2b: County Unemployment | 5.38% | < | 2.69% | 0 |
| 3: Median Household Income, or MHI exceeds 125% | $87,598 | > | | |
| of state MHI (-1 point) | $109,498 | < | $63,086 | 1 |
| 4: Rates to MHI | 0.81% | < | 1.21% | 1 |

| | | | | |
|---|---|---|---|---|
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 39.29% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 34.59% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 34.80% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 48.01% | 0 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| | | | **Total Points Scored:** | 5 |

The Town qualifies for BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. The Town qualifies for approximately $3,000,000 in principal forgiveness, which is the current maximum for BIL DWRF supplemental principal forgiveness.

**ECONOMIC ANALYSIS:** The Town has a 2022 population estimated at 1,478 and has grown at an average annual rate of 2.44% since 2018. Grand County has experienced an increase of 0.78% in population since 2018. The state population increased at an average annual rate estimated 0.71%.

The region's economy is dominated by government, accommodation and food services, arts, retail, and construction. Tourism is the largest base industry in Grand County.

According to the Town, the region's largest industries consist of agriculture, with approximately 100 employees; construction, with approximately 167 employees; education, health, and social services, with approximately 117 employees; transportation, warehousing, and utilities, with approximately 90 employees; arts, recreation, and food services, with approximately 58 employees,

**ORGANIZATIONAL ANALYSIS:**

**Bond Rating**

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

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

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

**Organizational Structure**

The Town is a statutory town governed by a mayor/board form of government and was incorporated in 1904. The Town provides services including police protection, water, sanitation, public works, a cemetery, an airport mosquito control, and parks and recreation. Approximately three full-time employees staff the water utility. The water utility is overseen by the Public Works Director who reports to the Town Manager.

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

**Technical/Managerial/Financial (TMF)**

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

Financial Criterion #F-2: Cash Flow Analysis and Financial Plan

- The Town should raise rates as necessary in order to meet the 110% coverage ratio requirement for the proposed loan.

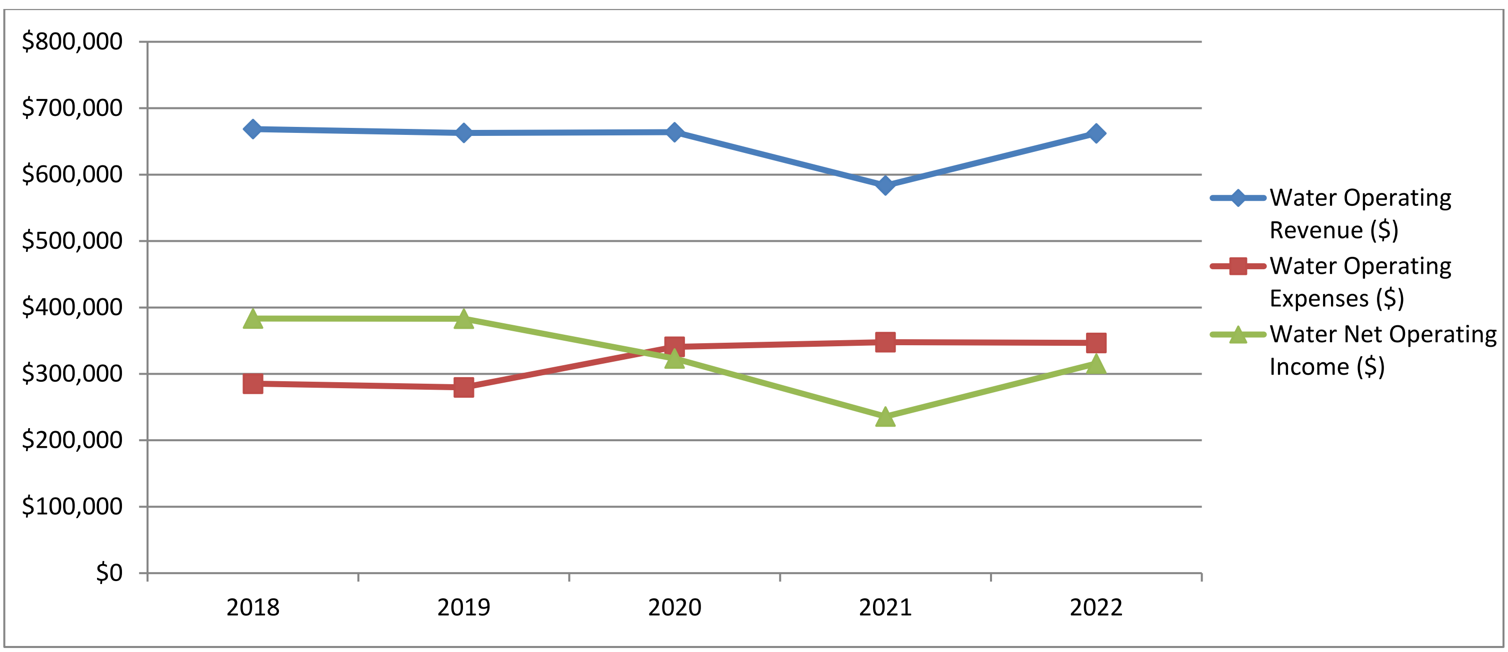
**Capital Improvement Plan**

As part of the application process, the Town submitted a capital improvement schedule through 2053, which anticipates capital outlay of $15,193,500 for storage tank improvements, the proposed new water treatment facility, and a pump station to be funded from grants, loans, and reserves.

**REVENUE ANALYSIS:**
Operating revenues have covered operating expenses by a healthy margin for the past five years. 2021 operating revenues decreased due to the addition of a franchise agreement to provide reclaimed water to park systems and other government entities for non-potable use and irrigation. The Town conducted a rate study with the assistance of the Rural Community Assistance Corporation and presented the rate study results in June 2024. The rate study described three scenarios for rate increases, all of which involve significant increases to both the base and volume rates, in addition to restricting the rate model so that commercial users are charged significantly more than residential users. Based on typical residential consumption of 11,400 gallons per month, the scenario with the lowest rate increases would increase the estimated monthly rate of a residential user by $85.50, which would be sufficient for the water fund to meet the 110% coverage ratio requirement on the proposed loan. The scenario with the highest rate increases would increase the estimated monthly rate of a residential user by $97.50. These scenarios, which include a “low” rate increase option and a “high” rate increase option as described in addition to a “middle” rate increase option in between, are all under consideration by the Town Board. Any of the three rate increase options described in the rate study would put the Town’s water fund in a strong financial position to take on the proposed debt and maintain a healthy operating ratio.

| **TRENDS** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
|---|---|---|---|---|---|---|---|
| Monthly Water Rate ($) | | | 61.50 | 61.50 | 62.50 | 62.50 | 63.50 |
| Residential Water Tap Fee ($) | | | 4,800 | 5,000 | 5,000 | 5,500 | 6,500 |
| Total Water Revenue ($) | 681,947 | 697,141 | 694,574 | 593,270 | 676,429 | | |
| Tap/Development Fees ($) | 9,600 | 28,800 | 28,950 | 9,600 | 10,000 | | |
| Water Operating Revenue ($) | 668,552 | 662,814 | 663,936 | 583,583 | 662,167 | | |
| Water Operating Expenses ($) | 285,245 | 279,705 | 340,772 | 347,753 | 346,623 | | |
| Water Net Operating Income ($) | 383,307 | 383,109 | 323,164 | 235,830 | 315,544 | | |
| Water Debt ($) | 1,454,387 | 1,381,355 | 1,301,281 | 1,219,079 | 1,134,659 | | |
| Total Debt ($) | 1,454,387 | 1,381,355 | 1,301,281 | 1,219,079 | 1,134,659 | | |
| Water Debt Service ($) | 137,365 | 136,014 | 139,476 | 137,814 | 136,271 | | |
| Water Debt Service/Tap/Month ($) | | | 16.51 | 16.18 | 15.95 | | |
| Water Fund Reserves ($) | 1,319,121 | 1,255,113 | 1,440,909 | 1,361,360 | 1,534,123 | | |

| **Ratios** | **2018** | **2019** | **2020** | **2021** | **2022** | **Average** |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 98% | 95% | 96% | 98% | 98% | 97% |
| Operating Revenue as % of Expenses | 234% | 237% | 195% | 168% | 191% | 205% |
| Tap Fee Revenue as % of Total Revenue | 1.41% | 4.13% | 4.17% | 1.62% | 1.48% | 2.56% |






BACK TO AGENDA

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**Recent Rate Increases**
The Town's most recent rate increase of $1.00 was implemented on October 18, 2023.

**User Charges**
The Town's current monthly water rate is estimated at $63.50 compared to the 2022 estimated state median of $59.19. The Town's average monthly water rate is based on typical residential consumption of 11,400 gallons per month. Residential users pay a $50.00 base rate up to 6,000 gallons and a volume charge of $2.50 per 1,000 gallons for consumption over 6,000 gallons. Commercial users pay a $58.00 base rate up to 10,000 gallons and a volume charge of $3.00 per 1,000 gallons for consumption over 10,000 gallons.

**Contributed Capital**
Revenue from tap fees has ranged from $9,600 to $28,950 and has averaged 3% of total water revenue during the last five years. The Town's most recent water tap fee rate increase occurred in 2024.

- Residential water tap fees are $6,500 for a ¾" tap, $13,000 for a 1" tap, $17,500 for a 1 ½" tap, and $25,000 for a 2" tap. Commercial users pay the same water tap fees.

| Current System Utilization | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 80% | 81% |
| **Non-residential (per EQR)** | 20% | 19% |

| Current Fee Summary | |
|---|---|
| Tap size | Water user/tap fees |
| ¾" | $63.50/$6,500 |
| ¾" | $62.20/$6,500 |

**DEBT as of December 31, 2022**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2004 | Water Revenue Bonds | 2036 | Water revenues | $100,000 | 2.5%-5.7% | $100,706 |
| 2004 | CWCB | 2025 | Water revenues | $1,034,659 | 4.25% | $38,972 |

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

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

Prepared by: Victor Chen
Date: August 6, 2024

Project # 190251D-B
Cost Categories:
Planning and Design - 3%
Construction - Treatment - 70.6%
Construction - Storage - 8.5%
Restructuring - 1.4%
Land Acquisition - 1.1%



BACK TO AGENDA

**August 6, 2024**

**DWRF Credit Report**
**Kremmling, Grand County, CO**
**Using most recent data available**
**(Census, audits, local records)**

| | | | |
|---|---|---|---|
| **Estimated Population - 2022** | **1,478** | | |
| **Number of Water Taps/Customers - 2022** | **712** | | |
| **Total Assessed Valuation (in thousands) - 2022** | **$20,314,000** | | |
| **Actual Value of All Real Property (in thousands) - 2022** | **$168,537,000** | | |
| **Median Household Income (MHI) - 2022** | **$63,086** | | |
| **Monthly Water Rate - 2022** | **$62.50** | | |
| **Water Operating Revenue - 2022** | **$662,167** | | |
| **Water Total Revenue - 2022** **[May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]** | **$676,429** | | |
| **Water Tap and System Development Fee Revenue - 2022** | **$10,000** | | |
| **Water Operating Expense - 2022** | **$346,623** | | |
| **Water Current Expense - 2022** | **$482,894** | | |
| **Water Debt - 2022** | **$1,134,659** | | |
| **Total Debt - 2022** | **$1,134,659** | | |
| **Water Fund Reserves - 2022** | **$1,534,123** | | |
| **Water Debt Service - 2022** | **$136,271** | **Leveraged Loan** | **Direct Loan** |
| **New Water Debt** [Requested DWRF loan amount.] | **$12,922,960** | **$11,246,806** | **$1,676,154** |
| **Requested DWRF Loan Term** | **30** | **30** | **30** |
| **Requested DWRF Loan Interest Rate** | | **3.75%** | **1.75%** |
| **New Loan's Annual Water Debt Service (two payments annually)** | **$699,715** | **$627,661** | **$72,054** |

BACK TO AGENDA

## Current Indicators (2022)
## Town of Kremmling
## (Water Only)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $1,134,659 | ÷ | Population | 1,478 | = | $768 |
| | New Debt | $12,922,960 | ÷ | Population | 1,478 | = | $8,744 |
| | Total Debt + New Debt | $14,057,619 | ÷ | Population | 1,478 | = | $9,511 |
| 2 | Total Debt | $1,134,659 | ÷ | Number of Taps | 712 | = | $1,594 |
| | New Debt | $12,922,960 | ÷ | Number of Taps | 712 | = | $18,150 |
| | Total Debt + New Debt | $14,057,619 | ÷ | Number of Taps | 712 | = | $19,744 |
| 3 | Total Debt | $1,134,659 | ÷ | Assessed Value | $20,314,000 | = | 5.59% |
| | New Debt | $12,922,960 | ÷ | Assessed Value | $20,314,000 | = | 63.62% |
| | Total Debt + New Debt | $14,057,619 | ÷ | Assessed Value | $20,314,000 | = | 69.20% |
| 4 | Total Debt | $1,134,659 | ÷ | Actual Value | $168,537,000 | = | 0.67% |
| | New Debt | $12,922,960 | ÷ | Actual Value | $168,537,000 | = | 7.67% |
| | Total Debt + New Debt | $14,057,619 | ÷ | Actual Value | $168,537,000 | = | 8.34% |
| 5 | Current Water Debt | $1,134,659 | ÷ | Number of Taps | 712 | = | $1,594 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $19,744 | ÷ | MHI | $63,086 | = | 31.30% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $1,704,791 | ÷ | Current Liabilities | $170,668 | = | 999% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $1,534,123 | ÷ | Current Expenses | $482,894 | = | 318% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $662,167 | ÷ | Operating Expenses | $346,623 | = | 191% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $676,429 | - | | | | |
| | Minus Operating Expenses | <u>$346,623</u> | | | | | |
| | = | $329,806 | ÷ | Current Debt Service | $136,271 | = | 242% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $329,806 | | | | | |
| | Minus Tap and Development Fee Revenu | <u>$10,000</u> | | | | | |
| | = | $319,806 | ÷ | Current Debt Service | $136,271 | = | 235% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $676,429 | | | | | |
| | Minus Operating Expenses | <u>$346,623</u> | | | | | |
| | = | $329,806 | | Total Debt Service (with new loan) | $835,986 | = | 39% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $329,806 | | | | | |
| | Minus Tap and Development Fee Revenu | <u>$10,000</u> | | | | | |
| | = | $319,806 | ÷ | Total Debt Service (with new loan) | $835,986 | = | 38% |
| 13 | Current Debt Service | $136,271 | ÷ | Number of Taps | 712 | = | $191.39 |
| | Annual New Water Debt Service | $699,715 | ÷ | Number of Taps | 712 | = | $982.75 |
| 14 | 2022 Annual Water Rate (Monthly Rate x 12) | $750.00 | ÷ | MHI | $63,086 | = | 1.19% |
| | 2022 Annual Water Rate + New Annual Debt Service Per Tap | $1,732.75 | ÷ | MHI | $63,086 | = | 2.75% |
| 15 | Current 2022 Monthly User Charge | | | | | | $62.50 |
| | (Debt Service on DWRF Loan / 2022 Taps / Month) | | | | | | <u>$81.90</u> |
| | Total | | | | | | $144.40 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $1,534,123 | ÷ | Operating Expenses | $346,623 | = | 443% |

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# Principal Forgiveness and Priority Point Scoring

Applicant: Town of Kremmling
DWRF or WPCRF: DWRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 64.155%

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $3,000,000

## Base DWRF Principal Forgiveness Scoring

**DWRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 15 |
| DOLA Affordability Score: | 140 |
| Total Score | 155 |

Eligible as a base program DAC? Yes

Eligible base program DWRF principal forgiveness percentage: 60%

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 20 |
| DOLA Affordability Score: | 140 |
| Total Score: | 160 |

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## 2024 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Town of Kremmling |
| **Date of Scoring** | 7/1/2024 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 140 |
| **DAC:** | DAC |

| | | | | | |
|---|---|---|---|---|---|
| | **Benchmarks** | | | | |
| **$87,598** | **2018-2022 State MHI estimate** | | | | |
| | | **Points** | | **Entity Value** | |
| **P1** | **MHI** | | | $63,086 | 72% |
| | <50% of state MHI | 35 | | | |
| | Between 51% and 80% of state MHI | 20 | x | | |
| | Between 81% and 100% of state MHI | 5 | | | |
| | >100% state MHI | 0 | | | |
| **S5b** | **User Fees (projected water rate at 110%/tap/MHI)** | | | 3.77% | |
| | Rates are > 1.63% | 45 | x | | |
| | Rates are between 1.08% and 1.63% | 25 | | | |
| | **OR** | | | | |
| **S5b** | **User Fees for a combined water & sewer fund** | | | | |
| | Rates are > 2.90% | 45 | | | |
| | Rates are between 1.94% and 2.90% | 25 | | | |
| **S4b** | **Projected water debt per tap compared to MHV** | | | 7.62% | |
| | Debt is > 1.05% | 45 | x | | |
| | Debt is between 0.30% and 1.05% | 25 | | | |
| | **OR** | | | | |
| **S4b** | **Projected water & sewer debt (for combined systems)** | | | | |
| | Debt is > 2.15% | 45 | | | |
| | Debt is between 0.67% and 2.15% | 25 | | | |
| | **Population served** | | | 1,478 | |
| | Less than 500 | 35 | | | |
| | Between 500 and 1,000 | 25 | | | |
| | Between 1,000 and 2,000 | 20 | x | | |
| | Between 2,000 and 5,000 | 15 | | | |
| | Betweeen 5,000 and 10,000 | 5 | | | |
| | >10,000 | 0 | | | |
| **S3** | **Assessed Value/Household** | | | 29,229 | |
| | AV per household is < $11,959 | 35 | | | |
| | AV per household is between $11,959 and $24,963 | 20 | | | |
| | AV per household is between $24,963 and $43,240 | 10 | x | | |
| | AV per household is greater than $43,240 | 0 | | | |

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# DWRF LOAN CREDIT REPORT (2026)

Town of Cheyenne Wells ("The Town"), Cheyenne County

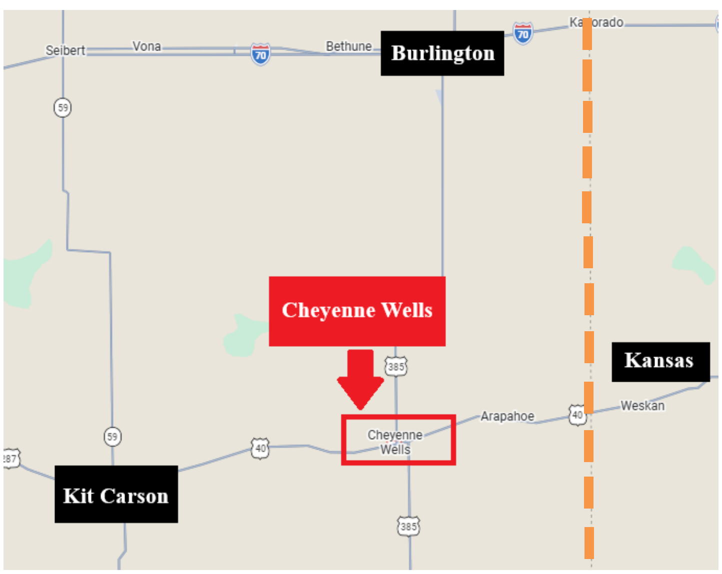
| | |
|---|---|
| **Recommendation:** | **APPROVAL** |
| **Loan Request:** | $5,792,460 |
| **Interest Rate & Term:** | 1.50% & 20 years |
| **Annual Debt Service:** | $191,161 |
| **Pledge:** | Water System Revenue |
| **Current Rate:** | $64.38 |
| **Estimated Rate Increase:** | $0.00 |

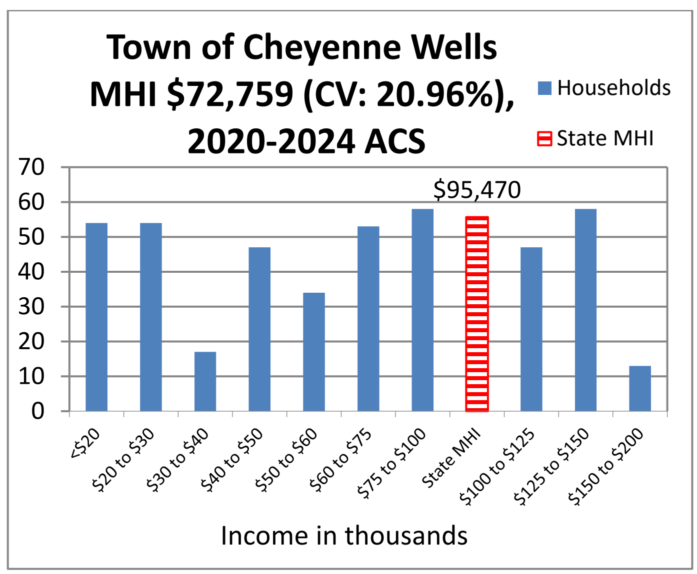
| **Project Budget** | |
|---|---|
| **DWRF Loan:** | $1,197,547 |
| **DWRF IIJA/BIL Loan:** | $2,094,913 |
| **DWRF IIJA/BIL PF:** | $2,500,000 |
| **2024 D&E Grant:** | $300,000 |
| **2026 EIAF:** | $475,000 |
| **Reserves:** | $39,650 |
| **Total:** | $6,607,110 |

**PROJECT DESCRIPTION:** The Project consists of construction of two ion exchange treatment systems and associated appurtenances to address Nitrate contamination, including: Southern Ion Exchange Nitrate Removal Water Treatment Plant to service the Feyh Well; Western Ion Exchange Nitrate Removal Water Treatment Plant to service the North and Snyder Wells; and waste brine storage tanks at each plant for offsite brine disposal.

| **COMMUNITY PROFILE:**<br>**Town of Cheyenne Wells** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| Town Population | 750 | 735 | 733 | 724 | 723 | | | -0.91% |
| Cheyenne County Population | 1,745 | 1,717 | 1,733 | 1,741 | 1,737 | | | -0.11% |
| Cheyenne County Jobs | 917 | 927 | 924 | 960 | 987 | | | 1.86% |
| Number of Water Taps | | 519 | 519 | 521 | 521 | 522 | 525 | 0.29% |
| Assessed Value ($000) | | | $6,657 | $6,380 | $5,857 | $5,910 | $7,514 | 3.07% |
| Actual Value ($000) | | | $56,619 | $57,255 | $39,570 | $54,242 | $81,278 | 9.46% |

**BORROWER BRIEF:** Cheyenne Wells is located on the Eastern Plains, approximately 16 miles west of the Kansas border. As the county seat of Cheyenne County, it sits at the intersection of US Highways 40 and 385, about 28 miles east of Kit Carson and 38 miles south of Burlington.




**RECOMMENDATION:** The Town serves a rural-agricultural community in Cheyenne County. This proposed loan is necessary to secure a reliable water supply as rising nitrates in the Ogalla Aquifer have left the Town with only two usable drinking water wells. The Town is small, and taking on significant new debt would have a greater impact since the community currently carries no debt. However, the system is in a strong financial position to take on the proposed debt and will continue raising rates annually to ensure the enterprise generates enough revenue to cover all expenses. We therefore recommend the DWRF Committee approve a $1,197,547 Disadvantaged Communities direct loan, a $2,094,913 IIJA/BIL loan, and $2,500,000 in IIJA/BIL principal forgiveness to the Town of Cheyenne Wells.



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**PROJECT SUMMARY:**

**System summary:** Cheyenne Wells operates the North Well and Snyder Well as regular supply wells. The yield from both wells is treated by chlorination before filling two storage tanks with a cumulative 325,000-gallon capacity and then being distributed to the service area. The Town also owns two other wells which are only used in emergency capacity, the Doty Well and the Feyh Well.

**Reason/need:** Due to increasing nitrate levels in the Ogallala Aquifer, the Town of Cheyenne Wells has limited water sources supplying their drinking water distribution system, and they are at risk of losing their primary drinking water sources. The Town is only able to use the Snyder Well and North Well to provide drinking water, even though the Town owns three other wells that were previously used as drinking water sources.

The Aquifer's elevated nitrate levels require the Town to enhance treatment at its two operating wells and install new treatment to return the Feyh Well (which is currently relegated to emergency status due to nitrate levels) to regular service. This will increase yield and will improve system resilience by preventing the loss of another source to high nitrates or mechanical failure.

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

**Project Delivery Method:** Design/Bid/Build.

**Contingency:** 20% of the total project cost is included as contingency.

| **CURRENT INDICATORS:** | **2022** | **2023** | **2024** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 0 | 0 | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Total + New Debt/Capita ($): | | | 4,554 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 0 | 0 | 0 | | >$5,000 | | $2,500 - 5,000 | X | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 6,320 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Water Debt/Tap ($): | 0 | 0 | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Current Water + New Water Debt/Tap ($): | | | 6,320 | 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 Water Debt/Assessed Value: | | | 56.21% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 0.00% | 0.00% | 0.00% | | >10% | | 5-10% | X | <5% |
| Total Debt + New Water Debt/Actual Value: | | | 8.32% | | >10% | X | 5-10% | | <5% |
| Curr. Water Debt + New Debt/Tap/MHI: | | | 8.69% | | >20% | | 10-20% | X | <10% |
| Water Fund Current Ratio (CA/CL): | 2,147% | 2,723% | 2,938% | | <100% | | 100-200% | X | >200% |
| Water Fund Reserves/Current Expense: | 397% | 321% | 402% | | <50% | | 50-100% | X | >100% |
| Water Operating Ratio (OR/OE): | 116% | 129% | 137% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | | | N/A | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | | | N/A | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 99% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 99% | X | <110% | | 110-125% | | >125% |
| Current Annual Water Rates/MHI: | | | 0.65% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | | | 1.15% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | | | 402% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **6** | | **1** | | **14** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, fourteen are rated strong, one is average and six are considered weak. Overall, the indicators illustrate that the proposed debt is large and there may be long-term affordability concerns for the community with the reduction of financial flexibility. However, the system is in a strong financial position to take on the proposed debt as it has very strong liquidity, reserves, and long-term operating performance. The strong indicators show the community's present lack of debt, and sufficient reserves. The weak indicators reflect a high amount of debt with the proposed loan when compared with the size of the community and ratepayers (taps).

- Based on 2024 financial information, coverage with the proposed loan is 99%. Additional annual revenue of about $20,224, or $3.21 per tap per month, would increase the coverage ratio to 110%.
- The Town is eligible to receive the current maximum in IIJA/BIL principal forgiveness of $2,500,000. Without principal forgiveness, the coverage ratio decreases to 57%. Additional annual revenue of about $179,890, or $28.55 per tap per month, would increase the coverage ratio to 110%.



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- In February 2025, the Town enacted an ordinance to raise base water rates for all users by a total of $18.75 for the year, with the increases being implemented in quarterly installments. Accounting for these rate increases and the total amount of principal forgiveness to which it is eligible to receive, the Town does not have any estimated rate increases to take on the proposed loan.
- Without principal forgiveness, but considering the already passed and enacted rate increases, the estimated monthly rate increase per tap required to achieve the 110% debt coverage ratio is reduced from $28.55 to $9.80.
- The current ratio has increased from 2,147% in 2022 to 2,938% in 2024, demonstrating a substantial strengthening of the enterprise's liquidity position.
- The operating ratio has increased in the years examined, increasing from 116% to 137% in 2025. The improvement of this ratio demonstrates that operating revenues are increasingly exceeding existing operating expenses, strengthening the enterprise' capacity to generate revenues for debt service.
- The Town maintains a strong operations and maintenance reserve of 402%. This indicates that the introduction of unexpected expenses, such as repairs and maintenance, would not place an undue burden on the Town. Additionally, the Town would be able to make the necessary payments on the proposed loan.

**Additional Project Financing**
The Town submitted an Energy/Impact Assistance Fund (EIAF) grant application for $475,000, which was awarded in May 2026. The Town is also using the Design and Engineering (D&E) grant funds, awarded in 2024, for this project.

**DESCRIPTION OF THE LOAN:**
An estimated $3,292,460 loan with a twenty-year term with two payments annually at an interest rate of 1.50% will cost the Town approximately $191,161 in debt service annually. The Town also qualifies for $2,500,000 in IIJA/BIL principal forgiveness.

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

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

| | Benchmark | | Borrower | Met? |
|---|---|---|---|---|
| P1: MHI | $76,376 | >= | $72,759 | Y |
| P2: MHV | $431,520 | >= | $173,100 | Y |
| P3: County Unemployment | 5.35% | <= | 2.40% | N |
| County Job Change | 0.00% | >= | 10.11% | N |
| S1: County MHI | $76,376 | >= | $70,865 | Y |
| S2: Ten Year % Change in Population | 0.00% | >= | -11.18% | Y |
| S3: Assessed Value per Housing unit | $24,337 | >= | $12,570 | Y |
| S4b: Curr. and Proj. System Debt | 0.21% | < | 6.37% | Y |
| S4b: 80th Percentile | 0.77% | < | 6.37% | Y |
| S5b: Proj. System Cost Per Tap to MHI | 0.98% | < | 2.19% | Y |
| S5b: 80th Percentile | 1.58% | < | 2.19% | Y |

Based on 2020-2024 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1.

Due to its projected rates to MHI and MHV exceeding the 80th percentile, the Town qualifies for the lowest interest rate available (Category 2 DAC, 1.5%).

**IIJA/BIL Principal Forgiveness Eligibility:**
In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The Town scores 6 points as shown below.

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | -0.91% | 1 |
| 2a: County Job Change | 0.00% | > | 10.11% | 0 |
| 2b: County Unemployment | 5.35% | < | 2.40% | |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | $72,759 | 1 |
| | $119,338 | < | | |
| 4: Rates to MHI | 0.76% | < | 0.99% | 1 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 22.06% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 17.17% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 30.17% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 51.42% | 0 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| | | | **Total Points Scored:** | 6 |

The Town qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. The Town qualifies for approximately $2,500,000 in principal forgiveness, which is the current maximum for IIJA/BIL DWRF supplemental principal forgiveness.

**ECONOMIC ANALYSIS:** The Town has a 2024 population estimated at 723 and has declined at an average annual rate of 0.91% since 2020. Cheyenne County has experienced a decrease of 0.11% in population since 2020. The state population increased at an average annual rate estimated 0.73%.

The region's economy is dominated by agriculture, retirees, regional services, commuters (residents who commute to jobs outside the region), and transfer payments (jobs providing services to recipients of public assistance programs). Cheyenne County's economy is dominated by local government services; agriculture, forestry, fishing and hunting; mining, quarrying, and oil and gas extraction; finance and insurance; and retail trade.

The area's largest employers consist of Keefe Memorial Hospital, with 75 employees; Tumbleweed Midstream, LLC, with 50 employees; 21st Century, with 20 employees; the county courthouse; with 30 employees, and the county social services; with 10 employees.

The Town has customers who represent more than 3% of the systems revenues. The five largest customers of the system and their percentage they make up of the system's total revenue are: Brink Construction, with 6.5%; Keefe Memorial Hospital, with 6%; Cheyenne County School District RE-5, with 5%; Cheyenne County, with 4%; and Halde Sand and Gravel, with 3.5%.

**ORGANIZATIONAL ANALYSIS:**

**Bond Rating**

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

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

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

**Organizational Structure**

The Town is a statutory Town governed by a manager/trustee form of government and was incorporated in 1890. The Town provides water services, public works services, and parks and recreation services. Approximately 3 full-time employees staff the water utility. The water utility is overseen by the Town manager who reports to the Town clerk administrator.

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



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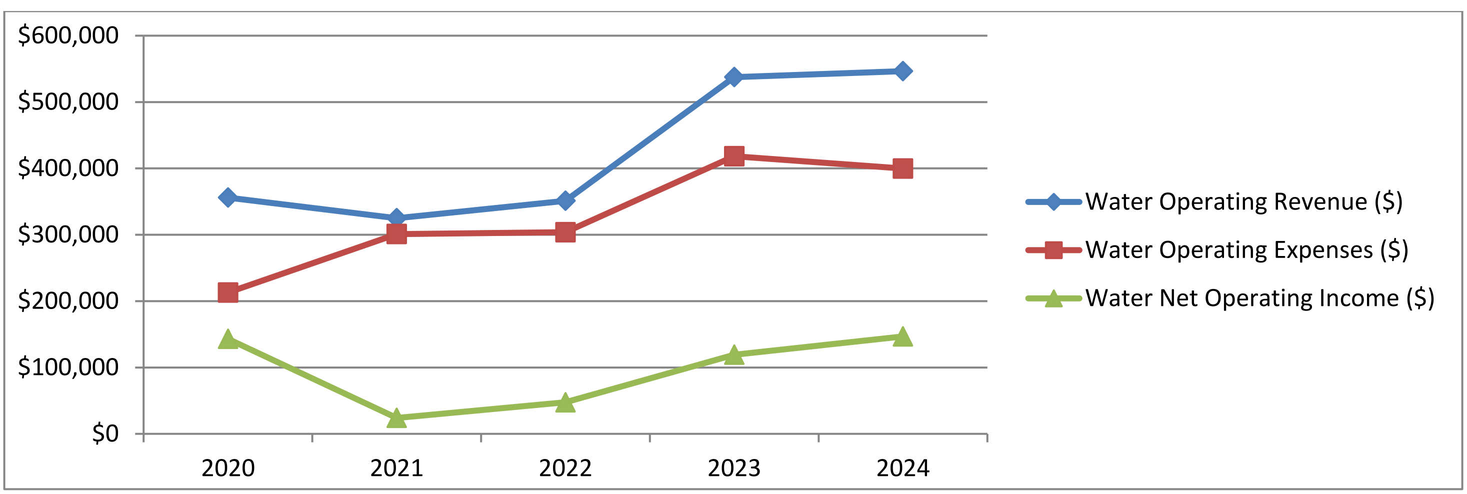
**Technical/Managerial/Financial (TMF)**
The WQCD and DLG conducted a review of the Town's technical, managerial and financial capacity to operate the water system. The review resulted in no mandatory recommendations.

**Capital Improvement Plan**
As part of the application process, the Town submitted a capital improvement schedule through 2056, which anticipates capital outlay of $7,419,000 for projects such as water line replacements, meter replacements, tank relining, water source acquisitions, among others, to be funded through a combination of grants and loans.

**REVENUE ANALYSIS:**
The number of taps has increased over the five years examined, though no additional revenue was received from these as they were changed from inactive to active status; the Town, however, does expect an increase in taps being added to the system with the construction of new buildings within Town limits, for which fees will be assessed and received as revenue to the system. Operating revenue has increased over the years examined, primarily due to annual rate increases from 2021 to 2025; in 2023, operating revenue spiked due to an increase in water rates for commercial businesses outside Town limits that purchase bulk freshwater, which accounts for approximately 2% of the Towns total revenue. No rate increase was implemented in 2026, as the Town implemented a quarterly base rate increase for all users in 2025 to bring rates in line with the State median, raising the base charge from $41.25 in March to $60 by year-end; the Town plans to propose a further rate increase for 2027 at its October/November Town meeting. Operating expenses have also increased in the years examined, which the Town attributes to a combination of increased system maintenance and inflation; notable spikes in expenses included a water main replacement in 2021, and a 2023 water main breakage caused by extreme cold. The Town has consistently transferred sales tax revenue from its public works into the water enterprise and intends to continue this practice annually in perpetuity to fund water system improvements.

| TRENDS | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|
| Monthly Water Rate ($) | 27.25 | 28.10 | 29.53 | 34.38 | 39.38 | 64.38 | 64.38 |
| Residential Water Tap Fee ($) | 450 | 450 | 450 | 450 | 500 | 525 | 525 |
| Total Water Revenue ($) | 363,889 | 549,384 | 422,235 | 552,717 | 589,818 | | |
| Tap/Development Fees ($) | 0 | 0 | 0 | 0 | 0 | | |
| Water Operating Revenue ($) | 356,003 | 324,943 | 351,203 | 537,581 | 546,530 | | |
| Water Operating Expenses ($) | 212,923 | 301,002 | 303,744 | 418,310 | 399,765 | | |
| Water Net Operating Income ($) | 143,080 | 23,941 | 47,459 | 119,271 | 146,765 | | |
| Water Debt ($) | 0 | 0 | 0 | 0 | 0 | | |
| Total Debt ($) | 0 | 0 | 0 | 0 | 0 | | |
| Water Debt Service ($) | 0 | 0 | 0 | 0 | 0 | | |
| Water Debt Service/Tap/Month ($) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| Water Fund Reserves ($) | 1,105,773 | 1,148,297 | 1,206,895 | 1,342,122 | 1,605,465 | | |

| Ratios | 2020 | 2021 | 2022 | 2023 | 2024 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 98% | 59% | 83% | 97% | 93% | 86% |
| Operating Revenue as % of Expenses | 167% | 108% | 116% | 129% | 137% | 131% |
| Tap Fee Revenue as % of Total Revenue | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |



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**Recent Rate Increases**
The Town's most recent rate increase of $25 was implemented in 2025.

**User Charges**
The Town's current monthly water rate is estimated at $64.38 compared to the 2024 estimated state median of $60.61. The Town's average monthly water rate is based on typical residential consumption of 7,500 gallons per month. Residential users within Town limits pay a $60 base rate up to 5,000 gallons and a volume charge of $1.75 per 1,000 gallons for consumption from 5,001 to 50,000 gallons. For consumption from 50,001 to 70,000 gallons, a $3 per 1,000 gallons volume charge applies. For consumption exceeding 70,001 gallons, a $3.50 per 1,000 gallons volume charge applies.

Residential users outside Town limits pay a $100 base rate up to 5,000 gallons and a volume charge of $2 per 1,0000 gallons for consumption from 5,001 to 50,000 gallons. For consumption from 50,001 to 70,000 gallons, a $3 per 1,000 gallons volume charge applies. For consumption exceeding 70,001 gallons, a $3.50 per 1,000 gallons volume charge applies.

Large consumers, which have a 100,000-gallon minimum consumption rate, pay a $500 base rate and a volume charge of $2 per 1,000 gallons for consumption from 100,001 to 200,000. For consumption from 200,001 to 400,000 gallons, a $7.50 per 1,000 gallons volume charge applies. For consumption from 400,001 and that exceeding 640,000 gallons, a $12 per 1,000 gallons volume charge applies.

The Town also provides the purchase of bulk freshwater which is separated into two categories: agriculture and local businesses; and commercial businesses outside Town limits. Agriculture and local businesses pay a $125 base rate up to 5,000 gallons and a volume charge of $8 per 1,000 gallons for consumption exceeding the base minimum. Commercial businesses outside Town limits pay a $150 base rate up to 4,000 gallons and a volume charge of $12 per 1,000 gallons for consumption exceeding the base minimum.

**Contributed Capital**
The Town has not received any revenue from tap fees in the last five years. The Town's most recent water tap fee rate increase occurred in 2025.

- Water tap fees for all users (residential and commercial) within the incorporated limits of the Town are $525.
- Water tap fees for all users (residential and commercial) outside the incorporated limits of the Town are $6,000.

All users are charged an additional amount dependent on the cost of supplies, equipment and labor. This amount is determined on an individual basis.

| Current System Utilization | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 65% | 50% |
| **Non-residential (per EQR)** | 35% | 50% |

| Current Fee Summary | |
|---|---|
| Tap size | Water user/tap fees |
| ¾" | $64.38/$525 |
| ¾" | $500/$525 |

**DEBT as of December 31, 2024**
As of December 31, 2024, the Town has no debt.

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

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

Prepared by: Monica Munoz-Revelo
Date: July 28, 2026

Project #104441D-S
Cost Categories:

- Planning and Desing Only (non-construction): 13.22%
- Construction – Treatment: 70.37%
- Other: 16.41%

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| July 28, 2026<br><br>DWRF Credit Report<br>Town of Cheyenne Wells, Cheyenne County, CO<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| Estimated Population - 2024 | 723 |
| Number of Water Taps/Customers - 2024 | 521 |
| Total Assessed Valuation - 2024 | $5,857,000 |
| Actual Value of All Real Property - 2024 | $39,570,000 |
| Median Household Income (MHI) - 2023 | $72,759 |
| Monthly Water Rate - 2024 | $39.38 |
| Water Operating Revenue - 2024 | $546,530 |
| Water Total Revenue - 2024<br>[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.] | $589,818 |
| Water Tap and System Development Fee Revenue - 2024 | $0 |
| Water Operating Expense - 2024 | $399,765 |
| Water Current Expense - 2024 | $399,765 |
| Water Debt - 2024 | $0 |
| Total Debt - 2024 | $0 |
| Water Fund Reserves - 2024 | $1,605,465 |
| Water Debt Service - 2024 | $0 |
| New Water Debt<br>[Requested DWRF loan amount.] | $3,292,460 |
| Requested DWRF Loan Term | 20 |
| Requested DWRF Loan Interest Rate | 1.50% |
| New Loan's Annual Water Debt Service (two payments annually) | $191,161 |

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## Current Indicators (2024)
## Town of Cheyenne Wells
## (Water)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $0 | ÷ | Population | 723 | = | $0 |
| | New Debt | $3,292,460 | ÷ | Population | 723 | = | $4,554 |
| | Total Debt + New Debt | $3,292,460 | ÷ | Population | 723 | = | $4,554 |
| 2 | Total Debt | $0 | ÷ | Number of Taps | 521 | = | $0 |
| | New Debt | $3,292,460 | ÷ | Number of Taps | 521 | = | $6,320 |
| | Total Debt + New Debt | $3,292,460 | ÷ | Number of Taps | 521 | = | $6,320 |
| 3 | Total Debt | $0 | ÷ | Assessed Value | $5,857,000 | = | 0.00% |
| | New Debt | $3,292,460 | ÷ | Assessed Value | $5,857,000 | = | 56.21% |
| | Total Debt + New Debt | $3,292,460 | ÷ | Assessed Value | $5,857,000 | = | 56.21% |
| 4 | Total Debt | $0 | ÷ | Actual Value | $39,570,000 | = | 0.00% |
| | New Debt | $3,292,460 | ÷ | Actual Value | $39,570,000 | = | 8.32% |
| | Total Debt + New Debt | $3,292,460 | ÷ | Actual Value | $39,570,000 | = | 8.32% |
| 5 | Current Water Debt | $0 | ÷ | Number of Taps | 521 | = | $0 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $6,320 | ÷ | MHI | $72,759 | = | 8.69% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $1,662,030 | ÷ | Current Liabilities | $56,565 | = | 2938% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $1,605,465 | ÷ | Current Expenses | $399,765 | = | 402% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $546,530 | ÷ | Operating Expenses | $399,765 | = | 137% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $589,818 | - | | | | |
| | Minus Operating Expenses | $399,765 | | | | | |
| | = | $190,053 | ÷ | Current Debt Service | $0 | = | N/A |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $190,053 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $190,053 | ÷ | Current Debt Service | $0 | = | N/A |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $589,818 | | | | | |
| | Minus Operating Expenses | $399,765 | | | | | |
| | = | $190,053 | | Total Debt Service (with new loan) | $191,161 | = | 99% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $190,053 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $190,053 | ÷ | Total Debt Service (with new loan) | $191,161 | = | 99% |
| 13 | Current Debt Service | $0 | ÷ | Number of Taps | 521 | = | $0.00 |
| | Annual New Water Debt Service | $191,161 | ÷ | Number of Taps | 521 | = | $366.91 |
| 14 | 2024 Annual Water Rate (Monthly Rate x 12) | $472.50 | ÷ | MHI | $72,759 | = | 0.65% |
| | 2024 Annual Water Rate + New Annual Debt Service Per Tap | $839.41 | ÷ | MHI | $72,759 | = | 1.15% |
| 15 | Current 2024 Monthly User Charge | | | | | | $34.38 |
| | (Debt Service on DWRF Loan / 2024 Taps / Month) | | | | | | $30.58 |
| | Total | | | | | | $64.95 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $1,605,465 | ÷ | Operating Expenses | $399,765 | = | 402% |

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## 2026 SRF Disadvantaged Community Criteria

**Applicant:** Town of Cheyenne Wells

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 5,792,460 |
| Interest Rate: | 3.25% |
| Term (years): | 20 |
| Annual Payment: | $ 396,143 |

| | | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|---|
| | Current Population (2024) | <= | 10,000 | 723 | Y | |
| | Population 5 years ago (2020) | | | 750 | | |
| | Poulation 10 years ago (2015) | | | 814 | | |
| | **Primary Factors** | | | | | |
| P1 | MHI (Place) | <= | $ 76,376 | 72,759 | Y | |
| | Margin of Error (MOE) | ± | | 25,086 | | |
| P2 | MHV (Place) | <= | $ 431,520 | 173,100 | Y | |
| | Margin of Error (MOE) | ± | | 48,977 | | |
| P3 | 24 Month Unemployment (County) | >= | 5.35% | 2.40% | N | |
| | or 10 Year % Chng. Jobs (County) | <= | 0.00% | 10.11% | N | |
| | Jobs (2024) | | | 980 | | |
| | Jobs (2015) | | | 890 | | |
| | **Priority Factor Count** | | | | 2 | |
| | **Secondary Factors** | | | | | |
| S1 | MHI (County) | <= | $ 76,376 | 70,865 | Y | |
| | Margin of Error (MOE) | ± | | 12,520 | | |
| | Reliability (CV) | <= | 18.00% | 10.74% | Y | |
| S2 | 10 Year % Chng. Population | <= | 0.00% | -11.18% | Y | |
| S3 | Assessed Value / Housing Unit | <= | $ 24,337 | $12,570 | Y | |
| | Assessed Value | | | 5,857,508 | | |
| | Total Housing Units | | | 466 | | |

| | | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S4 | Current Debt / Tap / MHV | > | 0.21% | 0.00% | N | | |
| W | Current + Projected Debt/Tap/MHV | > | 0.21% | 6.37% | Y | | |
| | S4b 80th percentile | | 0.77% | 6.37% | Y | | |

| | | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S5 | System Full Cost / Tap / MHI | > | 1.11% | 1.31% | Y | | |
| | Projected Rate @ 110% Coverage | > | 0.98% | 2.19% | Y | | |
| | S5b 80th percentile | | 1.58% | 2.19% | Y | | |
| | **Secondary Factor Count** | | | | 4 | | |

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

| | |
|---|---|
| Taps or EQR's | 525 |
| Total Debt | 0 |
| Principal & Interest | 0 |
| Operating Expenses (including operating transfers out) | 399,765 |
| Depreciation | 102,299 |

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## WPCRF & DWRF

| # | Item | | Benchmark | Applicant | Points | Notes on Data Used |
|---|---|---|---|---|---|---|
| | **Eligiblity Criteria** | | | | | |
| 1 | Population loss or growth is slower than the state's over 5 years | <= | 0.73% | -0.91% | 1.0 | |
| | Current Population (2024) | | | 723 | | |
| | Poulation five years ago (2020) | | | 750 | | |
| 2a | 10 Year % County Job Change | >= | 0 | 10.11% | 0.0 | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | 5.35% | 2.40% | 0.0 | |
| 3 | Median Household Income | <= | $ 95,470 | 72,759 | 1.0 | **If MHI CV > 40%, calculate result at top of band** — **Result** |
| | | >= | $ 119,338 | | 0.0 | |
| | Reliability (CV) | <= | 40.00% | N/A | N | **If MHI CV > 40%, calculate result at top of band** — **Result** |
| 4 | Rates compared to MHI | > | 0.76% | 0.99% | 1.0 | |
| W | Monthly Residential Rate | > | | 60.00 | | |
| | | | | | | *Confirmed* |
| 5 | Project addresses removal of lead or emerging contaminants | | Yes | No | 0.0 | |
| 6 | % Population that identifies as minority is greater than 40% | > | 40.00% | 22.06% | 0.0 | |
| 7 | % Population that are housing burdened is greater than 50% | > | 50.00% | 17.17% | 0.0 | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | 40.00% | 30.17% | 0.0 | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | 55.00% | 51.42% | 0.0 | |
| | % Population over 65 years old | | | 21.25% | | |
| 10 | Meets base program DAC criteria? | | | Yes | 3.0 | |
| | **BIL Eligibility Points** | | | | 6.0 | |

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# Principal Forgiveness and Priority Point Scoring

Applicant: Town of Cheyenne Wells
DWRF or WPCRF: DWRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 54.408%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): $2,500,000

## Base DWRF Principal Forgiveness Scoring

**DWRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 45 |
| DOLA Affordability Score: | 115 |
| Total Score | 160 |

Eligible as a base program DAC? Yes

Eligible base program DWRF/WPCRF principal forgiveness percentage: N/A

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 80 |
| DOLA Affordability Score: | 115 |
| Total Score: | 195 |

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# 2026 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Town of Cheyenne Wells |
| **Date of Scoring** | 6/8/2026 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 115 |
| **DAC:** | DAC |

| | | | | | |
|---|---|---|---|---|---|
| | **Benchmarks** | | | | |
| **$95,470** | **2020-2024 State MHI estimate** | | | | |
| | | **Points** | | **Entity Value** | |
| **P1** | **MHI** | | | $72,759 | 76% |
| | <50% of state MHI | 35 | | | |
| | Between 51% and 80% of state MHI | 20 | x | | |
| | Between 81% and 100% of state MHI | 5 | | | |
| | >100% state MHI | 0 | | | |
| **S5a** | **User Fees (current water rate at 110%/tap/MHI)** | | | 1.31% | |
| | Rates are > 1.55% | 45 | | | |
| | Rates are between 1.11% and 1.55% | 25 | x | | |
| | Rates are < 1.11% | 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 water debt per tap compared to MHV** | | | 0.00% | |
| | Debt is > 0.63% | 45 | | | |
| | Debt is between 0.21% and 0.63% | 25 | | | |
| | Debt is < 0.21% | 0 | x | | |
| | **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** | | | 723 | |
| | Less than 500 | 35 | x | | |
| | Between 500 and 1,000 | 25 | | | |
| | Between 1,000 and 2,000 | 20 | | | |
| | Between 2,000 and 5,000 | 15 | | | |
| | Betweeen 5,000 and 10,000 | 5 | | | |
| | >10,000 | 0 | | | |
| **S3** | **Assessed Value/Household** | | | 12,570 | |
| | AV per household is < $12,722 | 35 | x | | |
| | 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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| | | | | |
|---|---|---|---|---|
| PreQual Date Score: | None | Project Manager | ES Review Engineer | DOLA |
| PNA Date Score: | March 30, 2026 | Erin Reilley | J.C. Acuna | Monica Munoz-Revelo |
| Project Name: | Town of Cheyenne Wells Ion Exchange Treatment | | | |
| SRF Project Number: | 140441D-S | | | |
| ES Project Number: | ES.24.SRF.08714 | | | |

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

| Drinking Water Quality and Public Health Points | Possible Points | PQ Points Scored (leave blank if not scored) | PNA Points Scored | Revised PNA Points Scored | Comments | When to Score | Responsible Party |
|---|---|---|---|---|---|---|---|
| Project addresses a documented waterborne disease outbreak associated with the system within the last 24 months. | 35 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project corrects or prevents violations of MCLs (primary standards) 1 (may score points in multiple categories) | | | | | | | |
| • Nitrate, nitrite, TCR. | 30 | | 30 | 30 | | PQ/PNA | Engineering Section |
| • Total trihalomethanes, total haloacetic acids. | 25 | | 0 | 0 | | PQ/PNA | Engineering Section |
| • Arsenic, selenium. | 20 | | 0 | 0 | | PQ/PNA | Engineering Section |
| • Other regulated contaminants. | 15 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project corrects or prevents exceedances of MCLs for radionuclides. | 35 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project corrects inadequate treatment techniques that are unable to satisfy the requirements for: (scores total 20 points one or more of the following)<br>• Surface water.<br>• GWUDI.<br>• Groundwater. | 20 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project corrects exceedances of secondary drinking water standards. | 10 | | 0 | 0 | | PQ/PNA | Engineering Section |
| System has inadequate supply* to meet all current domestic water supply demands (*system must provide records of water usage to substantiate supply is inadequate). | 25 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project will correct or prevent: (points are not additive, scores points only in one category) | | | | | | | |
| • Inadequate distribution due to system deterioration (e.g., experiencing multiple line breakages). | 20 | | 0 | 0 | | PQ/PNA | Engineering Section |
| • Inadequate distribution due to chronic low pressure. | 15 | | 0 | 0 | | PQ/PNA | Engineering Section |
| • Inadequate storage. | 10 | | 0 | 0 | | PQ/PNA | Engineering Section |
| • Demand exceeding design capacity. | 5 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project incorporates fluoridation. | 10 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Total Drinking Water Quality & Publ | | 0 | 30 | 30 | | | |

| Affordability | Possible Points | PQ Points Scored (leave | PNA Points Scored | Revised PNA Points | Comments | | Responsible Party |
|---|---|---|---|---|---|---|---|
| Total Financial / Affordability Points scored by DOLA = | | | | 105 | | | DOLA |

| CPDWR Compliance Points | Possible Points | PQ Points Scored (leave | PNA Points Scored | Revised PNA Points | Comments | | Responsible Party |
|---|---|---|---|---|---|---|---|
| (Points are not additive. Can score points only in one category) | | | | | | | |
| Project addresses an enforcement action by a regulatory agency and the facility is currently in violation of CPDWRs. | 30 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of a consent order, notice of violation or other enforcement action. | 20 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project is designed to maintain CPDWR compliance, meet new requirements, or address contaminants included in the priority list submitted by the Division to the Commission for which standards may be considered. | 15 | | 15 | 15 | | PQ/PNA | Engineering Section |
| System is currently meeting all CPDWRs. | 10 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Total CPDWR Compliance | | 0 | 15 | 15 | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total Additional Subsidy Points = | 0 | 45 | 150 | | | (Sum of Drinking Water Quality&Public Health + Affordability + CPDWR Compliance points) |
| Points scored in highest priority drinking water & public health criteria sections? (Enter "Yes" only if points scored for addressing water borne disease outbreaks, Nitrate/Nitrite/TCR, or radionuclides - RED boxes) | | | | | | SRF Team |

| Source Protection and Conservation | Possible Points | PQ Points Scored (leave | PNA Points Scored | Revised PNA Points | Comments | | Responsible Party |
|---|---|---|---|---|---|---|---|
| Project addresses vulnerability to potential pollution by conditions identified in an | 15 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project establishes a protective zone to address potential pollution as a result of | 10 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Utility rate structure currently in place (points for rate structure are not additive, score points only in one category): | | | | | | | |
| • Increasing block rates. | 15 | | | 15 | | PQ/PNA | SRF Team |
| • Seasonal rates. | 10 | | | | | PQ/PNA | SRF Team |
| • Uniform. | 0 | | | | | PQ/PNA | SRF Team |
| Project will implement water metering, leak detection and/or other water | 10 | | | | | PQ/PNA | SRF Team |

| Sustainability Points | Possible Points | PQ Points Scored (leave | PNA Points Scored | Revised PNA Points | Comments | | Responsible Party |
|---|---|---|---|---|---|---|---|
| Project seeks to: | | | | | | | |
| • Correct compliance issues, water quality problems, and/or water supply problems | 10 | | 0 | 0 | 0 | PQ/PNA | Engineering Section |
| • Correct and/or improve security of the water system. | 10 | | 0 | 0 | 0 | PQ/PNA | Engineering Section |
| • Incorporate beneficial uses of water treatment plant sludge and/or alternative | 10 | | 0 | 0 | 0 | PQ/PNA | Engineering Section |
| 2 The Hazardous Materials and Waste Management Division is the agency responsible for implementing the Regulations Pertaining to the Beneficial Use of Water Treatment Sludge and Fees applicable to the Beneficial Use of Sludges pursuant to 5CCR1003-7. | | | | | | | |
| Project promotes sustainable utilities and/or communities through a utility management plan that: | | | | | | | |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| ● Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed. | 5 | | 5 | 5 | 0 | PNA | Engineering Section |
| ● Provides sufficient revenues to meet O&M and capital needs. | 5 | | 5 | 5 | | PNA | Engineering Section |
| ● Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so. | 5 | | 5 | 5 | | PQ/PNA | Engineering Section |
| ● Incorporates a fix-it-first planning methodology. | 5 | | 5 | 5 | | PQ/PNA | Engineering Section |
| **Readiness to Proceed Points** | **Possible Points** | **PQ Points Scored (leave** | **PNA Points Scored** | **Revised PNA Points** | **Comments** | | **Responsible Party** |
| **Project has secured one or more of the following:** | | | | | | | |
| ● Plans and specifications approved. | 10 | | 0 | 0 | | PQ/PNA | Engineering Section |
| Project has funding secured by multiple assistance provider. | 10 | | | | | PQ/PNA | SRF Team |
| **Total Points Score** | | 0 | 65 | 185 | | | |

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# DWRF LOAN CREDIT REPORT (2026)

Town of Dolores ("The Town"), Montezuma County

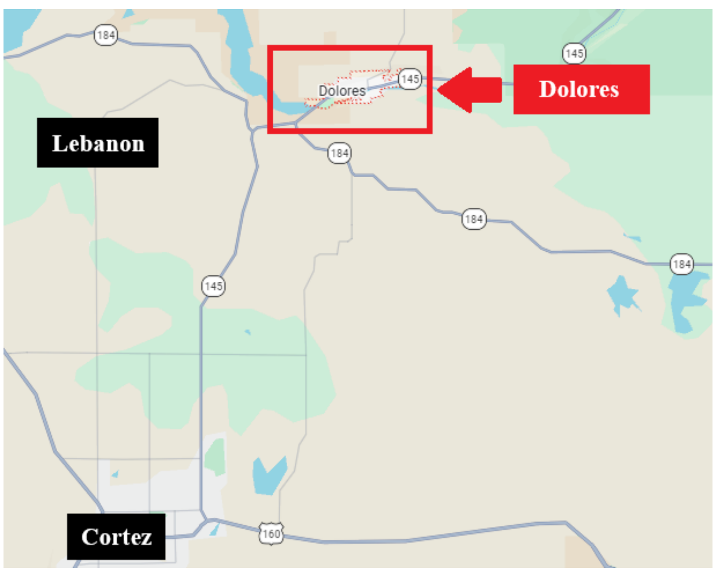
| | |
|---|---|
| **Recommendation:** | **APPROVAL** |
| **Loan Request:** | $3,233,000 |
| **Interest Rate & Term:** | 1.75% & 30 years |
| **Annual Debt Service:** | $63,364 |
| **Pledge:** | Water System Revenue |
| **Current Rate:** | $47.00 |
| **Estimated Rate Increase:** | $0.00 |

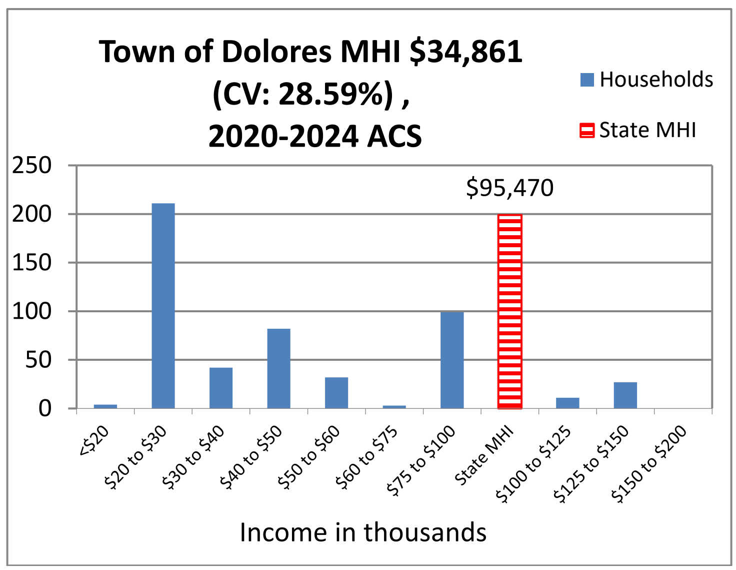
| **Project Budget** | |
|---|---|
| **DWRF IIJA/BIL Loan:** | $1,473,989 |
| **DWRF IIJA/BIL PF:** | $1,759,011 |
| **2026 EIAF - Design Grant:** | $200,000 |
| **2026 EIAF - Construction Grant:** | $700,000 |
| **2024 Congressionally Directed Spending (CDS):** | $750,000 |
| **2023 Planning Grant:** | $10,000 |
| **2026 D&E Grant:** | $247,476 |
| **Total:** | $5,140,476 |

**PROJECT DESCRIPTION:** The project includes replacing water mains located within public rights-of-way, streets, and alleyways, along with the replacement of all fire hydrants, water service lines to the meter, valves, and re-connections in the project area.

| **COMMUNITY PROFILE:** **Town of Dolores** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| Town Population | 888 | 906 | 919 | 923 | 936 | | | 1.32% |
| Montezuma County Population | 25,891 | 26,256 | 26,511 | 26,641 | 26,861 | | | 0.92% |
| Montezuma County Jobs | 11,225 | 11,710 | 11,957 | 12,098 | 12,400 | | | 2.52% |
| Number of Water Taps | | | 554 | 555 | 556 | 557 | 538 | -0.73% |
| Number of Sewer Taps | | | 179 | 480 | 484 | 486 | 486 | 0.36% |
| Assessed Value ($000) | | | $9,359 | $9,127 | $9,730 | $9,788 | $12,067 | 6.56% |
| Actual Value ($000) | | | $85,928 | $86,060 | $95,688 | $95,737 | $130,090 | 10.92% |

**BORROWER BRIEF:** Dolores is a small town in Montezuma County in the Southwestern corner of the State, along State Highway 145. The Town is situated approximately 12 miles north of Cortez, and approximately 45 miles northwest of Durango.




**RECOMMENDATION:** The Town serves a small rural community in Montezuma County. This proposed loan is necessary to replace the Town's current pipelines due to these being undersized and often not buried deep enough, leading to frequent water main breaks during extreme freezes. The Town is in a strong financial position to take on the proposed debt, and it has prepared by continuously increasing rates to avoid a sudden financial burden on its ratepayers. We therefore recommend the DWRF Committee approve a $1,473,989 Disadvantaged Communities IIJA/BIL direct loan, and $1,759,011 in IIJA/BIL principal forgiveness to the Town of Dolores.

**PROJECT SUMMARY:**

**System summary:** Dolores is a statutory town in Montezuma County, with a population of approximately 936, and approximately 538 water taps. The distribution system consists of approximately 58,400 linear feet of water lines, one pressure zone, and a 300,000-gallon welded steel water storage tank. It includes a well-constructed in 1959, equipped with a well pump, and a surface water diversion from the Dolores River. Booster pumps are used to transport treated water to the storage tank. The surface water treatment plant was built between 1984 and 1985. Most of the Town's water lines are 4- or 6-inch diameter cast iron pipes, which were originally installed in the 1960s.

**Reason/need:** Overall, the Town’s transmission and distribution pipelines are in serviceable condition but are undersized and were not buried at an adequate depth in some locations. The Town has historically observed water main breaks in the fall and spring in pipes buried at inadequate depths, associated with extreme freezing events. The current distribution system does not meet recommended system pressures, and experiences water loss.

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

**Project Delivery Method:** Design/Bid/Build

**Contingency:** 10% of the construction cost is included as contingency.

| **CURRENT INDICATORS:** | **2023** | **2024** | **2025** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 588 | 640 | 553 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Total + New Debt/Capita ($): | | | 2,128 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 978 | 1,078 | 930 | | >$5,000 | | $2,500 - 5,000 | X | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 3,576 | | >$5,000 | X | $2,500 - 5,000 | | <$2,500 |
| Current Water Debt/Tap ($): | 409 | 380 | 347 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Current Water + New Water Debt/Tap ($): | | | 2,993 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 5.95% | 6.16% | 5.29% | | >50% | | 25-50% | X | <25% |
| Total Debt + New Water Debt/Assessed Value: | | | 20% | | >50% | | 25-50% | X | <25% |
| Total Debt/Actual Value: | 0.63% | 0.63% | 0.54% | | >10% | | 5-10% | X | <5% |
| Total Debt + New Water Debt/Actual Value: | | | 2.08% | | >10% | | 5-10% | X | <5% |
| Curr. Water Debt + New Debt/Tap/MHI: | | | 8.59% | | >20% | | 10-20% | X | <10% |
| Water Fund Current Ratio (CA/CL): | 1,689% | 1,788% | 1,764% | | <100% | | 100-200% | X | >200% |
| Water Fund Reserves/Current Expense: | 174% | 165% | 174% | | <50% | | 50-100% | X | >100% |
| Water Operating Ratio (OR/OE): | 123% | 118% | 160% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 514% | 226% | 816% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 342% | 226% | 669% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 240% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 197% | | <110% | | 110-125% | X | >125% |
| Current Annual Water Rates/MHI: | | | 1.53% | | >3.0% | X | 1.5-3.0% | | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | | | 1.85% | | >3.0% | X | 1.5-3.0% | | <1.5% |
| Operation and Maintenance Reserve: | | | 190% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **2** | | **3** | | **16** | |

**FINANCIAL ANALYSIS**: Of the twenty-one current indicators calculated, sixteen are rated strong, three are average, and two are considered weak. Overall, the indicators indicate a system in a strong financial position to take on the proposed debt without causing financial stress on the system and ratepayers. The strong indicators show a very manageable existing and proposed debt burden on both a per-capita and per-tap basis; current and proposed rates remain highly affordable relative to MHI, posing little financial hardship for ratepayers; and a strong capacity to take on the proposed debt from current operating revenues. The weak indicators reflect a small system where the addition of the proposed debt to its current debt per capita is becoming increasingly high.

- The 2025 operating ratio was a strong 160%, which is an improvement over the previous four years.
- The Town maintains a strong operations and maintenance reserve of 190%. This indicates that the introduction of unexpected expenses, such as repairs and maintenance, would not place an undue burden on the Town. Additionally, the Town would be able to continue making the necessary payments on the proposed loan.
- Based on 2025 financial information, coverage with the proposed loan is 240% with tap fee revenue and 227% without tap fee revenue. No additional annual revenue is projected to be needed to meet the SRF program’s 110% coverage requirement under either scenario.

- Without principal forgiveness, the coverage ratio moves to 130% with tap fee revenue and 123% without tap fee revenue. No additional annual revenue is projected to be needed to meet the SRF program's 110% coverage requirement under either scenario.
- The enterprise fund's current ratio is 816%, a large increase over previous years. The large increase was driven by higher total revenue resulting from resolutions passed to raise rates.

**Additional Project Financing**
The Town has obtained various additional financing sources for this project, including:

- A planning grant for $10,000 which was awarded in 2023.
- A submitted application for Energy/Impact Mineral Assistance (EIAF) – Design grant for $200,000, which was awarded in 2026.
- A submitted application for Energy/Impact Mineral Assistance (EIAF) – Construction grant for $700,000, which was awarded in 2026.
- A design and engineering (D&E) grant for $247,476, which was awarded in 2026.
- An EPA Congressionally Directed Spending (CDS) grant for $750,000, which was awarded in 2024.

**DESCRIPTION OF THE LOAN:**
An estimated $1,473,989 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the Town approximately $63,364 in debt service annually. The Town also qualifies for $1,759,011 in IIJA/BIL principal forgiveness.

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

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

| | Benchmark | | Borrower | Met? |
|---|---|---|---|---|
| P1: MHI | $76,376 | >= | $34,861 | Y |
| P2: MHV | $431,520 | >= | $308,100 | Y |
| P3: County Unemployment | 5.35% | <= | 4.52% | N |
| County Job Change | 0.00% | >= | 9.82% | N |
| S1: County MHI | $76,376 | >= | $65,244 | Y |
| S2: Ten Year % Change in Population | 0.00% | >= | 3.77% | N |
| S3: Assessed Value per Housing unit | $24,337 | >= | $19,042 | Y |
| S4b: Curr. and Proj. System Debt | 0.21% | < | 2.00% | Y |
| S4b: 80th Percentile | 0.77% | < | 2.00% | Y |
| S5b: Proj. System Cost Per Tap to MHI | 0.98% | < | 2.88% | Y |
| S5b: 80th Percentile | 1.58% | < | 2.88% | Y |

Based on 2020-2024 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1.

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

**IIJA/BIL Principal Forgiveness Eligibility:**
In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The Town scores 9 points as shown below.

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | 1.32% | 0 |
| 2a: County Job Change | 0.00% | > | 9.82% | 0 |
| 2b: County Unemployment | 5.35% | < | 4.52% | |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | $34,861 | 1 |
| | $119,338 | < | | |
| 4: Rates to MHI | 0.76% | < | 1.62% | 1 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 40.74% | 1 |
| 7: % Households Housing Burdened | 50.00% | < | 60.47% | 1 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 52.18% | 1 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 73.10% | 1 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| | | | **Total Points Scored:** | 9 |

The Town qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 54.408%, the Town qualifies for approximately $1,759,011 in principal forgiveness, leaving an estimated loan of $1,473,989.

**ECONOMIC ANALYSIS:** The Town has a 2024 population estimated at 936 and has grown at an average annual rate of 1.32% since 2020. Montezuma County has experienced an increase of 0.92% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

The region's economy is dominated by tourism, retirees, regional services, government, and agriculture. Montezuma County's largest job sectors are local government; health care and social assistance; retail trade; accommodation and food services; and construction.

The area's largest employers consist of Ute Mountain Ute Tribe, with 1,300 employees; the Montezuma-Cortez School District RE-1, with 325 employees; Southwest Memorial Hospital, with 300 employees; Walmart, with 224 employees; and Montezuma County, with 206 employees.

The Town tracks several entities that account for more than 3% of the system's total usage. The Town of Dolores Water Dispenser represents 5.18%, the Dolores School District represents 4.9%, the Town of Dolores Town Hall (Outdoor) represents 3.01%, the Housing Authority at 300 N 15th Street represents 3.09%, and the Town of Dolores Town Hall (Outdoor) represents 3.01%.

**ORGANIZATIONAL ANALYSIS:**
**Bond Rating**
The Town's debt has not been rated by Fitch, Moody's, or Standard & Poor's in the last five years.

**Section 37-60-126(2) C.R.S. (Water Conservation Planning)**
The Town does not sell more than 2,000 acre-feet of water per year.

**Organizational Structure**
The Town is a statutory town governed by a mayor/board form of government and was incorporated in 1990. The Town provides water and wastewater services, public works services, and parks and recreation services. Approximately 0.88 full-time employees staff the water utility. The water utility is overseen by the utility manager, who reports to the Town manager.

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

**Technical/Managerial/Financial (TMF)**
The WQCD and DLG conducted a review of the Town's technical, managerial and financial capacity to operate the water system. The review resulted in no mandatory recommendations.

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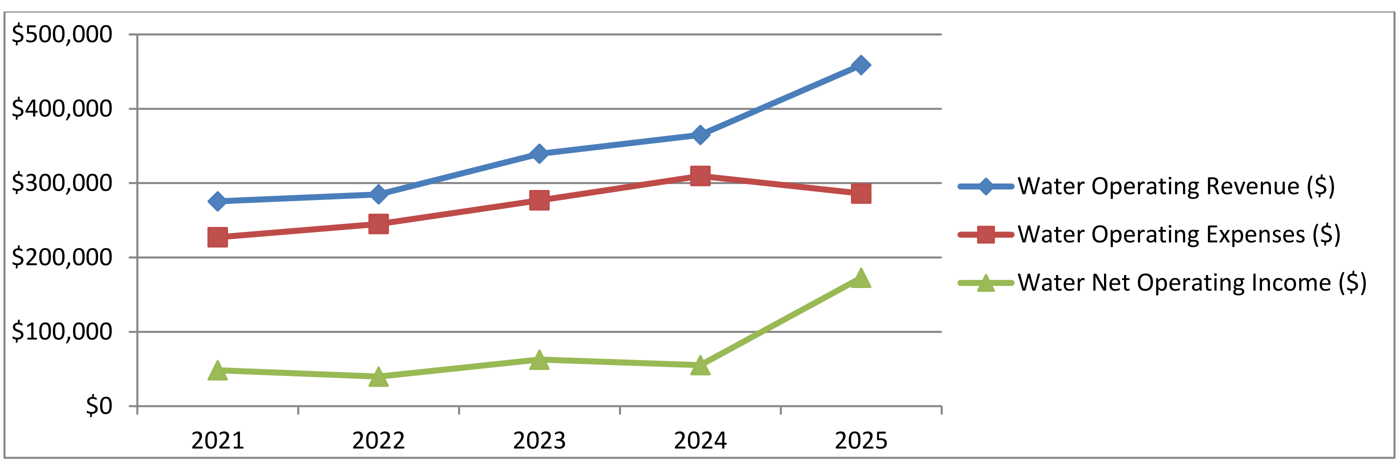
**Capital Improvement Plan**
As part of the application process, the Town submitted a capital improvement schedule through 2042, which anticipates capital outlay of $13,277,200 for improvements/projects related to the raw water supply (i.e. resleeving, pump and meter replacements), water treatment plant and storage tanks (i.e. drainage improvements, treatment water turbine, interior/exterior tank rehabilitation), transmission and distribution (i.e. waterline improvements, distribution replacement), and maintenance (i.e. rate studies, GIS mapping updates of infrastructure) to be funded from a combination of grants, loans, and reserves.

**REVENUE ANALYSIS:**
In August 2024, the Town acknowledged the need for significant improvements to its water and sewer lines, as costs have continued to rise due to inflationary pressures. Rates were initially increased by $10 on January 1, 2025. An amended resolution was introduced to allow for further rate increases to offset additional anticipated costs related to the improvement projects and increased service costs due to inflation. Effective January 1, 2026, the rates for all users, whether inside or outside the Town limits, are increased by 3% annually through January 1, 2030. The Town's total debt increased in 2024 due to obtaining an annually renewable equipment-financed purchase agreement for a Caterpillar Backhoe. Operating costs have steadily increased in the years reviewed; the Town cites that the reasoning behind these is due to the rising price of electricity, water treatment chemicals, and shipping of those chemicals. The shipping of these chemicals is higher due to the Town not being near a major highway. Operating expenses spiked in 2024 due to the installation of an emergency generator and the payment of contractors for its installation.

| TRENDS | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|
| Monthly Water Rate ($) | 31.84 | 32.84 | 33.84 | 34.84 | 44.34 | 47.00 |
| Monthly Sewer Rate ($) | 31.16 | 31.16 | 31.16 | 31.16 | 38.35 | 39.50 |
| Residential Water Tap Fee ($) | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | |
| Residential Sewer Tap Fee ($) | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | |
| Total Water Revenue ($) | 280,764 | 293,858 | 392,476 | 364,805 | 501,915 | |
| Tap/Development Fees ($) | 5,230 | 9,000 | 38,800 | 0 | 12,000 | |
| Water Operating Revenue ($) | 275,534 | 284,858 | 339,571 | 364,805 | 458,848 | |
| Water Operating Expenses ($) | 227,207 | 245,028 | 276,896 | 309,571 | 286,086 | |
| Water Net Operating Income ($) | 48,327 | 39,830 | 62,675 | 55,234 | 172,762 | |
| Water Debt ($) | 256,422 | 239,295 | 227,017 | 211,517 | 193,139 | |
| Total Debt ($) | 655,863 | 598,059 | 542,934 | 599,234 | 517,781 | |
| Water Debt Service ($) | 24,410 | 26,459 | 22,466 | 24,424 | 26,444 | |
| Water Debt Service/Tap/Month ($) | 3.68 | 3.98 | 3.37 | 3.66 | 3.96 | |
| Water Fund Reserves ($) | 462,867 | 466,422 | 520,045 | 552,095 | 543,254 | |

| Ratios | 2021 | 2022 | 2023 | 2024 | 2025 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 98% | 97% | 87% | 100% | 91% | 95% |
| Operating Revenue as % of Expenses | 121% | 116% | 123% | 118% | 160% | 128% |
| Tap Fee Revenue as % of Total Revenue | 1.86% | 3.06% | 9.89% | 0.00% | 2.39% | 3.44% |



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**Recent Rate Increases**
The Town's most recent rate increase of $2.66 was implemented on January 1, 2026.

**User Charges**
The Town's current monthly residential water rate is estimated at $47.00 compared to the 2024 estimated state median of $60.61. The Town's average monthly water rate is based on typical residential consumption of 3,450 gallons per month. Residential users pay a $47.00 base rate up to 5,000 gallons and a volume charge of $3.28 per 1,000 gallons for consumption from 5,001 to 10,000 gallons. For consumption between 10,001 and 20,000 gallons, a volume charge of $4.37 per 1,000 gallons applies. For any consumption exceeding 20,001 gallons, a volume charge of $5.46 per 1,000 gallons applies. For users outside the incorporated limits, users pay a $61.76 base rate up to 5,000 gallons and a volume charge of $4.92 per 1,000 gallons for consumption from 5,001 to 10,000 gallons. For consumption between 10,001 and 20,000 gallons, a volume charge of $6.55 per 1,000 gallons applies. For any consumption exceeding 20,001 gallons, a volume charge of $8.19 per 1,000 gallons applies. Commercial water users follow the same structure depending on whether they are inside or outside Town limits.

The Town's current monthly residential sewer rate is $39.50 compared to the 2024 estimated state median of $44.65. Users outside the incorporated limits pay a $62.14 base charge. There is no volume charges attached to sewer rates. Commercial sewer users follow a tiered structure. For those within Town limits, the base rate up to 10,000 gallons is $38.36. For consumption between 10,001 and 20,000 gallons, a volume charge of $2.90 per 1,000 gallons applies. For any consumption exceeding 20,001 gallons, a volume charge of $3.06 per 1,000 gallons applies. For commercial sewer users outside the incorporated limits, users pay a $60.34 base rate up to 10,000 gallons. For consumption between 10,001 and 20,000 gallons, a volume charge of $4.00 per 1,000 gallon applies. For any consumption exceeding 20,001 gallons, a volume charge of $4.61 per 1,000 gallons applies.

**Contributed Capital**
Revenue from tap fees has ranged from $0 to $38,800 and has averaged 3.44% of total water revenue during the last five years. The Town's most recent water tap fee rate increase occurred in 2021.

- Water and sewer tap fees for users (residential or commercial) within the Town limits are $4,500.
- Water and sewer tap fees for users (residential or commercial) outside the Town limits are $6,500.

Tap fee pricing increases as the meter and tap size increases.

| **Current System Utilization** | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 51% | 69% |
| **Non-residential (per EQR)** | 49% | 31% |

| **Current Fee Summary** | | |
|---|---|---|
| Tap size | Water user/tap fees | Sewer user/tap fees |
| ¾" | $47.00/$4,500 | $39.50/$4,500 |
| ¾" | $47.00/$4,500 | $38.36/$4,500 |

**DEBT as of December 31, 2025**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2018 | Caterpillar Financial Services Corporation | 2028 | General Fund | $45,388 | 4.199% | $1,904 |
| 2022 | Dolores State Bank | 2027 | General Fund | $63,536 | 4.00% | $2,909 |
| 2024 | Caterpillar Financial Services Corporation | 2029 | General Fund | $98,949 | 6.99% | $2,088 |
| 2025 | Dolores State Bank | 2035 | Water System Revenue | $193,139 | 4.00% | $24,399 |

**LOAN COVENANTS:** The Town will have to meet the Authority's 110% rate covenant, 3-month operations and maintenance reserve fund covenant, and the 110% additional bonds test (if applicable) on an annual basis. The Town has no current debt with the Authority, including the SRF programs.

Project #210071D-I
Cost Categories:

- Planning and Design: 9%
- Construction – Transmission and Distribution: 90%
- Land Acquisition: 1%

Prepared by: Monica Munoz-Revelo
Date: July 28, 2026



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| July 28, 2026<br><br>DWRF Credit Report<br>Town of Dolores, Montezuma County, CO<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| **Estimated Population - 2024** | **936** |
| **Number of Water Taps/Customers - 2025** | **557** |
| **Total Assessed Valuation - 2025** | **$9,788,000** |
| **Actual Value of All Real Property - 2025** | **$95,737,000** |
| **Median Household Income (MHI) - 2024** | **$34,861** |
| **Monthly Water Rate - 2026** | **$47.00** |
| **Water Operating Revenue - 2025** | **$458,848** |
| **Water Total Revenue - 2025<br>[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.]** | **$501,915** |
| **Water Tap and System Development Fee Revenue - 2025** | **$38,800** |
| **Water Operating Expense - 2025** | **$286,086** |
| **Water Current Expense - 2025** | **$312,530** |
| **Water Debt - 2025** | **$193,139** |
| **Total Debt - 2025** | **$517,781** |
| **Water Fund Reserves - 2025** | **$543,254** |
| **Water Debt Service - 2025** | **$26,444** |
| **New Water Debt<br>[Requested DWRF loan amount.]** | **$1,473,989** |
| **Requested DWRF Loan Term** | **30** |
| **Requested DWRF Loan Interest Rate** | **1.75%** |
| **New Loan's Annual Water Debt Service (two payments annually)** | **$63,364** |

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## Current Indicators (2025)
## Town of Dolores
## (Water)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $517,781 | ÷ | Population | 936 | = | $553 |
| | New Debt | $1,473,989 | ÷ | Population | 936 | = | $1,575 |
| | Total Debt + New Debt | $1,991,770 | ÷ | Population | 936 | = | $2,128 |
| 2 | Total Debt | $517,781 | ÷ | Number of Taps | 557 | = | $930 |
| | New Debt | $1,473,989 | ÷ | Number of Taps | 557 | = | $2,646 |
| | Total Debt + New Debt | $1,991,770 | ÷ | Number of Taps | 557 | = | $3,576 |
| 3 | Total Debt | $517,781 | ÷ | Assessed Value | $9,788,000 | = | 5.29% |
| | New Debt | $1,473,989 | ÷ | Assessed Value | $9,788,000 | = | 15.06% |
| | Total Debt + New Debt | $1,991,770 | ÷ | Assessed Value | $9,788,000 | = | 20.35% |
| 4 | Total Debt | $517,781 | ÷ | Actual Value | $95,737,000 | = | 0.54% |
| | New Debt | $1,473,989 | ÷ | Actual Value | $95,737,000 | = | 1.54% |
| | Total Debt + New Debt | $1,991,770 | ÷ | Actual Value | $95,737,000 | = | 2.08% |
| 5 | Current Water Debt | $193,139 | ÷ | Number of Taps | 557 | = | $347 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $2,993 | ÷ | MHI | $34,861 | = | 8.59% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $575,893 | ÷ | Current Liabilities | $32,639 | = | 1764% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $543,254 | ÷ | Current Expenses | $312,530 | = | 174% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $458,848 | ÷ | Operating Expenses | $286,086 | = | 160% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $501,915 | - | | | | |
| | Minus Operating Expenses | $286,086 | | | | | |
| | = | $215,829 | ÷ | Current Debt Service | $26,444 | = | 816% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $215,829 | | | | | |
| | Minus Tap and Development Fee Revenu | $38,800 | | | | | |
| | = | $177,029 | ÷ | Current Debt Service | $26,444 | = | 669% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $501,915 | | | | | |
| | Minus Operating Expenses | $286,086 | | | | | |
| | = | $215,829 | | Total Debt Service (with new loan) | $89,808 | = | 240% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $215,829 | | | | | |
| | Minus Tap and Development Fee Revenu | $38,800 | | | | | |
| | = | $177,029 | ÷ | Total Debt Service (with new loan) | $89,808 | = | 197% |
| 13 | Current Debt Service | $26,444 | ÷ | Number of Taps | 557 | = | $47.48 |
| | Annual New Water Debt Service | $63,364 | ÷ | Number of Taps | 557 | = | $113.76 |
| 14 | 2025 Annual Water Rate (Monthly Rate x 12) | $564.00 | ÷ | MHI | $34,861 | = | 1.62% |
| | 2025 Annual Water Rate + New Annual Debt Service Per Tap | $677.76 | ÷ | MHI | $34,861 | = | 1.94% |
| 15 | Current 2026 Monthly User Charge | | | | | | $47.00 |
| | (Debt Service on DWRF Loan / 2025 Taps / Month) | | | | | | $9.48 |
| | Total | | | | | | $56.48 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $543,254 | ÷ | Operating Expenses | $286,086 | = | 190% |

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## 2026 SRF Disadvantaged Community Criteria

**Applicant:** Town of Dolores

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 3,233,000 |
| Interest Rate: | 1.75% |
| Term (years): | 30 |
| Annual Payment: | $ 138,980 |

| | | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|---|
| | Current Population (2024) | <= | 10,000 | 936 | Y | |
| | Population 5 years ago (2020) | | | 888 | | |
| | Poulation 10 years ago (2015) | | | 902 | | |
| | **Primary Factors** | | | | | |
| P1 | MHI (Place) | <= | $ 76,376 | 34,861 | Y | |
| | Margin of Error (MOE) | ± | | 16,397 | | |
| P2 | MHV (Place) | <= | $ 431,520 | 308,100 | Y | |
| | Margin of Error (MOE) | ± | | 54,190 | | |
| P3 | 24 Month Unemployment (County) | >= | 5.35% | 4.52% | N | |
| | or 10 Year % Chng. Jobs (County) | <= | 0.00% | 9.82% | N | |
| | Jobs (2024) | | | 12,255 | | |
| | Jobs (2015) | | | 11,159 | | |
| | **Priority Factor Count** | | | | 2 | |
| | **Secondary Factors** | | | | | |
| S1 | MHI (County) | <= | $ 76,376 | 65,244 | Y | |
| | Margin of Error (MOE) | ± | | 4,313 | | |
| | Reliability (CV) | <= | 18.00% | 4.02% | Y | |
| S2 | 10 Year % Chng. Population | <= | 0.00% | 3.77% | N | |
| S3 | Assessed Value / Housing Unit | <= | $ 24,337 | $19,042 | Y | |
| | Assessed Value | | | 9,730,300 | | |
| | Total Housing Units | | | 511 | | |

| | | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S4 | Current Debt / Tap / MHV | > | 0.21% | 0.11% | N | | |
| W | Current + Projected Debt/Tap/MHV | > | 0.21% | 2.00% | Y | | |
| | S4b 80th percentile | | 0.77% | 2.00% | Y | | |

| | | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S5 | System Full Cost / Tap / MHI | > | 1.11% | 1.85% | Y | | |
| | Projected Rate @ 110% Coverage | > | 0.98% | 2.41% | Y | | |
| | S5b 80th percentile | | 1.58% | 2.41% | Y | | |
| | **Secondary Factor Count** | | | | 3 | | |

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

| | |
|---|---|
| Taps or EQR's | 557 |
| Total Debt | 193,139 |
| Principal & Interest | 26,444 |
| Operating Expenses (including operating transfers out) | 286,086 |
| Depreciation | 73,267 |

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## WPCRF & DWRF

| | | | Benchmark | Applicant | Points | Notes on Data Used | Result |
|---|---|---|---|---|---|---|---|
| | **Eligiblity Criteria** | | | | | | |
| 1 | Population loss or growth is slower than the state's over 5 years | <= | 0.73% | 1.32% | 0.0 | | |
| | Current Population (2024) | | | 936 | | | |
| | Poulation five years ago (2020) | | | 888 | | | |
| 2a | 10 Year % County Job Change | >= | 0 | 9.82% | 0.0 | | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | 5.35% | 4.52% | 0.0 | | |
| 3 | Median Household Income | <= | $ 95,470 | 34,861 | 1.0 | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| | | >= | $ 119,338 | | 0.0 | | |
| | Reliability (CV) | <= | 40.00% | N/A | N | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| 4 | Rates compared to MHI | > | 0.76% | 1.62% | 1.0 | | |
| W | Monthly Residential Rate | > | | 47.00 | | | |
| | | | | *Confirmed based on resolution No. 667 Series 2025* | | | |
| 5 | Project addresses removal of lead or emerging contaminants | | Yes | No | 0.0 | | |
| 6 | % Population that identifies as minority is greater than 40% | > | 40.00% | 40.74% | 1.0 | | |
| 7 | % Population that are housing burdened is greater than 50% | > | 50.00% | 60.47% | 1.0 | | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | 40.00% | 52.18% | 1.0 | | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | 55.00% | 73.10% | 1.0 | | |
| | % Population over 65 years old | | | 20.92% | | | |
| 10 | Meets base program DAC criteria? | | | Yes | 3.0 | | |
| | **BIL Eligibility Points** | | | | 9.0 | | |

# Principal Forgiveness and Priority Point Scoring

Applicant: Town of Dolores
DWRF or WPCRF: DWRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes.

Eligible BIL principal forgiveness percentage: 54.408%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): $1,759,011

## Base DWRF/WPCRF Principal Forgiveness Scoring

**DWRF/WPCRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 25 |
| DOLA Affordability Score: | 125 |
| Total Score | 150 |

Eligible as a base program DAC? Yes

Eligible base program DWRF/WPCRF principal forgiveness percentage: N/A

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 45 |
| DOLA Affordability Score: | 125 |
| Total Score: | 170 |

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## 2026 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Town of Dolores |
| **Date of Scoring** | 6/8/2026 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 125 |
| **DAC:** | DAC |

| | | | | | |
|---|---|---|---|---|---|
| | **Benchmarks** | | | | |
| | **$95,470** **2020-2024 State MHI estimate** | | | | |
| | | **Points** | | **Entity Value** | |
| **P1** | **MHI** | | | $34,861 | 37% |
| | <50% of state MHI | 35 | x | | |
| | Between 51% and 80% of state MHI | 20 | | | |
| | Between 81% and 100% of state MHI | 5 | | | |
| | >100% state MHI | 0 | | | |
| **S5a** | **User Fees (current water rate at 110%/tap/MHI)** | | | 1.85% | |
| | Rates are > 1.55% | 45 | x | | |
| | Rates are between 1.11% and 1.55% | 25 | | | |
| | Rates are < 1.11% | 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 water debt per tap compared to MHV** | | | 0.11% | |
| | Debt is > 0.63% | 45 | | | |
| | Debt is between 0.21% and 0.63% | 25 | | | |
| | Debt is < 0.21% | 0 | x | | |
| | **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** | | | 936 | |
| | Less than 500 | 35 | | | |
| | Between 500 and 1,000 | 25 | x | | |
| | 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** | | | 19,042 | |
| | AV per household is < $12,722 | 35 | | | |
| | AV per household is between $12,272 and $24,337 | 20 | x | | |
| | AV per household is between $24,337 and $46,151 | 10 | | | |
| | AV per household is greater than $46,151 | 0 | | | |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Project Manager | ES Review Engineer | DOLA Representative | | | | |
| PNA Date Score: | | Kathy Boyer | Austin Houser | Monica Muñoz-Revelo | | | | |
| Project Name: | Town of Dolores | | | Monica Munoz-Revelo - DOLA | | | | |
| SRF Project Number: | 210071D-I | | | | | | | |
| ES PQ Project Number: | | | | | | | | |
| ES PNA Project Number: | | | | | | | | |

## Drinking Water Revolving Fund Priority Scoring Model (Attachment I DWRF IUP 2025)

| Drinking Water Quality and Public Health Points | Possible Points | PQ Points Scored (leave blank if not scored) | PNA Points Scored | Comments | When to Score | Responsible Party | Scoring criteria | Resources |
|---|---|---|---|---|---|---|---|---|
| **Project addresses a documented waterborne disease outbreak associated with the system within the last 24 months.** | **35** | | 0 | | **PQ/PNA** | **Engineering Section** | For active sources, check SDWIS for violations. For new sources or for sources taken offline related to a violation, review any submitted data. If SDWIS or data shows more than one exceedance or treatment issue, then give the points for each MCL or treatment issue.<br><br>For systems with multiple primary MCL issues, score based on the highest value. Systems don't get multiple points (e.g., both arsenic and selenium).<br><br>Give points to systems reclassified to GWUDI that are under the 18 month clock. | SDWIS comp report, OnBase |
| **Project corrects or prevents violations of MCLs (primary standards) 1** (may score points in multiple categories) | | | | | | | | |
| • Nitrate, nitrite, TCR. | **30** | | 0 | | **PQ/PNA** | **Engineering Section** | | |
| • Total trihalomethanes, total haloacetic acids. | **25** | | 0 | | **PQ/PNA** | **Engineering Section** | | |
| • Arsenic, selenium. | **20** | | 0 | | **PQ/PNA** | **Engineering Section** | | |
| • Other regulated contaminants. | **15** | | 0 | | **PQ/PNA** | **Engineering Section** | | |
| *1 This accommodates repeat violations and provides indicators for both chronic and acute health hazards* | | | | | | | | |
| **Project corrects or prevents exceedances of MCLs for radionuclides.** | **35** | | 0 | | **PQ/PNA** | **Engineering Section** | | |
| **Project corrects inadequate treatment techniques that are unable to satisfy the requirements for:** (scores total 20 points one or more of the following)<br>**• Surface water.**<br>**• GWUDI.**<br>**• Groundwater.** | **20** | | 0 | | **PQ/PNA** | **Engineering Section** | | |
| **Project corrects exceedances of secondary drinking water standards.** | **10** | | 0 | | **PQ/PNA** | **Engineering Section** | Review any submitted data related to secondary standards. If data shows more than one exceedance of a secondary standard, then give the points. | n/a |
| **System has inadequate supply* to meet all current domestic water supply demands (*system must provide records of water usage to substantiate supply is inadequate).** | **25** | | 0 | | **PQ/PNA** | **Engineering Section** | Review self-reported data on supply issue. Data must show that the system has inadequate water supply capabilities for their existing demand/population. Must show an ongoing issue not related to an emergency event (e.g., fire, water line break). SRF funds generally cannot be used to fund growth. | n/a |
| **Project will correct or prevent:** (points are not additive, scores points only in one category) | | | | | | | | |
| • Inadequate distribution due to system deterioration (e.g., experiencing multiple line breakages). | **20** | | 0 | PNA did not include clear indication of issues due to line breaks | **PQ/PNA** | **Engineering Section** | For system deterioration and chronic low pressure, confirm self-reported data on by reviewing recent sanitary survey letters/spreadsheets for DS issues. Also, review Onbase for BWO/BO related to pressure loss. If chronic low pressure as noted by the acute team or sanitary survey or more than one BWO/BO in more than a year, then give points. If no mention in the file, review self-reported data and supporting information on distribution system issue. If self-reported and nothing in the file, system will need to provide records of system deterioration and low pressure mapping. | SDWIS comp report, OnBase<br><br>RPT Tracker - BWO/BO<br><br>Portal Acute Tracking |
| • Inadequate distribution due to chronic low pressure. | **15** | | 15 | System provided low pressure mapping that indicates many locations under 45 psi. Project proposes increases pipe size and looping. | **PQ/PNA** | **Engineering Section** | | |
| • Inadequate storage. | **10** | | 0 | | **PQ/PNA** | **Engineering Section** | Review Onbase to see if mentioned in a recent sanitary survey. If no mention, system must provide a justification of distribution system tank sizing (e.g. peak day demands, fire flow). No design criteria but justification but detail how the system determined that they had inadequate storage. Project has to be related to drinking water capacity demand, not just for fire flow. | |
| • Demand exceeding design capacity. | **5** | | 0 | | **PQ/PNA** | **Engineering Section** | Review Onbase to see if mentioned in a recent sanitary survey. If no mention, system must provide a justification of the distribution system being inadequately sized. No design criteria but justification but detail how the system determined that they had inadequate design capacity. Project has to be related to drinking water capacity demand, not just for fire flow. | |
| **Project incorporates fluoridation.** | **10** | | 0 | | **PQ/PNA** | **Engineering Section** | Review proposed project to determine if fluoridation is included. Grant points if included | n/a |
| **Total Drinking Water Quality & Publ** | | **0** | **15** | | | | | |
| | | | | | | | | |
| **Affordability** | **Possible Points** | **PQ Points Scored (leave blank if not scored)** | **PNA Points Scored** | **Comments** | | **Responsible Party** | **Scoring criteria** | **Resources** |
| Total Financial / Affordability Points scored by DOLA = | | | **150** | | | **DOLA** | | |
| | | | | | | | | |
| **CPDWR Compliance Points** | **Possible Points** | **PQ Points Scored (leave blank if not scored)** | **PNA Points Scored** | **Comments** | | **Responsible Party** | **Scoring criteria** | **Resources** |
| (Points are not additive. Can score points only in one category) | | | | | | | | |
| **Project addresses an enforcement action by a regulatory agency and the facility is currently in violation of CPDWRs.** | **30** | | 0 | | **PQ/PNA** | **Engineering Section** | Check OnBase and/or comp report to see if system has an enforcement order. Give points if an EO has been issued that the proposed project will address or partially address. | SDWIS comp report, OnBase |
| **Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of a consent order, notice of violation or other enforcement action.** | **20** | | 0 | | **PQ/PNA** | **Engineering Section** | Check OnBase see if system has been issued an enforcement order warning letter. If not, check comp report to see if vios related to the project. Give points if a warning letter has been issues or if there is other correspondence from CAS.<br><br>Give points to systems reclassified to GWUDI that are under the 18 month clock. Project to bring inactive source with MCL violations online, projects that resolve sanitary survey violations, required OCCT under the LCR, etc. | SDWIS comp report, OnBase |
| **Project is designed to maintain CPDWR compliance, meet new requirements, or address contaminants included in the priority list submitted by the Division to the Commission for which standards may be considered.** | **15** | | 0 | | **PQ/PNA** | **Engineering Section** | Verify contaminate or treatment tech is listed in either Reg 11 or the WQCD report to the WQCC. If so, give points.<br><br>For new requirements, review situation to see if appropriate. Some possible situations include: TNC reclassified to NTNC/CWS and associated treatment, upgrade SCADA system for cybersecurity, Mn removal to prevent PN. | Regulation 11 and/or check the priority contaminated in the WQCD annual report |
| **System is currently meeting all CPDWRs.** | **10** | | 10 | | **PQ/PNA** | **Engineering Section** | Check OnBase and/or comp report to see if system has any outstanding violations. Give points if no outstanding violations. | SDWIS comp report, OnBase |
| **Total CPDWR Compliance** | | **0** | **10** | | | | | |
| | | | | | | | | |
| Total Additional Subsidy Points = | | **0** | **175** | | | **(Sum of Drinking Water Quality&Public Health + Affordability + CPDWR Compliance points)** | | |
| **Points scored in highest priority drinking water & public health criteria sections? (Enter "Yes" only if points scored for addressing water borne disease outbreaks, Nitrate/Nitrite/TCR, or radionuclides - RED boxes)** | | | | | | **SRF Team** | | |
| | | | | | | | | |
| **Source Protection and Conservation** | **Possible Points** | **PQ Points Scored (leave blank if not scored)** | **PNA Points Scored** | **Comments** | | **Responsible Party** | **Scoring criteria** | **Resources** |
| **Project addresses vulnerability to potential pollution by conditions identified in an approved source water protection area assessment:** (scores a total of 15 points for one or more of the following):<br>**• Point source discharge within a delineated area.**<br>**• Areas impacted by agricultural chemical use or run-off.**<br>**• Area subject to oil/gas/mineral operations.**<br>**• Unprotected watershed area.** | **15** | | 0 | | **PQ/PNA** | **Engineering Section** | Confirm system has a substantially implemented SWAP (see folder link). If they have a plan in the folder (about 10% of systems have plans) that mentions potential contamination sources and/or BMPs which the project addresses then give them the points.<br><br>If they are working on a plan or you aren't sure, then check with Kristen Hughes or Robert Murphy. | I:\SWAP-Protection Phase\SWAP Protection Plans\Substantially Implemented |
| **Project establishes a protective zone to address potential pollution as a result of wildfires in burn scar areas.** | **10** | | 0 | | **PQ/PNA** | **Engineering Section** | If proposed project includes working on or addresses potential pollution as a result of wildfires in burn scar areas then give points. To verify, the system should be working on a wildland fire decision support system (WFDSS) with the SWAP group and are on the WFDSS list or if they have wildfire as a potential contamination source in their SWAP then give them points. No set design standards for fire mitigation. | WFDSS tracking document |
| **Utility rate structure currently in place** (points for rate structure are not additive, score points only in one category): | | | | | | | | |
| • Increasing block rates. | **15** | | | | **PQ/PNA** | **SRF Team** | If information not provided in PQ or PNA check with applicant | |
| • Seasonal rates. | **10** | | | | **PQ/PNA** | **SRF Team** | If information not provided in PQ or PNA check with applicant | |
| • Uniform. | 0 | | | | **PQ/PNA** | **SRF Team** | If information not provided in PQ or PNA check with applicant | |
| **Project will implement water metering, leak detection and/or other water conservation and efficiency infrastructure applications at a minimum of 20% of total project costs.** | **10** | | | | **PQ/PNA** | **SRF Team** | If detailed information included at PQ, then score. If not enough information, score as 0 and score at PNA step. | |
| **Sustainability Points** | **Possible Points** | **PQ Points Scored (leave blank if not scored)** | **PNA Points Scored** | **Comments** | | **Responsible Party** | **Scoring criteria** | **Resources** |
| **Project seeks to:** | | | | | | | | |
| • Correct compliance issues, water quality problems, and/or water supply problems through physical consolidation and regionalization of water systems. | **10** | | 0 | | **PQ/PNA** | **Engineering Section** | Review proposed project to see if consolidation or regionalization is included. If so, score points.<br><br>If information included at PQ, then score. If not enough information, score as 0 and score at PNA step. | n/a |

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|---|---|---|---|---|---|---|---|---|
| ● Correct and/or improve security of the water system. | **10** | | 0 | | **PQ/PNA** | **Engineering Section** | Security improvements must meet the requirements of Item 1.2.11 Security and Emergency Response Program of the Design Criteria. Review if submittal indicates both physical security design/improvements and a security and emergency response program will be created, then give the points.<br><br>If information included at PQ, then score. If not enough information, score as 0 and score at PNA step. | Design Criteria |
| ● Incorporate beneficial uses of water treatment plant sludge and/or alternative concentrate management options in an approved Beneficial Use Plan.2 | **10** | | 0 | | **PQ/PNA** | **Engineering Section** | For improvements to an existing or a new sludge control process incorporated into the proposed project. Please reach out to HMWMD (either Michael Bankoff michael.bankoff@state.co.us or our Customer Technical Assistance line at 303-692-3320 or comments.hmwmd@state.co.us) to check with them before granting points. HMWMD can let you know if they are approved for beneficial use of the sludge/concentrate or give insight if the proposed project would be approved. | |
| *2 The Hazardous Materials and Waste Management Division is the agency responsible for implementing the Regulations Pertaining to the Beneficial Use of Water Treatment Sludge and Fees applicable to the Beneficial Use of Sludges pursuant to 5CCR1003-7.* | | | | | | | | |
| **Project promotes sustainable utilities and/or communities through a utility management plan that:** | | | | | | | | |
| ● Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed. | **5** | | 5 | 20-year cash flow present with capital funding | **PNA** | **Engineering Section** | Presence/absence. As long as the 20-year cash flow plan has a capital improvements line or some type of replacement fund line then score points.<br><br>If information included at PQ, then score. If not enough information, leave blank and score at PNA step. | n/a |
| ● Provides sufficient revenues to meet O&M and capital needs. | **5** | | 5 | 20-year cash flow present with O&M provision | **PNA** | **Engineering Section** | Presence/absence. If the 20-year cash flow plan has an O&M line then score points.<br><br>If information included at PQ, then score. If not enough information, leave blank and score at PNA step. | n/a |
| ● Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so. | **5** | | 5 | Adequate licensed operator on staff | **PQ/PNA** | **Engineering Section** | Check OnBase/Comp report to see any system's operator issues and that the current operator meets the certification levels.<br><br>If project will not impact the operator certification level, give points.<br><br>If the project will impact the op certification level, the system must either have an operator certified to the new level or have a plan to get a properly certified operator to get points. | SDWIS comp report, OnBase |
| ● Incorporates a fix-it-first planning methodology. | **5** | | **5** | Project was broken into 2 phases. Phase 1 was completed in 2020. | **PQ/PNA** | **Engineering Section** | System submits documentation to demonstrate planning and have been following through on the plans. For example: have a master plan, asset management plan or capital improvement plan, O&M schedule for repairs. If documentation is provided then give points.<br><br>If information included at PQ, then score. If not enough information, leave blank and score at PNA step. | n/a |
| **Readiness to Proceed Points** | **Possible Points** | **PQ Points Scored (leave blank if not scored)** | **PNA Points Scored** | **Comments** | | **Responsible Party** | **Scoring criteria** | **Resources** |
| **Project has secured one or more of the following:** | | | | | | | | |
| ● Plans and specifications approved. | **10** | | **0** | | **PQ/PNA** | **Engineering Section** | Give points if system has approval letter for the project as described in the PQ/IUP application or that covers the majority of the proposed project (roughly 80%). | PWS Search/ RAW Database |
| Project has funding secured by multiple assistance providers. | **10** | | | | **PQ/PNA** | **SRF Team** | Give points if applicant can document an award or a commitment from another funding agency for the same project being funded by SRF. | |
| **Total Points Score** | | **0** | **195** | | | | | |
| Yes | | | | | | | | |
| No | | | | | | | | |

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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: Town of La Veta ("the Town") DWRF Credit Report Update
DATE: July 28, 2026

| **Project Budget** | |
|---|---|
| **DWRF Supplemental Base Loan:** | $2,413,000 |
| **2025 DWRF IIJA/BIL Loan:** | $1,425,903 |
| **2025 DWRF IIJA/BIL Supp. PF:** | $2,552,097 |
| **2023 EIAF Grant:** | $1,000,000 |
| **2024 Supplemental EIAF Grant:** | $236,681 |
| **2024 D&E Grant** | $300,000 |
| **TOTAL:** | **$7,927,681** |

This project consists of a new water treatment plant using conventional treatment technology with full automation. There will be three pre-engineered clarifier units, a below grade disinfection contact, a clearwell tank, and a building extension to house the new treatment equipment.

The Town previously received DWRF funding for this project in the amount of $1,425,903 as an IIJA/BIL direct loan with a 30-year term, at an interest rate of 1.75% and IIJA/BIL principal forgiveness in the amount of $2,552,097. After requesting construction bids for the new water treatment plant, the Town received bids that were all significantly over the estimated project cost at the time of the initial DWRF loan application. Therefore, the Town is requesting a supplemental loan.

When including the previous 2024 DWRF loan, the Town's 2024 financials show that this proposed loan represents a growing but manageable debt burden for a small, mountainous community. With approved rate increases taking effect on September 1, 2026, no further rate increases are projected to be required. We therefore recommend the DWRF Committee approve a $2,413,000 supplemental DWRF base direct loan with the same terms as the original loan, to the Town of La Veta.

| **CURRENT INDICATORS:** | **2022** | **2023** | **2024** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 4,741 | 4,591 | 4,437 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | | | 7,046 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 7,575 | 7,248 | 6,933 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 11,009 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Water Debt/Tap ($): | 1,637 | 1,550 | 1,464 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Current Water + New Water Debt/Tap ($): | | | 5,540 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 48% | 47% | 45% | | >50% | X | 25-50% | | <25% |
| Total Debt + New Water Debt/Assessed Value: | | | 71% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 4.74% | 4.55% | 4.65% | | >10% | | 5-10% | X | <5% |
| Total Debt + New Water Debt/Actual Value: | | | 7.39% | | >10% | X | 5-10% | | <5% |
| Curr. Water Debt + New Debt/Tap/MHI: | | | 10% | | >20% | X | 10-20% | | <10% |
| Water Fund Current Ratio (CA/CL): | 2,081% | 1,721% | 2,243% | | <100% | | 100-200% | X | >200% |
| Water Fund Reserves/Current Expense: | 586% | 583% | 523% | | <50% | | 50-100% | X | >100% |
| Water Operating Ratio (OR/OE): | 213% | 207% | 164% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 319% | 369% | 290% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 319% | 319% | 290% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 116% | | <110% | X | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 116% | | <110% | X | 110-125% | | >125% |
| Current Annual Water Rates/MHI: | | | 1.12% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | | | 1.45% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | | | 669% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **6** | | **6** | | **9** | |



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COLORADO
Department of Local Affairs
Division of Local Government

**Financial Analysis**
Based on 2024 financial information for this supplemental loan, of the twenty-one current indicators calculated, nine were rated strong, six were average, and six were considered weak. Overall, the indicators illustrate a high debt burden for users, but a strong operating ratio and high reserves enables the Town to pay for the project. The strong indicators show ability to meet near and long-term obligations. The weak indicators reflect existing and future debt. When considering the original loan was approved in 2024, the above indicators do not reflect its impact. When factoring in the 2024 loan debt and the proposed loan, eight are considered strong, three are average, and ten are weak. Six indicators decreased from the original 2024 credit report when assuming the new loan.

- Based on 2024 financials, the coverage ratio for this $2,413,000 DWRF supplemental loan is 116% without tap fee revenue and a rate increase is not projected to be necessary to meet the 110% coverage ratio.
- However, when considering the $61,296 annual payment for the 2024 original $1,425,903 DWRF loan with the 2024 financials, the coverage ratio with the proposed loan drops to 86% without tap fee revenue, additional annual revenue of $57,029 or $8.01 per tap per month is projected to be necessary to meet the 110% coverage ratio.
    - When including the recently approved rate increases of $29.82, no further rate increases are projected for the Town to meet the 110% coverage ratio.
- When considering the debt and debt service for the original 2024 loan and this supplemental request, a total of six of the twenty-one indicators changed since the credit report for the original loan: Current Water Debt/Tap and Current Water plus New Water Debt/Tap, went from average to weak; Total Debt/Actual Value and Current Water Debt plus New Debt/Tap/MHI moved from strong to average; and Coverage Ratio with New Loan and Coverage Ratio with New Loan Excluding Tap Fees moved from strong to weak.
- While the weak and average indicators show that the debt might be an increasing burden on the community along with a weakening coverage ratio, the strong indicators show that the debt appears to be affordable to the community based on the Town's assessed value, actual value, and MHI. Additionally, the Town continues to maintain strong reserves.
- The Town's water rates had not been raised since 2021; however, they remained sufficient to cover expenses to this point. The Town approved significant rate increases on July 21, 2026, for both sewer and water, that begin September 1, 2026. No further increase is projected following the approval of the new rate structure for this project.
- The Town is considered a Category 2 disadvantaged community, as reflected by the initial interest rate. The Town does not qualify for further principal forgiveness given it reached its $2,500,000 cap on the 2024 loan.

**July 28, 2026**

**DWRF Credit Report**
**Town of La Veta, Huerfano County, CO**
**Using most recent data available**
**(Census, audits, local records)**

| | |
|---|---|
| Estimated Population - 2024 | 925 |
| Number of Water Taps/Customers - 2024 | 592 |
| Total Assessed Valuation - 2024 | $9,155,000 |
| Actual Value of All Real Property - 2024 | $88,234,000 |
| Median Household Income (MHI) - 2024 | $52,804 |
| Monthly Water Rate - 2024 | $49.33 |
| Water Operating Revenue - 2024 | $404,456 |
| Water Total Revenue - 2024<br>[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.] | $447,603 |
| Water Tap and System Development Fee Revenue - 2024 | $0 |
| Water Operating Expense - 2024 | $246,903 |
| Water Current Expense - 2024 | $316,035 |
| Water Debt - 2024 | $866,553 |
| Total Debt - 2024 | $4,104,433 |
| Water Fund Reserves - 2024 | $1,652,608 |
| Water Debt Service - 2024 | $69,132 |
| New Water Debt<br>[Requested DWRF loan amount.] | $2,413,000 |
| Requested DWRF Loan Term | 30 |
| Requested DWRF Loan Interest Rate | 1.75% |
| New Loan's Annual Water Debt Service (two payments annually) | $103,730 |

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## Current Indicators (2024)
## Town of La Veta
## (Water)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $4,104,433 | ÷ | Population | 925 | = | $4,437 |
| | New Debt | $2,413,000 | ÷ | Population | 925 | = | $2,609 |
| | Total Debt + New Debt | $6,517,433 | ÷ | Population | 925 | = | $7,046 |
| 2 | Total Debt | $4,104,433 | ÷ | Number of Taps | 592 | = | $6,933 |
| | New Debt | $2,413,000 | ÷ | Number of Taps | 592 | = | $4,076 |
| | Total Debt + New Debt | $6,517,433 | ÷ | Number of Taps | 592 | = | $11,009 |
| 3 | Total Debt | $4,104,433 | ÷ | Assessed Value | $9,155,000 | = | 44.83% |
| | New Debt | $2,413,000 | ÷ | Assessed Value | $9,155,000 | = | 26.36% |
| | Total Debt + New Debt | $6,517,433 | ÷ | Assessed Value | $9,155,000 | = | 71.19% |
| 4 | Total Debt | $4,104,433 | ÷ | Actual Value | $88,234,000 | = | 4.65% |
| | New Debt | $2,413,000 | ÷ | Actual Value | $88,234,000 | = | 2.73% |
| | Total Debt + New Debt | $6,517,433 | ÷ | Actual Value | $88,234,000 | = | 7.39% |
| 5 | Current Water Debt | $866,553 | ÷ | Number of Taps | 592 | = | $1,464 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $5,540 | ÷ | MHI | $52,804 | = | 10.49% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $1,729,714 | ÷ | Current Liabilities | $77,106 | = | 2243% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $1,652,608 | ÷ | Current Expenses | $316,035 | = | 523% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $404,456 | ÷ | Operating Expenses | $246,903 | = | 164% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $447,603 | - | | | | |
| | Minus Operating Expenses | $246,903 | | | | | |
| | = | $200,700 | ÷ | Current Debt Service | $69,132 | = | 290% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $200,700 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $200,700 | ÷ | Current Debt Service | $69,132 | = | 290% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $447,603 | | | | | |
| | Minus Operating Expenses | $246,903 | | | | | |
| | = | $200,700 | | Total Debt Service (with new loan) | $172,862 | = | 116% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $200,700 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $200,700 | ÷ | Total Debt Service (with new loan) | $172,862 | = | 116% |
| 13 | Current Debt Service | $69,132 | ÷ | Number of Taps | 592 | = | $116.78 |
| | Annual New Water Debt Service | $103,730 | ÷ | Number of Taps | 592 | = | $175.22 |
| 14 | 2024 Annual Water Rate (Monthly Rate x 12) | $591.94 | ÷ | MHI | $52,804 | = | 1.12% |
| | 2024 Annual Water Rate + New Annual Debt Service Per Tap | $767.15 | ÷ | MHI | $52,804 | = | 1.45% |
| 15 | Current 2024 Monthly User Charge | | | | | | $49.33 |
| | (Debt Service on DWRF Loan / 2024 Taps / Month) | | | | | | $14.60 |
| | Total | | | | | | $63.93 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $1,652,608 | ÷ | Operating Expenses | $246,903 | = | 669% |

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## 2026 SRF Disadvantaged Community Criteria

**Applicant:** Town of LaVeta

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 2,413,000 |
| Interest Rate: | 3.25% |
| Term (years): | 20 |
| Annual Payment: | $ 165,024 |

| | | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|---|
| | Current Population (2024) | <= | 10,000 | 925 | Y | |
| | Population 5 years ago (2020) | | | 903 | | |
| | Poulation 10 years ago (2015) | | | 875 | | |
| | **Primary Factors** | | | | | |
| P1 | MHI (Place) | <= | $ 76,376 | 52,804 | Y | |
| | Margin of Error (MOE) | ± | | 10,885 | | |
| P2 | MHV (Place) | <= | $ 431,520 | 389,300 | Y | |
| | Margin of Error (MOE) | ± | | 72,761 | | |
| P3 | 24 Month Unemployment (County) | >= | 5.35% | 6.42% | Y | |
| | or 10 Year % Chng. Jobs (County) | <= | 0.00% | 15.90% | N | |
| | Jobs (2024) | | | 2,609 | | |
| | Jobs (2015) | | | 2,251 | | |
| | **Priority Factor Count** | | | | 3 | |
| | **Secondary Factors** | | | | | |
| S1 | MHI (County) | <= | $ 76,376 | 52,526 | Y | |
| | Margin of Error (MOE) | ± | | 5,017 | | |
| | Reliability (CV) | <= | 18.00% | 5.81% | Y | |
| S2 | 10 Year % Chng. Population | <= | 0.00% | 5.71% | N | |
| S3 | Assessed Value / Housing Unit | <= | $ 24,337 | $14,837 | Y | |
| | Assessed Value | | | 9,154,575 | | |
| | Total Housing Units | | | 617 | | |

| | | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S4 | Current Debt / Tap / MHV | > | 0.21% | 0.38% | Y | | |
| W | Current + Projected Debt/Tap/MHV | > | 0.21% | 1.42% | Y | | |
| | S4b 80th percentile | | 0.77% | 1.42% | Y | | |

| | | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S5 | System Full Cost / Tap / MHI | > | 1.11% | 1.12% | Y | | |
| | Projected Rate @ 110% Coverage | > | 0.98% | 1.61% | Y | | |
| | S5b 80th percentile | | 1.58% | 1.61% | Y | | |
| | **Secondary Factor Count** | | | | 4 | | |

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

| | |
|---|---|
| Taps or EQR's | 592 |
| Total Debt | 866,553 |
| Principal & Interest | 69,132 |
| Operating Expenses (including operating transfers out) | 246,903 |
| Depreciation | 104,129 |

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## WPCRF & DWRF

| # | Eligiblity Criteria | | Benchmark | Applicant | Points | Notes on Data Used | Result |
|---|---|---|---|---|---|---|---|
| 1 | Population loss or growth is slower than the state's over 5 years | <= | 0.73% | 0.60% | 1.0 | | |
| | Current Population (2024) | | | 925 | | | |
| | Poulation five years ago (2020) | | | 903 | | | |
| 2a | 10 Year % County Job Change | >= | 0 | 15.90% | 0.0 | | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | 5.35% | 6.42% | 0.5 | | |
| 3 | Median Household Income | <= | $ 95,470 | 52,804 | 1.0 | If MHI CV > 40%, calculate result at top of band | Result |
| | | >= | $ 119,338 | | 0.0 | | |
| | Reliability (CV) | <= | 40.00% | N/A | N | | |
| | | | | | | If MHI CV > 40%, calculate result at top of band | Result |
| 4 | Rates compared to MHI | > | 0.76% | 1.12% | 1.0 | | |
| W | Monthly Residential Rate | > | | 49.33 | | | |
| | | | | *based on application only, needs to be confirmed* | | | |
| 5 | Project addresses removal of lead or emerging contaminants | | Yes | No | 0.0 | | |
| 6 | % Population that identifies as minority is greater than 40% | > | 40.00% | 4.23% | 0.0 | | |
| 7 | % Population that are housing burdened is greater than 50% | > | 50.00% | 31.58% | 0.0 | | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | 40.00% | 30.22% | 0.0 | | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | 55.00% | 89.42% | 1.0 | | |
| | % Population over 65 years old | | | 59.20% | | | |
| 10 | Meets base program DAC criteria? | | | Yes | 3.0 | | |
| | **BIL Eligibility Points** | | | | 7.5 | | |

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## 2026 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Town of La Veta |
| **Date of Scoring** | 7/28/26 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 115 |
| **DAC:** | DAC |

| | | | | |
|---|---|---|---|---|
| | **Benchmarks** | | | |
| **$95,470** | **2020-2024 State MHI estimate** | | | |
| | | **Points** | **Entity Value** | |
| **P1** | **MHI** | | $52,804 | 55% |
| | <50% of state MHI | 35 | | |
| | Between 51% and 80% of state MHI | 20 | | |
| | Between 81% and 100% of state MHI | 5 | | |
| | >100% state MHI | 0 | | |
| **S5a** | **User Fees (current water rate at 110%/tap/MHI)** | | 1.12% | |
| | Rates are > 1.55% | 45 | | |
| | Rates are between 1.11% and 1.55% | 25 | | |
| | Rates are < 1.11% | 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 water debt per tap compared to MHV** | | 0.38% | |
| | Debt is > 0.63% | 45 | | |
| | Debt is between 0.21% and 0.63% | 25 | | |
| | Debt is < 0.21% | 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** | | 925 | |
| | 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** | | 14,837 | |
| | 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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# Principal Forgiveness and Priority Point Scoring

Applicant: Town of La Veta
DWRF or WPCRF: DWRF

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: N/A

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

## Base DWRF/WPCRF Principal Forgiveness Scoring

**DWRF/WPCRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 5 |
| DOLA Affordability Score: | 115 |
| Total Score | 120 |

Eligible as a base program DAC? No

Eligible base program DWRF/WPCRF principal forgiveness percentage: N/A

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 35 |
| DOLA Affordability Score: | 115 |
| Total Score: | 150 |

# DWRF LOAN CREDIT REPORT

Town of La Veta (“The Town”), Huerfano County

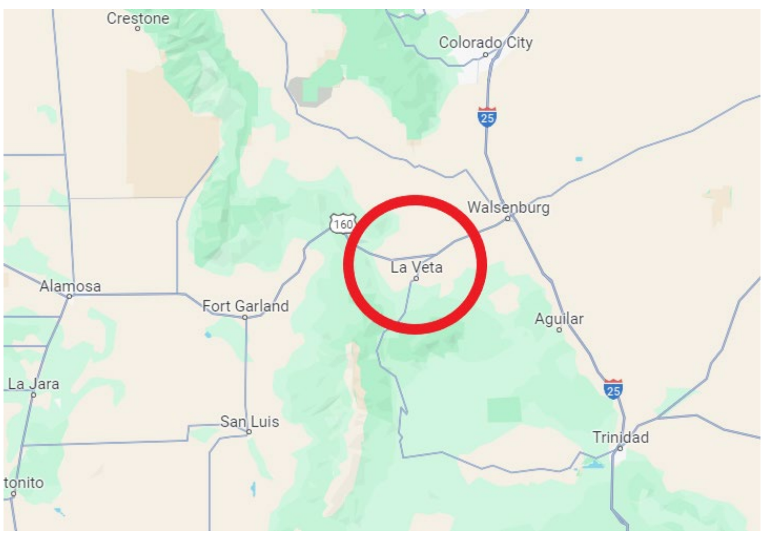
| | |
|---|---|
| **Recommendation:** | **APPROVAL** |
| **Loan Request:** | $3,978,000 |
| **Interest Rate & Term:** | 1.75%, 30 years |
| **Annual Debt Service:** | $61,296 |
| **Pledge:** | Water System Revenue |
| **Current Rate:** | $49.33 |
| **Estimated Rate Increase:** | $0.00 |

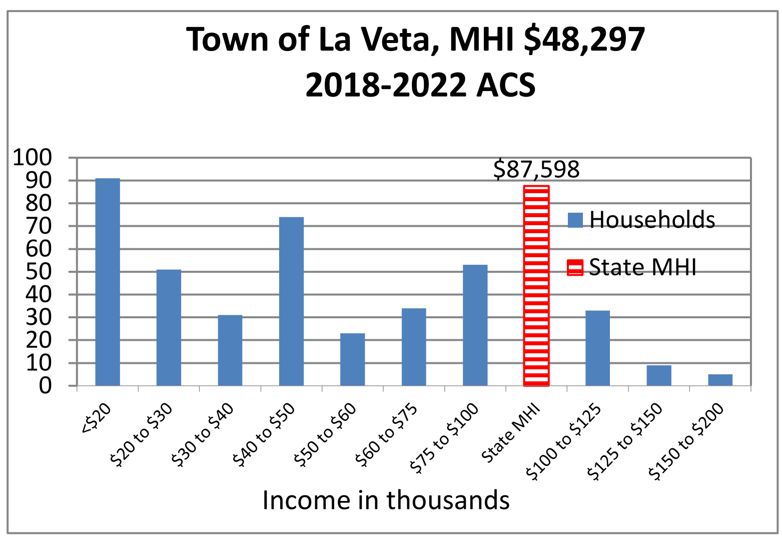
| **Project Budget** | |
|---|---|
| **DWRF BIL Loan:** | $1,425,903 |
| **DWRF BIL Supplemental PF:** | $2,552,097 |
| **2023 EIAF Grant:** | $1,000,000 |
| **2024 D&E Grant:** | $300,000 |
| **Total:** | $5,278,000 |

**PROJECT DESCRIPTION:** This project consists of a new water treatment plant using conventional treatment technology with full automation. There will be three pre-engineered clarifier units, a below grade disinfection contact, a clearwell tank, and a building extension to house the new treatment equipment.

| **COMMUNITY PROFILE: Town of La Veta** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| Town Population | 895 | 899 | 860 | 875 | 891 | | | -0.11% |
| Huerfano County Population | 6,758 | 6,778 | 6,833 | 6,948 | 7,104 | | | 1.26% |
| Huerfano County Jobs | 2,611 | 2,631 | 2,689 | 2,720 | 2,662 | | | 0.48% |
| Number of Water Taps | | | 597 | 599 | 602 | 604 | 604 | 0.29% |
| Number of Sewer Taps | | | 580 | 582 | 585 | 587 | 587 | 0.30% |
| Assessed Value ($000) | | | 8,494 | 8,569 | 9,303 | 9,112 | 9,155 | 1.89% |
| Actual Value ($000) | | | 83,265 | 84,196 | 94,062 | 94,064 | 88,234 | 1.46% |

**BORROWER BRIEF:** The Town of La Veta is located at the base of the Spanish Peaks of the San Juan Mountains in south central Huerfano County. State Highway 12 serves as the Town’s Main Street, and is located approximately 57 miles southwest of Pueblo and 46 miles east of Alamosa.




**RECOMMENDATION:** The Town serves a small, rural community in southern Huerfano County. This proposed loan is necessary to build a new water treatment plant (WTP) using conventional treatment technology with full automation and replace the current, aging WTP. Furthermore, the Town is subject to a compliance schedule and constructing this project will keep the system on course to meet its requirements. The Town has also received strong financial support in the form of grants totaling $1,300,000. With the grants, the Town’s eligibility for BIL funding, and classification as a disadvantaged community, the project is considerably more affordable. We therefore recommend the DWRF Committee approve a $1,425,903 direct BIL loan, and $2,552,097 in BIL principal forgiveness to the Town of La Veta.

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**PROJECT SUMMARY:**

**System summary:** The Town receives water from the Cucharas River and is stored in North and South La Veta lakes. The water is pumped to a filtration system with a bead clarifier and small clearwell. The finished water is stored in two contact time tanks before being sent to the 586 service connections in the distribution system.

**Reason/need:** The original facility was constructed in 1972. In 1996, the existing treatment equipment was converted to a Microfloc type upflow clarifier, three rapid rate gravity filters and a clearwell. In 2009, the Town constructed a new metal building over the original WTP building as the original 1972 metal building had severe corrosion. In 2011, the upflow clarifier was reclassified and the WTP treatment process reclassified as direct filtration. This increased the required disinfection contact time of the WTP. In 2013, the CDPHE Disinfection Outreach Verification Effort (DOVE) program reduced the disinfection contact efficiency of the storage tanks, further restricting the usable volume of the tanks. In 2023, the Town received an enforcement order for the MCL exceedance of the disinfection byproduct HAA5. The WTP is in very poor condition. The existing treatment processes, upflow clarification and filtration, are manually operated and require considerable operator attention.

**System Compliance:** The Town (CO0128500) has an enforcement order issued November 13, 2023 to address disinfection byproducts, specifically HAA5. The Town has a compliance schedule to perform activities to complete construction by October 31, 2025. The project is intended to return the system to compliance.

**Project Delivery Method:** Design/Bid/Build

**Contingency:** 8% of total project cost included as contingency.

| **CURRENT INDICATORS:** | **2020** | **2021** | **2022** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 1,551 | 5,301 | 5,007 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | | | 6,608 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 2,234 | 7,743 | 7,411 | X | >$5,000 | | $2,500-5,000 | | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 9,780 | X | >$5,000 | | $2,500-5,000 | | <$2,500 |
| Current Water Debt/Tap ($): | 1,772 | 1,689 | 1,602 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Current Water + New Water Debt/Tap ($): | | | 3,970 | X | >2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 16% | 54% | 48% | | >50% | X | 25-50% | | <25% |
| Total Debt + New Water Debt/Assessed Value: | | | 63% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 1.60% | 5.51% | 4.74% | | >10% | | 5-10% | X | <5% |
| Total Debt + New Water Debt/Actual Value: | | | 6.26% | | >10% | X | 5-10% | | <5% |
| Current Water Debt + New Debt/Tap/MHI: | | | 8.22% | | >20% | | 10-20% | X | <10% |
| Water Fund Current Ratio (CA/CL): | 1,290% | 1,672% | 2,081% | | <100% | | 100-200% | X | >200% |
| Water Fund Reserves/Current Expense: | 361% | 498% | 586% | | <50% | | 50-100% | X | >100% |
| Water Operating Ratio (OR/OE): | 172% | 180% | 213% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 210% | 871% | 319% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 203% | 266% | 319% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 169% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 169% | | <110% | | 110-125% | X | >125% |
| Current Annual Water Rates/MHI: | | | 1.23% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Water Rates + New Water Debt Service/MHI: | | | 1.44% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | | | 796% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **6** | | **3** | | **12** | |



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**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, twelve are rated strong, three are average and six are considered weak. Overall, the indicators show this proposed loan represents a growing but manageable debt burden for a small community. Moreover, the new debt should not result in user fee increases. The strong indicators show a strong operating ratio and reserves, affordable current and projected rates, and the ability to meet short and long-term obligations. The weak indicators reflect the proposed debt is large relative to the size of the community

- Based on 2022 financial information, coverage with the proposed loan is 169% without tap fee revenue. No additional annual revenue is projected to be needed to meet the SRF program's 110% coverage requirement.
- Over the past three years, the water fund's operating ratio and current ratio has exceeded the benchmark for a "strong" indicator, thus demonstrating consistent financial stewardship of the water fund.
- The Town's water rates have not been raised since 2021, however, they remain sufficient to cover expenses. Rate increases may be considered following the final cost determinations for this project, but the Town is not planning any increases at this time.
- Without principal forgiveness, the coverage ratio decreases to 92% without tap fee revenue. Additional annual revenue of about $43,999, or $6.07 per tap per month, would increase the coverage ratio to 110%.

**Additional Project Financing:**
In July 2023, the Town was awarded an Energy/Mineral Impact Assistance Grant (EIAF) for $1,000,000. The Town also received a Design & Engineering (D&E) grant totaling $300,000 in March 2024.

**DESCRIPTION OF THE LOAN:**
An estimated $1,425,903 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the Town approximately $61,296 in debt service annually. The Town also qualifies for $2,552,097 in BIL principal forgiveness.

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

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

| | Benchmark | | Borrower | Met? | | Benchmark | | Borrower | Met? |
|---|---|---|---|---|---|---|---|---|---|
| P1: MHI | $70,078 | >= | $48,297 | Yes | S1: County MHI | $70,078 | >= | $49,631 | Yes |
| P2: MHV | $465,900 | >= | $291,700 | Yes | S2: Population Loss | 0.00% | >= | 3.13% | No |
| P3: County Unemployment | 5.38% | <= | 5.94% | Yes | S3: Assessed Value per Housing unit | $24,963 | >= | $15,403 | Yes |
| County Job Change | 0.00% | >= | 0.30% | No | S4b: Current and Projected System Debt | 0.30% | < | 2.81% | Yes |
| | | | | | S4b: 80th Percentile | 1.05% | < | 2.81% | Yes |
| | | | | | S5b: Projected System Cost Per Tap to MHI | 1.08% | < | 1.95% | Yes |
| | | | | | S5b: 80th Percentile | 1.63% | < | 1.95% | Yes |

Based on 2018-2022 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1.

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



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**BIL Principal Forgiveness Eligibility:**
In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The Town scores 7.5 points as shown below.

| BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.71% | > | -0.11% | 1 |
| 2a: County Job Change | 0.00% | > | 0.30% | |
| 2b: County Unemployment | 5.38% | < | 5.94% | 0.5 |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $87,598 | > | | |
| | $109,498 | < | $48,297 | 1 |
| 4: Rates to MHI | 0.81% | < | 1.23% | 1 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 13.37% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 29.88% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 32.89% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 87.34% | 1 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| | | | **Total Points Scored:** | 7.5 |

The Town qualifies for BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 64.115%, the Town qualifies for approximately $2,552,097 in principal forgiveness, leaving an estimated loan of $1,425,903.

**ECONOMIC ANALYSIS:** The Town has a 2022 population estimated at 891 and has changed at an average annual rate of -0.11% since 2018. Huerfano County has experienced an increase of 1.26% in population since 2018. The state population increased at an average annual rate estimated 0.71%.

The region's economy is dominated by retirees and the next largest base industries consist of tourism, government and regional services such as healthcare and transportation. In Huerfano County, Government accounts for the largest job sector (18%), along with Health Service and Retail Trade (16%). The area's largest employers consist of the Le Veta School District (45 employees); Spanish Peaks Medical Clinic (15 employees); Sangre Agro Tech (12 employees); the Town of La Veta (10 employees); and Charlie's Market (8 employees).

No single customer accounts for more than 3% system utilization.

**ORGANIZATIONAL ANALYSIS:**
**Bond Rating**
The Town's debt has not been rated by Fitch, Moody's, or Standard & Poor's in the last five years.

**Section 37-60-126(2) C.R.S. (Water Conservation Planning)**
The Town does not sell more than 2,000 acre-feet of water per year.

**Organizational Structure**
The Town is a statutory town governed by a board of trustees and was incorporated in 1876. The Town provides services including Marshal (police) and fire protection, water and wastewater services, public works services, and parks and recreation services. The Town reports a full time operator staffs the system, who reports to the Board of Trustees.

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

**Technical/Managerial/Financial (TMF)**
The WQCD and DLG conducted a review of the Town's technical, managerial and financial capacity to operate the water system. The review resulted in no mandatory recommendations

**Capital Improvement Plan**
As part of the application process, the Town submitted a capital improvement schedule, which anticipates capital outlay of $700,000 for several maintenance projects for the water fund. These projects begin in 2035 and last through 2050 and include replacement of process pumps at the WTP, replacement of customer meters, and distribution system replacement. These projects will be funded from reserves.

**Intergovernmental**
The Town has a 2017 Intergovernmental Agreement (IGA) with the Navajo Western Water District (the District), where the District leases 5.0 acre feet annually of consumptive use of the District Water Rights to the Town. The Town may terminate the lease if it determines it will be impossible or impractical to obtain approval of a substitute water supply plan. In the event of litigation between the parties regarding the performance of either party's obligations, the prevailing party shall be awarded its costs and reasonable attorney fees. The agreement shall terminate in December 2042, unless the District reaches 75% buildout prior to 2037. Should the District achieve 75% buildout, the agreement will expire in December five years after that point.

**REVENUE ANALYSIS:**
The Town's water system revenues have been steady over the last several years, with an increase in 2021, before leveling off again in 2022. The 2021 revenue increases were attributed to greater usage accompanying new development and taps. Tap fee revenue has been an inconsistent source of revenue over the last five years, but operating revenues have consistently covered operating expenses by a wide margin. The Town expects moderate growth at about a 1% per year moving forward, and has 12 affordable homes scheduled to be built in the next four years.

Operating expenditures declined slightly from 2018-2020, then peaked in 2021, before decreasing again in 2022. The modest 2021 increase was attributed to supply cost increases stemming from the pandemic and ordering more parts given the shortage. In 2022, operating expenditures declined as fewer maintenance purchases were needed.

| TRENDS | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Monthly Water Rate ($) | | | 39.79 | 49.33 | 49.33 | 49.33 | 49.33 |
| Monthly Sewer Rate ($) | | | 35.82 | 49.82 | 49.82 | 49.82 | 49.82 |
| Residential Water Tap Fee ($) | | | 5,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Residential Sewer Tap Fee ($) | | | 2,500 | 4,000 | 4,000 | 4,000 | 4,000 |
| Total Water Revenue ($) | 331,232 | 345,313 | 337,602 | 828,094 | 412,334 | | |
| Tap/Development Fees ($) | 0 | 8,000 | 5,000 | 417,500 | 0 | | |
| Water Operating Revenue ($) | 330,078 | 336,101 | 331,304 | 408,841 | 410,285 | | |
| Water Operating Expenses ($) | 214,214 | 210,116 | 192,817 | 227,513 | 192,426 | | |
| Water Net Operating Income ($) | 115,864 | 125,985 | 138,487 | 181,328 | 217,859 | | |
| Water Debt ($) | 1,147,743 | 1,103,324 | 1,057,955 | 1,011,615 | 964,283 | | |
| Total Debt ($) | 1,462,743 | 1,398,824 | 1,333,955 | 4,638,217 | 4,461,610 | | |
| Water Debt Service ($) | 68,932 | 68,924 | 68,919 | 68,914 | 68,910 | | |
| Water Debt Service/Tap/Month ($) | | | 9.62 | 9.59 | 9.54 | | |
| Water Fund Reserves ($) | 721,179 | 868,602 | 944,255 | 1,475,704 | 1,531,749 | | |

| Ratios | 2018 | 2019 | 2020 | 2021 | 2022 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 100% | 97% | 98% | 49% | 100% | 89% |
| Operating Revenue as % of Expenses | 154% | 160% | 172% | 180% | 213% | 176% |
| Tap Fee Revenue as % of Total Revenue | 0.00% | 2.32% | 1.48% | 50% | 0.00% | 11% |

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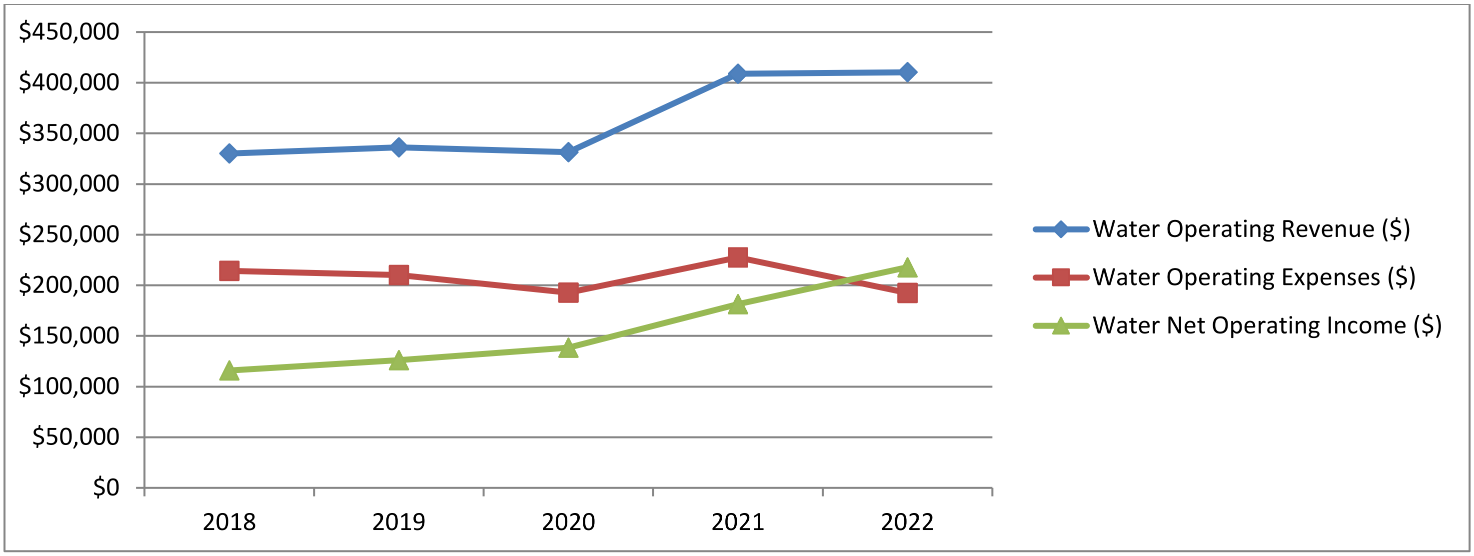


**Recent Rate Increases**
The Town's most recent rate increase of $9.54 for water and $14.00 for sewer were implemented on January 1, 2021.

**User Charges**
The Town's current monthly water rate is estimated at $49.33 compared to the 2022 estimated state median of $59.19. The Town's average monthly water rate is based on typical residential consumption of 4,537 gallons per month. Residential users pay a $31.18 base rate ($9.16 for debt service and $22.02 O&M) and a volume charge of $4.00 per 1,000 gallons for consumption. Commercial users are charged per an EQR schedule.

The Town's current monthly sewer rate is a flat $49.82 ($23.82 debt service and $26.00 O&M) compared to the 2022 estimated state median of $41.23. Commercial users are charged per an EQR schedule.

**Contributed Capital**
Revenue from tap fees has ranged from $0.00 to $417,500 and has averaged 11% of total water revenue during the last five years. The Town's most recent water tap fee rate increase occurred in January 2021.

- Residential water tap fees are $7,000.
- Residential sewer tap fees are $4,000.
- Commercial users are charged per an EQR schedule for the type of business and ranges from .01 to 1.20 EQR.

| **Current System Utilization** | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 86% | 95% |
| **Non-residential (per EQR)** | 14% | 5% |

| **Current Fee Summary** | | |
|---|---|---|
| Tap size | Water user/tap fees | Sewer user/tap fees |
| ¾" | $49.33/$7,000 | $49.82/$4,000 |
| ¾" | $49.33/$7,000 | $49.82/$4,000 |

**DEBT as of December 31, 2022**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2008 | CWRPDA | 2039 | Water System Revenue | $708,429 | 1.875% | $50,118 |
| 2014 | CWCB | 2040 | Water System Revenue | $255,854 | 3.0% | $19,014 |



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

The Town has met the Loan Covenants on its DWRF direct loan dated 2008 with the Authority. The Town has also had no debt service payment issues.

Prepared by: Peter Dietrich
Date: August 6, 2024

Project # 141451D-B

Cost Categories:
Planning and Design Only (non-construction) – 9.8%
Construction - Treatment 84.8%
Other – 5.4%



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| **August 8, 2024**<br><br>**DWRF Credit Report**<br>**La Veta, Huerfano County, CO**<br>**Using most recent data available**<br>**(Census, audits, local records)** | |
|---|---|
| **Estimated Population - 2022** | **891** |
| **Number of Water Taps/Customers - 2022** | **602** |
| **Total Assessed Valuation (in thousands) - 2022** | **$9,303,000** |
| **Actual Value of All Real Property (in thousands) - 2022** | **$94,062,000** |
| **Median Household Income (MHI) - 2022** | **$48,297** |
| **Monthly Water Rate - 2022** | **$49.33** |
| **Water Operating Revenue - 2022** | **$410,285** |
| **Water Total Revenue - 2022**<br>**[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.]** | **$412,334** |
| **Water Tap and System Development Fee Revenue - 2022** | **$0** |
| **Water Operating Expense - 2022** | **$192,426** |
| **Water Current Expense - 2022** | **$261,336** |
| **Water Debt - 2022** | **$964,283** |
| **Total Debt - 2022** | **$4,461,610** |
| **Water Fund Reserves - 2022** | **$1,531,749** |
| **Water Debt Service - 2022** | **$68,910** |
| **New Water Debt**<br>[Requested DWRF loan amount.] | **$1,425,903** |
| **Requested DWRF Loan Term** | **30** |
| **Requested DWRF Loan Interest Rate** | **1.75%** |
| **New Loan's Annual Water Debt Service (two payments annually)** | **$61,296** |

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## Current Indicators (2022)
## Town of La Veta
## (Water Only)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $4,461,610 | ÷ | Population | 891 | = | $5,007 |
| | New Debt | $1,425,903 | ÷ | Population | 891 | = | $1,600 |
| | Total Debt + New Debt | $5,887,513 | ÷ | Population | 891 | = | $6,608 |
| 2 | Total Debt | $4,461,610 | ÷ | Number of Taps | 602 | = | $7,411 |
| | New Debt | $1,425,903 | ÷ | Number of Taps | 602 | = | $2,369 |
| | Total Debt + New Debt | $5,887,513 | ÷ | Number of Taps | 602 | = | $9,780 |
| 3 | Total Debt | $4,461,610 | ÷ | Assessed Value | $9,303,000 | = | 47.96% |
| | New Debt | $1,425,903 | ÷ | Assessed Value | $9,303,000 | = | 15.33% |
| | Total Debt + New Debt | $5,887,513 | ÷ | Assessed Value | $9,303,000 | = | 63.29% |
| 4 | Total Debt | $4,461,610 | ÷ | Actual Value | $94,062,000 | = | 4.74% |
| | New Debt | $1,425,903 | ÷ | Actual Value | $94,062,000 | = | 1.52% |
| | Total Debt + New Debt | $5,887,513 | ÷ | Actual Value | $94,062,000 | = | 6.26% |
| 5 | Current Water Debt | $964,283 | ÷ | Number of Taps | 602 | = | $1,602 |
| | (Current Water Debt + New Water Debt) / Number of Taps | $3,970 | ÷ | MHI | $48,297 | = | 8.22% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $1,609,061 | ÷ | Current Liabilities | $77,312 | = | 2081% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $1,531,749 | ÷ | Current Expenses | $261,336 | = | 586% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $410,285 | ÷ | Operating Expenses | $192,426 | = | 213% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $412,334 | - | | | | |
| | Minus Operating Expenses | <u>$192,426</u> | | | | | |
| | = | $219,908 | ÷ | Current Debt Service | $68,910 | = | 319% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $219,908 | | | | | |
| | Minus Tap and Development Fee Revenu | <u>$0</u> | | | | | |
| | = | $219,908 | ÷ | Current Debt Service | $68,910 | = | 319% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $412,334 | | | | | |
| | Minus Operating Expenses | <u>$192,426</u> | | | | | |
| | = | $219,908 | | Total Debt Service (with new loan) | $130,206 | = | 169% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $219,908 | | | | | |
| | Minus Tap and Development Fee Revenu | <u>$0</u> | | | | | |
| | = | $219,908 | ÷ | Total Debt Service (with new loan) | $130,206 | = | 169% |
| 13 | Current Debt Service | $68,910 | ÷ | Number of Taps | 602 | = | $114.47 |
| | Annual New Water Debt Service | $61,296 | ÷ | Number of Taps | 602 | = | $101.82 |
| 14 | 2022 Annual Water Rate (Monthly Rate x 12) | $591.94 | ÷ | MHI | $48,297 | = | 1.23% |
| | 2022 Annual Water Rate + New Annual Debt Service Per Tap | $693.76 | ÷ | MHI | $48,297 | = | 1.44% |
| 15 | Current 2022 Monthly User Charge | | | | | | $49.33 |
| | (Debt Service on DWRF Loan / 2022 Taps / Month) | | | | | | <u>$8.49</u> |
| | Total | | | | | | $57.81 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $1,531,749 | ÷ | Operating Expenses | $192,426 | = | 796% |

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**2024 SRF Disadvantaged Community Criteria**

**Applicant:** Town of La Veta

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 3,978,000 |
| Interest Rate: | 3.25% |
| Term (years): | 20 |
| Annual Payment: | $ 272,053 |

| | | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|---|
| | Current Population (2022) | <= | 10,000 | 891 | Y | |
| | Population 5 years ago (2018) | | | 895 | | |
| | Poulation 10 years ago (2013) | | | 864 | | |
| | **Primary Factors** | | | | | |
| P1 | MHI (Place) | <= | $ 70,078 | 48,297 | Y | |
| | Margin of Error (MOE) | ± | | 12,680 | OK | |
| | Reliability (CV) | <= | 18.00% | 15.96% | Y | |
| P2 | MHV (Place) | <= | $ 465,900 | 291,700 | Y | |
| | Margin of Error (MOE) | ± | | 46,799 | | |
| | Reliability (CV) | <= | 18.00% | 9.75% | Y | |
| P3 | 24 Month Unemployment (County) | >= | 5.38% | 5.94% | Y | |
| | or 10 Year % Chng. Jobs (County) | <= | 0.00% | 0.30% | N | |
| | Jobs (2022) | | | 2,662 | | |
| | Jobs (2013) | | | 2,654 | | |
| | **Priority Factor Count** | | | | 3 | |
| | **Secondary Factors** | | | | | |
| S1 | MHI (County) | <= | $ 70,078 | 49,631 | Y | |
| | Margin of Error (MOE) | ± | | 5,676 | | |
| | Reliability (CV) | <= | 18.00% | 6.95% | Y | |
| S2 | 10 Year % Chng. Population | <= | 0.00% | 3.13% | N | |
| S3 | Assessed Value / Housing Unit | <= | $ 24,963 | $15,403 | Y | |
| | Assessed Value | | | 9,303,345 | | |
| | Total Housing Units | | | 604 | | |

| | | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S4 | Current Debt / Tap / MHV | > | 0.30% | 0.55% | Y | | |
| W | Current + Projected Debt/Tap/MHV | > | 0.30% | 2.81% | Y | | |
| | S4b 80th percentile | | 1.05% | 2.81% | Y | | |

| | | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S5 | System Full Cost / Tap / MHI | > | 1.23% | 1.07% | N | | |
| | Projected Rate @ 110% Coverage | > | 1.08% | 1.95% | Y | | |
| | S5b 80th percentile | | 1.63% | 1.95% | Y | | |
| | **Secondary Factor Count** | | | | 3 | | |

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

| | |
|---|---|
| Taps or EQR's | 602 |
| Total Debt | 964,283 |
| Principal & Interest | 68,910 |
| Operating Expenses (including operating transfers out) | 192,426 |
| Depreciation | 118,687 |

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## DWRF Only

| | | | | Benchmark | Applicant | Points | Notes on Data Used | |
|---|---|---|---|---|---|---|---|---|
| | **Eligiblity Criteria** | | | | | | | |
| 1 | Population loss or growth is slower than the state's over 5 years | <= | | 0.71% | -0.11% | 1.0 | | |
| | Current Population (2021) | | | | 891 | | | |
| | Poulation five years ago (2017) | | | | 895 | | | |
| 2a | 10 Year % County Job Change | >= | | 0 | 0.30% | 0.0 | | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | | 5.38% | 5.94% | 0.5 | | |
| 3 | Median Household Income | <= | $ | 87,598 | 48,297 | 1.0 | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| | | >= | $ | 109,498 | | 0.0 | | |
| | Reliability (CV) | <= | | 40.00% | 15.96% | Y | | |
| | | | | | | | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| 4 | Rates compared to MHI | > | | 0.81% | 1.23% | 1.0 | | |
| W | Monthly Residential Rate | > | | | 49.33 | | | |
| | | | | | *based on application only, needs to be confirmed* | | | |
| 5 | Project addresses removal of lead or emerging contaminants | | | Yes | No | 0.0 | | |
| 6 | % Population that identifies as minority is greater than 40% | > | | 40.00% | 13.37% | 0.0 | | |
| 7 | % Population that are housing burdened is greater than 50% | > | | 50.00% | 29.88% | 0.0 | | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | | 40.00% | 32.89% | 0.0 | | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | | 55.00% | 87.34% | 1.0 | | |
| | % Population over 65 years old | | | | 54.45% | | | |
| 10 | Meets base program DAC criteria? | | | | Yes | 3.0 | | |
| | **BIL Eligibility Points** | | | | | 7.5 | | |

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## 2024 IUP DWRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Town of La Veta |
| **Date of Scoring** | 7/8/2024 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 155 |
| **DAC:** | DAC |

| | | | | |
|---|---|---|---|---|
| | **Benchmarks** | | | |
| **$87,598** | **2018-2022 State MHI estimate** | | | |
| | | **Points** | **Entity Value** | |
| **P1** | **MHI** | | $48,297 | 55% |
| | <50% of state MHI | 35 | | |
| | Between 51% and 80% of state MHI | 20 | | |
| | Between 81% and 100% of state MHI | 5 | | |
| | >100% state MHI | 0 | | |
| **S5b** | **User Fees (projected water rate at 110%/tap/MHI)** | | 1.95% | |
| | Rates are > 1.63% | 45 | | |
| | Rates are between 1.08% and 1.63% | 25 | | |
| | **OR** | | | |
| **S5b** | **User Fees for a combined water & sewer fund** | | | |
| | Rates are > 2.90% | 45 | | |
| | Rates are between 1.94% and 2.90% | 25 | | |
| **S4b** | **Projected water debt per tap compared to MHV** | | 2.81% | |
| | Debt is > 1.05% | 45 | | |
| | Debt is between 0.30% and 1.05% | 25 | | |
| | **OR** | | | |
| **S4b** | **Projected water & sewer debt (for combined systems)** | | | |
| | Debt is > 2.15% | 45 | | |
| | Debt is between 0.67% and 2.15% | 25 | | |
| | **Population served** | | 891 | |
| | 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** | | 15,403 | |
| | AV per household is < $11,959 | 35 | | |
| | AV per household is between $11,959 and $24,963 | 20 | | |
| | AV per household is between $24,963 and $43,240 | 10 | | |
| | AV per household is greater than $43,240 | 0 | | |

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# Principal Forgiveness and Priority Point Scoring

Applicant: Town of La Veta
DWRF or WPCRF:DWRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 64.115%

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $3,000,000

## Base DWRF Principal Forgiveness Scoring

**DWRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 15 |
| DOLA Affordability Score: | 155 |
| Total Score | 170 |

Eligible as a base program DAC? Yes

Eligible base program DWRF principal forgiveness percentage: 60%

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 20 |
| DOLA Affordability Score: | 155 |
| Total Score: | 175 |

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# COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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


**MEMORANDUM**
August 12, 2026

**TO:** Project Finance Committee and Karl Ohlsen

**FROM:** Wes Williams, Finance Director
Giorgi Gazashvili, Financial Analyst II

**RE:** Review of the Montezuma County Local Improvement District No. 2023-1 Upper Road 42 Disadvantaged Community ("DAC") Business Case
Drinking Water Revolving Fund ("DWRF")

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

**Montezuma County Local Improvement District No. 2023-1 Upper Road 42**

The Montezuma County Local Improvement District No. 2023-1 Upper Road 42 (the "District"), located in Montezuma County, is seeking approval of a DAC Business Case to allow for potential access to a reduced interest rate through the DWRF program, and DAC approval would qualify the District to receive Infrastructure Investment Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") Principal Forgiveness ("PF") and/or Base DAC PF, if available. If the District is approved for DAC status it would automatically be approved for IIJA/BIL benefits. The District is currently not qualified for IIJA/BIL nor DAC eligibility. The proposed project will include construction of a new domestic water distribution system with booster pumps and a water storage tank. The project will become an extension of the Mancos Rural Water Company water distribution system, providing domestic drinking water to residents reliant on hauling water. The District submitted a Project Needs Assessment ("PNA") on April 7, 2023, and it was determined the District did not qualify for DAC status at the time and have not been determined eligible at loan application. The project cost is high compared to the estimated number of taps and would lead to very high debt burden for the community, but there is no specific demographic data available for this community along Montezuma County Road 42. We therefore forward the District's request for disadvantaged community status to the DWRF committee for consideration with a neutral staff recommendation.

| Factor | Entity Figures | Benchmark | Qualify? | Notes |
|---|---|---|---|---|
| P1: MHI | $128,191 | <=$76,736 | No | The block group (the smallest geography available) is several times larger than the District and may not be representative of the District's population. CV is 16.57%. |
| P2: MHV | $423,918 | <=$431,520 | Yes | |
| P3: County Unemployment or County Jobs | 4.52%<br>9.82% | >=5.35%<br><= 0% | No | |
| S1: County MHI | $65,244 | <= $76,376 | Yes | |
| S2: Population change | N/A | <=0.0% | | Because the system is not built, there was no change in population served. |
| S3: AV/Households | $32,333 | <=$24,337 | No | |
| S4b: Current system debt | 19.40% | >0.21% | Yes | |
| S5b: Current system cost | 4.83% | >0.98% | Yes | |

Attachments: Montezuma County Local Improvement District No. 2023-1 Upper Road 42 DWRF 2026 DAC Business Case

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**Recommendation**

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

**Note:** A Zoom conference call has been scheduled for **Wednesday, 9:00 a.m. August 12, 2026**. The link to join via online is: https://us06web.zoom.us/j/86434046643?pwd=bP0FDXrGyJUHCspT1XMDVpl1ahOA7s.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **864 3404 6643**. The passcode is: **163551**.

Attachments: Montezuma County Local Improvement District No. 2023-1 Upper Road 42 DWRF 2026 DAC Business Case

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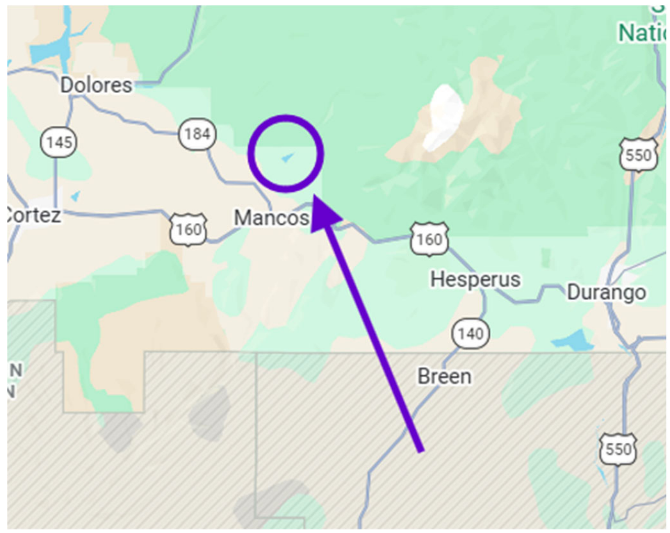
# BUSINESS CASE REQUEST (2026)

Montezuma County Local Improvement District No. 2023-1 Upper Road 42 ("The District")

| | | | | |
|---|---|---|---|---|
| **Recommendation:** | **Neutral** | **Funding sources:** | DWRF Loan: | $2,385,000 |
| **Est. Project Total:** | $2,494,749 | | 2024 D&E Grant: | $80,000 |
| **Est. Amount of Loan:** | $2,385,000 | | 2023 Planning Grant: | $7,489 |
| **Pledge:** | Property assessments | | Southwest Basin Roundtable | $22,260 |
| | | | Total: | $2,494,749 |

**Project Description**: Construction of a new domestic water distribution system with booster pumps and a water storage tank. The project will become an extension of the Mancos Rural Water Company water distribution system, providing domestic drinking water to residents reliant on hauling water.




**Recommendation:** The District was formed to build a water distribution system for a group of households near Mancos State Park, approximately five miles northwest of the Town of Mancos. The properties were developed in the late 1980s and property owners expected that the Mancos Rural Water Company ("MRWC") would extend their system to include their properties. Now, MRWC will only connect those properties to the water system if the property owners build a distribution system. The community of 29 taps that will be served by the new system would be heavily burdened by the cost of the project. The project cost is high compared to the estimated number of taps and would lead to very high debt burden for the community but there is no specific demographic data available for this community along Montezuma County Road 42. We therefore forward the District's request for disadvantaged community status to the DWRF committee for consideration with a neutral staff recommendation.

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

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

| Factor | Entity Figures | Benchmark | Qualify? | Notes |
|---|---|---|---|---|
| P1: MHI | $128,191 | <=$76,736 | No | The block group (the smallest geography available) is several times larger than the District and may not be representative of the District's population. |
| P2: MHV | $423,918 | <=$431,520 | Yes | |



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**BUSINESS CASE REQUEST (2026)**

Montezuma County Local Improvement District No. 2023-1 Upper Road 42 (“The District")

| | | | | |
|---|---|---|---|---|
| P3: County Unemployment or County Jobs | 4.52%<br>9.82% | >=5.35%<br><= 0% | No | |
| S1: County MHI | $65,244 | <= $76,376 | Yes | |
| S2: Population change | N/A | <=0.0% | | Because the system is not built, there was no change in population served. |
| S3: AV/Households | $32,333 | <=$24,337 | No | |
| S4b: Current system debt | 19.40% | >0.21% | Yes | |
| S5b: Current system cost | 4.83% | >0.98% | Yes | |

Scoring zero of the three required points, the District is not currently eligible for IIJA/BIL PF and is not a DAC. The District’s funding package will ultimately depend on the amount of the loan request and availability of funds. However, based on current funding levels and PF caps/maxes, there are two potential funding scenarios:

Scenario 1: $2,385,000 loan (no IIJA/BIL or DAC PF; no funds available or ineligible).

Scenario 2: $1,087,369 loan; $1,297,631 IIJA/BIL PF; (business case approved; IIJA/BIL PF and DAC eligible)

The credit report which is being considered during the same application cycle as this business case request is written for a $2,385,000 loan without PF. On November 7, 2023 the District secured voter approval for a $1,728,511 increase in debt with a maximum annual revenue of $99,960. The ballot issue authorizing the debt and tax increases passed 30 to zero. If this business case is not approved, the District will need to return to its voters to obtain authorization to take on the entire loan or find another revenue source. If this business case is approved, the District will likely be able to proceed with the PF and avoid returning to its voters for additional debt and assessments.

## Explanation of Factors

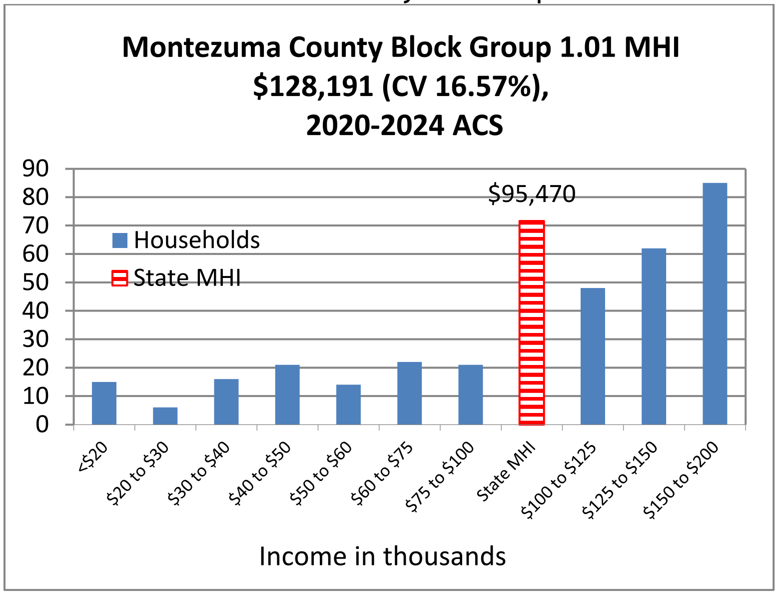
**Existing debt as of December 31, 2024:**

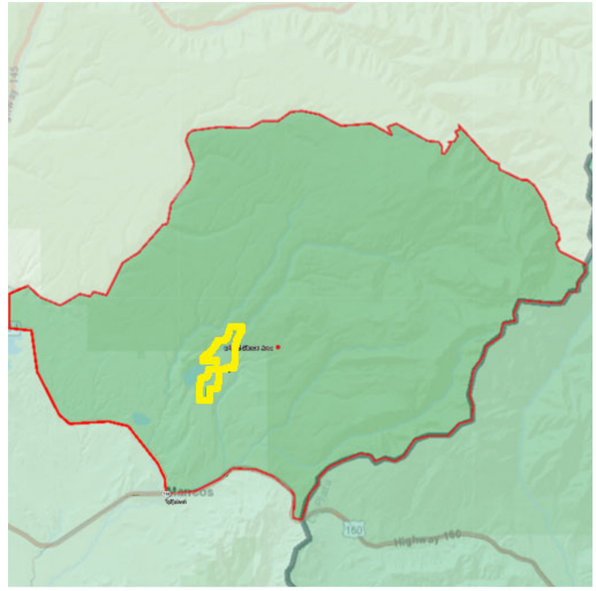
The District has no existing debt as of December 31, 2024.

**P1:** The smallest geographic area for the ACS dataset is the block group, which encompasses an area far greater than that of the District. In the below map, the block group is outlined in red and the District boundaries are outlined in yellow. The District’s estimated population is 73 while the block group’s estimated population is almost ten times greater at 754.

**BUSINESS CASE REQUEST (2026)**

Montezuma County Local Improvement District No. 2023-1 Upper Road 42 ("The District")



While the block group estimate does exceed the DAC MHI benchmark, the block group is not geographically representative of the District.

**P2:** Based on data provided by the Montezuma County Assessor's Office, the median home value within the District is $423,918, which is slightly below the benchmark of $431,520 (which is 80% of the state median home value). The ACS estimate for the Block Group is $441,700, which is slightly higher than the actual median home value of the District.

**P3:** The region's economy is dominated by healthcare, retail, local government, agriculture, and hospitality. Regional services, retirees, agribusiness, and tourism make up the majority of the economy. Montezuma County saw the number of jobs increase from 11,225 to 12,400 from 2020 to 2024, with most jobs sectors expanding except for transportation/warehousing, manufacturing, mining/extraction, healthcare, and manufacturing.

**S1:** The County's MHI is below the benchmark.

**S2:** N/A

**S3:** The District's assessed value per housing unit is above the benchmark.

**S4:** The District's projected debt per tap compared to MHV, 19.40%, far exceeds both the current benchmark of 0.21% and the 80$^{th}$ percentile benchmark (for DAC category 2 determinations) of 0.77%, reflecting very high debt burden associated with the loan.

**S5:** The District's projected full cost per tap compared to MHI, 4.83%, far exceeds both the current benchmark of 0.98% and the 80$^{th}$ percentile benchmark (for DAC category 2 determinations) of 1.58%, reflecting very high cost burden associated with the loan.

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

In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans.

**BUSINESS CASE REQUEST (2026)**

Montezuma County Local Improvement District No. 2023-1 Upper Road 42 (“The District")

Additionally, a community with DAC status is automatically eligible for IIJA/BIL principal forgiveness. The District scores zero points using the following criteria:

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | 0.00% | 1 |
| 2a: County Job Change | 0.00% | > | 9.82% | |
| 2b: County Unemployment | 5.35% | < | 4.52% | 0 |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | | |
| | $119,338 | < | $128,191 | -1 |
| 4: Rates to MHI | 0.76% | < | 0.72% | 0 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 12.60% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 12.39% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 3.32% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 48.15% | 0 |
| 10: Meets DAC criteria | Yes | | No | 0 |
| | | | **Total Points Scored:** | 0 |

If this request is approved, the District will automatically qualify for IIJA/BIL PF.

**Upper Road 42 Local Improvement District**
42115 Road N.25
Mancos, CO 81328
970-379-5715

Board of Directors
Colorado Water Resources and Power Development Authority
1580 N. Logan St, Ste 820
Denver, CO 80203

June 16, 2026

**Re: Business Case for IIJA/BIL Loan Forgiveness Eligibility**

Dear CWRPDA Board of Directors,

The UR42LID is requesting a business case for loan forgiveness eligibility. Without loan forgiveness, the monthly property assessment would be in excess of $400/month per tap, which is unaffordable for the majority of the property owners.

For nearly 40 years, the property owners of this area have been waiting to be connected to Mancos Rural Water Company (MRWC). With no plans for expansion of the MRWC distribution system, the property owners formed the Upper Road 42 Water Association, Inc (UR42WA) in 2019 and received a letter of commitment to serve treated water to the properties from MRWC. With grant funding from the Southwest Basin Roundtable in 2020, a Planning Grant and Design and Engineering loan from CDPHE and SRF, the Association held an election to become a Local Improvement District in Montezuma County in order to qualify for more funding opportunities. There were many setbacks over the last seven years that have significantly delayed this project, and we would like to provide that background information on the timeline up to this point.

Over the last seven years, the UR42WA/LID has been searching and applying for every funding opportunity we qualify for to get this project to the finish line. In January 2026, UR42LID submitted our SRF application and within one day received another call from CDPHE informing us the loan forgiveness was no longer available. We were encouraged to pull our application and hold on to it until the June 2026 deadline, at which point the loan forgiveness may be available again. We were informed that the IIJA/BIL expires in January 2027, so the June deadline is our last opportunity for loan forgiveness.

UR42LID resubmitted our application on June 4, 2026 working closely with CDPHE. The LID has been informed we do not qualify for loan forgiveness as we are not a disadvantaged community according to new DOLA criteria. UR42LID has expressed to DOLA, CDPHE and CWRPDA that without supplemental grant funding or loan forgiveness, the principal payments of more than $400 per month per tap are financially infeasible for the majority of our members. Of the 29 properties in the project boundary, excluding the commercial properties of Mancos State Park and Mancos Water Conservancy District, 25 of the properties are owned by retired residents, living on a fixed income. While two or three of the 29 properties are affluent, the rest are not able to afford a $400 per month property assessment in addition to other monthly costs of living.

The properties in the UR42LID have been hauling water for nearly 40 years. There are no water hauling companies currently serving our area so all water must be hauled privately. The majority of the residents are over 65 years old and the chore of hauling water weekly has become a burden to many. While our neighbors help each other and fill our elderly neighbors' cisterns for them, we have been waiting for uninterrupted, reliable, safe drinking water for nearly four decades, which is less than ¼-mile from the first tap.

This project is not only beneficial to the property owners; it is beneficial to MRWC by providing increased pressure to customers whose pressure doesn't currently meet CDPHE design criteria, and providing their water distribution system with a redundant water storage tank that can be back-fed into the rest of the system or used while another tank is taken offline for maintenance. Radios are planned to be placed atop the tank for MRWC, Mancos Water Conservancy District, BOR, and Mancos State Park for communications and the proposed pump station is a repurposed pump station from the City of Durango, which they would have to pay to have removed/demolished. The water system extension was designed not only by an engineering firm, but in collaboration with water operators to ensure the system that would be handed over would be easily operational on day one and a true upgrade to the MRWC distribution system. This project has the full support of the Southwest Basin Roundtable, the Montezuma Board of County Commissioners, many staff at CDPHE, DOLA, CWRPDA, and has wide community support.

The UR42LID formally requests a business case for loan forgiveness eligibility based on the need for the project, the average age of our residents, the average income, no opportunity for growth, the many challenges and setbacks this project has faced, the mutual benefits this project provides for MRWC's water distribution system and existing MRWC customers, Mancos Water Conservancy District, BOR, and Mancos State Parks communications, community residential and organization support, support from local government officials, and of course, the full support of the members of the UR42LID.

Thank you for your consideration. Should you have any questions or require additional project details or background, please contact us.

Sincerely,

Laura Rieck
District Administrator
Upper Road 42 Local Improvement District
upperroad42water@gmail.com
970-379-5715

BACK TO AGENDA

ec: UR42LID members
Erick Worker, CDPHE
Ian Loffert, CWRPDA

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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**

**August 19, 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**

At the June 2026, Board meeting, staff presented several broad options for modifying DAC eligibility criteria and were directed to further evaluate criteria that could replace or supplement the current DAC methodology while aligning more closely with Infrastructure Investment and Jobs Act (IIJA) / Bipartisan Infrastructure Law (BIL) affordability considerations. The DAC Subcommittee has evaluated a range of potential criteria, including existing IIJA/BIL affordability indicators, current DAC criteria, and additional measures included within Colorado's definition of disproportionately impacted communities.

**Staff Recommendations:** Staff recommends continuing development of a points-based DAC methodology and seeks Board direction regarding which criteria should be included in the benchmark and weighting analysis. Based on the attached DAC Subcommittee memo 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 | Retain |
| Poverty + Population Over 65 | Retain |
| Median Home Value (MHV) | Retain |
| Assessed Value per Household | Retain |
| System Debt per Tap Relative to MHV | Retain |
| System Full Cost/Required Revenue per Tap Relative to MHI | Retain |
| Mobile Home Communities | Add, Auto Qualify |
| Lead Service Line/Emerging Contaminant Projects | Do Not Include |
| Linguistically Isolated Communities | Do Not Include |

**Next Steps:** Following Board discussion and direction, staff will conduct a comprehensive data analysis of the selected criteria to evaluate potential benchmark values, weighting methodologies, and DAC qualification thresholds. Staff anticipates returning to the Board with a recommended scoring framework, supporting analyses, and proposed revisions to DAC eligibility criteria for future consideration and possible approval.

**Board Action:** Review and discuss the Board's desires and strategies regarding potential DAC criteria and staff recommendations and offer guidance on criteria to be included in the development of a revised DAC scoring methodology to be presented for possible approval at a future Board meeting.

Attachments: August 2026 DAC Criteria Updates DAC Subcommittee Memo

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**MEMORANDUM**

**To:** SRF Committee
**From:** DAC Subcommittee
**Date:** July 28, 2026
**Re:** DAC Criteria Updates

## Background/ Reason and Need

The Authority 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. After presenting the Authority Board with several broad options for making changes to the Disadvantaged Community (DAC) eligibility criteria at the June 2026 Board meeting, staff was directed to further explore and present more detailed options for modifying IIJA/BIL criteria to replace existing DAC criteria and scenarios.

Staff has developed a list of potential criteria that could replace existing DAC criteria. Each criterion will have a benchmark as well as a number of points associated with that criterion. Communities would then have a total number of points that will be compared with a threshold number to determine DAC status. While the benchmarks, points per criterion, and total points threshold will need to be set later, staff is seeking direction now on which DAC criteria should be included. Below is a list of DAC criteria options based on IIJA/BIL criteria, in addition to other criteria options from the existing DAC program, as well as criteria options which are neither in the existing DAC program nor the current IIJA/BIL criteria.

Staff seeks Authority Board direction on which of the following criteria to include in a 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 by the Authority Board.

## DAC Criteria Options and Recommendations

**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.

**Existing IIJA/BIL 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
    b. **Recommendation:** Retain this criterion because slowing population growth or population decline indicates both socioeconomic challenges as well as increasing cost and debt burden on a shrinking community. The Clean Water Act requires states to consider population trends when formulating affordability criteria.
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
    d. **Recommendation:** Retain this criterion because the Clean Water Act requires states to consider unemployment data when formulating affordability criteria.
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)
    d. **Recommendation**: Retain this criterion because the Clean Water Act requires states to consider income when formulating affordability criteria.
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
    c. **Recommendation**: Retain this criterion because rates directly impact community members and indicate affordability.
5. Project addresses removal of lead or emerging contaminants as these water quality contaminants contribute to environmental risk factors and health disparities. (1 point)
    a. **Recommendation**: Do not include this criterion because dedicated funds for lead or emerging contaminants do not exist within the base program.
6. The percentage of the population within a community that identifies as minority. (benchmark is 40%) (1 point)
    a. Data source: ACS
    b. **Recommendation**: Retain this criterion since it is in the state definition of disproportionately impacted communities.
7. The percentage of population within a community that is housing-burdened. (benchmark is 50%). (1 point)

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   a. Data source: ACS
   b. **Recommendation**: Retain this criterion since it is in the state definition of disproportionately impacted communities.
8. The percentage of the population within a community living under 200% of the poverty level. (benchmark is 40%). (1 point)
   a. Data source: ACS
   b. **Recommendation**: Retain this criterion since it is in the state definition of disproportionately impacted communities.
9. 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
   b. **Recommendation**: Retain this criterion since the State Demography Office recommended it as a useful indicator for affordability issues in aging populations.

**Current DAC Criteria for Consideration**

10. Median Home Value
    a. Community MHI less than 80% of State MHI (benchmark is $431,520)
    b. Data Source: ACS and County Assessor data
    c. **Recommendation**: Retain this criterion because MHV has been long used in the SRF program as a proxy to measure community wealth. In cases where the Census Bureau data is not available or representative, DOLA can work with the County Assessor to obtain a geographically accurate estimate.
11. Assessed value/household
    a. The community's total assessed value is less than the median Colorado municipality.
    b. **Recommendation:** Retain this criterion as an indicator of community economic wealth
12. Current & projected system debt per tap to MHV
    a. Debt per tap to MHV greater than that of the median Colorado municipality.
    b. Data source: ACS and DLG Compendium of municipal finances
    c. **Recommendation**: Retain this criterion because it uses DLG data on real municipal system costs to assess debt burden.
13. System full-cost per tap to MHI or required revenue per tap to MHI
    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
    c. **Recommendation**: Retain this criterion because it uses DLG data on real municipal system costs to assess affordability.

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**Other Criteria for Consideration (that are listed in the state's disproportionately impacted communities definition)**

14. Mobile home communities
    a. Mobile home parks that meet [DOLA's definition] automatically qualify as a disproportionately impacted community under the state definition.
    b. **Recommendation:** Include this criterion because DAC analysis on mobile homes is challenging given their small populations. Recommend using this criterion as an automatic qualifier outside of the points threshold. Private mobile home parks would still not be eligible for SRF funding.
15. Linguistically isolated communities
    a. Census block groups in which more than 20% of the population lives in households where all adults speak a language other than English or do not speak English well.
    b. Data source: ACS
    c. **Recommendation:** Do not include this criterion as it is not a reliable indication of a disadvantaged community.

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The Amp. - Suite 820, 1580 N. Logan Street, Denver, Colorado 80203-1942
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**MEMORANDUM**

**August 19, 2026**

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

**FROM:** **Wes Williams, Finance Director**
**Ian Loffert, Assistant Finance Director**

**RE:** **2025 Base and Infrastructure Investment and Jobs Act / Bipartisan Infrastructure Law ("IIJA/BIL") Capitalization Grant Awards and Conditions Drinking Water Revolving Fund ("DWRF")**

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The following 2025 Federal Fiscal Year ("FFY") DWRF Base and Infrastructure Investment and Jobs Act / Bipartisan Infrastructure Law ("IIJA/BIL") program capitalization grants were awarded either late last year or will be awarded soon:

| Capitalization Grant | FFY 2025 ($) | Increase/Decrease from FFY 2024 | Date of Award |
|---|---|---|---|
| DWRF Base Program | $19,105,000 | +$10,941,000 | 9/10/2025 |
| DWRF IIJA/BIL General Supplemental | $43,616,000 | +$3,351,000 | 9/11/2025 |
| DWRF IIJA/BIL Emerging Contaminants | $13,384,000 | $0 | 9/10/2025 |
| DWRF IIJA/BIL Lead Service Line | $28,650,000* | -$4,150,000* | N/A |

*Estimated – final award is forthcoming

FFY 2025 DWRF Capitalization Grant conditions may include, but are not limited to, the following:

- Build America Buy America Act (BABAA).
- Disadvantaged Business Enterprise (DBE) solicitation and utilization.
- Davis Bacon wage rates.
- American Iron and Steel (AIS).
- Reporting requirements (including SRF, NIMS, FFATA & SAM, and environmental benefits reporting).
- National Environmental Policy Act (NEPA).
- Uniform administrative requirements.
- Sub award requirements.
- Financial requirements.
- Audit requirements.
- Obligation and spend down requirements.
- Resource conservation and recovery requirements.
- Statutory, regulatory and program guidance (CFDA) requirements.
- State grant cybersecurity conditions.
- Contract administrative provisions.

The FFY 2025 DWRF Base Program Capitalization Grant includes the option of using grant funds for "green" projects, if the state so chooses. DWRF green projects are not historically prevalent or in high demand for the Colorado SRF, and therefore, staff recommends that no funds be allocated to the DWRF green project reserve ("GPR"). GPR had been a DWRF requirement but became optional during FFY 2012 and ever since.

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The FFY 2025 DWRF **Base Program** Capitalization Grant agreement requires that no less than 26%, but no more than 49%, of the grant be provided as additional subsidy. The 26% and 49% levels of the FFY 2025 DWRF Base Capitalization Grant equal $4,967,300 and $9,361,450 respectively. The Colorado DWRF Base Program uses additional subsidy for the Design and Engineering grant program, and staff recommends that 26%, or $4,967,300, of the capitalization grant be allocated to additional subsidy for the DWRF. For reference, the DWRF budgeted $1,500,000 for Design and Engineering grants for calendar year 2026. Additional Subsidy funds not budgeted for Design and Engineering grants will continue to be provided as up-front loan principal forgiveness during the year, as originally approved by the Authority Board at the June 2018 Board meeting and is subsequently updated and approved semiannually.

The FFY 2025 DWRF **IIJA/BIL General Supplemental** Capitalization Grant agreement requires that at least 49%, or $21,371,840, be provided as principal forgiveness. Proportional loan and principal forgiveness will be provided from this capitalization grant with a maximum of $2.5 million of IIJA/BIL Supplemental principal forgiveness per project, per year, for category 2 DACS, $2 million for Category 1 DACS, and $1.5 million for IIJA/BIL-eligible non-DACs as previously approved by the Authority Board in June 2026, or such other limits as subsequently approved by the Authority Board.

Currently, the proportional **IIJA/BIL Supplemental** loan funds and IIJA/BIL Supplemental principal forgiveness that are available to non-DAC IIJA/BIL eligible entities includes a per-entity limit as previously approved by the Authority Board in March 2023. This per-entity limit is subject to change per future Authority Board approvals and will be reviewed and discussed at the August 19, 2026, Board meeting.

DWRF IIJA/BIL **Emerging Contaminants** Capitalization Grant agreement requires that 100%, or $13,384,000, of the grant be provided as principal forgiveness.

The forthcoming DWRF IIJA/BIL **Lead Service Line** Capitalization Grant agreement requires that at least 49%, or $14,038,500*, be provided as principal forgiveness. Proportional loan and principal forgiveness will be provided from this capitalization grant.

**Board Action:** Staff recommends the Board approve the FFY 2025 DWRF Base and IIJA/BIL program capitalization grant awards and the conditions and requirements that must be met for each grant. Specific, important condition/requirement recommendations are listed below for reference purposes but are not intended to be an exhaustive list.

- GPR – Staff recommends no additional subsidy funds be allocated to GPR under the Base or IIJA/BIL grants.
- DWRF Base – Staff recommends the minimum of 26% ($4,967,300) of the grant be provided as additional subsidy with an allocation of $1,500,000 in additional subsidy funds for Design and Engineering Grants in calendar year 2026.
- DWRF IIJA/BIL General Supplemental – Staff recommends the minimum of 49% ($21,371,840) of the grant be provided as principal forgiveness.
- DWRF IIJA/BIL Emerging Contaminants – Staff recommends 100% ($13,384,000) of the grant be provided as principal forgiveness.
- DWRF IIJA/BIL Lead Service Line – Staff recommends the minimum of 49% ($14,038,500*) of the grant be provided as principal forgiveness.

*Estimated – final award is forthcoming.

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**MEMORANDUM**

**August 19, 2026**

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

**FROM:** **Wes Williams, Finance Director**
**Ian Loffert, Assistant Finance Director**

**RE:** **Drinking Water Revolving Fund ("DWRF") and Water Pollution Control Revolving Fund ("WPCRF") Infrastructure and Investment Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL")**

The Authority Board of Directors establishes principal forgiveness ("PF") policies and funding restrictions for IIJA/BIL funding as needed to manage program capacity and demand.

In 2023, in response to increased demand driven by PF availability, the Board approved a restriction providing each IIJA/BIL eligible entity with only one opportunity at each pot of IIJA/BIL funding. Disadvantaged Communities ("DACs") were excluded from the restriction and may apply for multiple projects from the same pot.

The SRF program is now in the final year of IIJA/BIL funding, and the EPA has directed that IIJA/BIL funds, particularly WPCRF funds, be spent down at a faster rate. Demand for Lead Service Line and Emerging Contaminant funds has been low, and removing the one-time restriction will allow those funds to be spent more quickly by communities that have already been through the SRF program. WPCRF demand weakened over the past few years due to temporary funding limitations, but the SRF project pipeline is improving. However, the DAC local governments would continue to be prioritized for funding by the SRF.

Staff recommends the following changes:

- Remove the restriction that IIJA eligible non-DAC entities may only receive funding one, as outlined in the table below.
- No change to DWRF IIJA Supplemental due to strong current demand nor to the DWRF and WPCRF Base programs for the same reason plus low base funding capacity.

| Program | Current Policy | Staff suggested change |
|---|---|---|
| DWRF Base | DAC only PF | Remain the same |
| DWRF IIJA/BIL Supplemental | IIJA eligible entities once per entity<br>DACs can repeat apply | Remain the same |
| DWRF IIJA/BIL Lead | IIJA/BIL entities once per entity<br>DACs can repeat apply | Allow multiple applications from IIJA/BIL entities |
| DWRF IIJA/BIL EC | IIJA/BIL entities once per entity<br>DACs can repeat apply | Allow multiple applications from IIJA/BIL entities |
| WPCRF Base | DAC only PF | Remain the same |
| WPCRF IIJA/BIL Supplemental | IIJA eligible entities once per entity<br>DAC can repeat apply | Allow multiple applications from IIJA/BIL entities |
| WPCRF IIJA/BIL EC | IIJA/BIL entities once per entity<br>DACs can repeat apply | Allow multiple applications from IIJA/BIL entities |

**Board Action:** Staff recommends that the Board approve removing the one-time funding restriction for IIJA eligible non-DAC entities from the four funding sources listed above, at the August 19, 2026, Board meeting.

**MEMORANDUM**

**To:** SRF Committee

**From:** DAC Subcommittee

**Date:** July 28, 2026

**Re:** Per Entity IIJA/BIL Funding and WPCRF Loan Limit Recommendations

## Background/Reason and Need

As the SRF program is in the final year of the Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") funding, staff is monitoring the project pipeline for IIJA funding sources to ensure the timely and expeditious use of funds. The EPA has identified that WPCRF IIJA Supplemental funds, and WPCRF funds in general, should be spent down faster. This memo reviews and makes recommendations on changing restrictions to DWRF IIJA Lead Service Line, DWRF Emerging Contaminants, WPCRF IIJA Supplemental, and WPCRF IIJA Emerging Contaminants funding sources.

**Recommendation:**

For IIJA Eligible non-DAC local governments, remove the restriction that entities may only receive funding one time from the DWRF Lead Service Line and DWRF Emerging Contaminants funding sources. For WPCRF applicants, remove the limit of $25M in total funding per project (including PF), and remove the restriction that entities may only receive funding one time from the WPCRF IIJA Supplemental and WPCRF Emerging Contaminants funding sources.

**Rationale:**

The Colorado SRF program has received direction to spend down IIJA funds at a faster rate. Demand for Lead Service Line funds has been low, and removing the restriction on IIJA Eligible non-DAC local governments receiving funds multiple times will allow those funds to be spent more quickly with high capacity communities who have already been through the SRF program. DAC local governments would still be prioritized for Lead Service Line projects.

WPCRF demand weakened over the past two years because funding for WPCRF projects was limited for a short period of time and lower loan limits were in place. The program has since seen increased interest and demand, and the WPCRF project pipeline is now robust. Removing the restriction that all applicants can only receive $25M in total funding per project (including PF) will allow WPCRF funds to be spent more quickly. As is the case with Lead Service Line Replacement projects, DAC local governments would still be prioritized for WPCRF funding.

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**DWRF IIJA Supplemental**

- **Current limit:** $30M total loan funding per entity, ~50% PF of loan.
  - DAC: Up to $2.5M in PF per project for Category 2 DACs. Up to $2M in PF per project for Category 1 DACs.
  - IIJA-eligible non-DAC: Up to $1.5M in PF per project. Entity may only receive funding source one (1) time.
- **Recommendation:** No change due to strong current demand for DWRF IIJA Supplemental funds. PF limits for this funding source were last adjusted at the June 2026 Board meeting.

**DWRF Lead Service Lines**

- **Current limit:** $30M total loan funding per entity, ~50% PF of loan; Up to $10M in PF per project per year
  - DAC: LSL grant funds do NOT count against the $30M loan limit if it is included in the same project.
  - IIJA-eligible non-DAC: Entity may only receive funding source one (1) time.
- **Recommendation:** Allow all entities to receive funding sources multiple times.

**DWRF Emerging Contaminants**

- **Current limit:** $30M total loan funding per entity, 100% PF loan; Up to $30M in PF per project per year.
  - DAC: 25% of DWRF Emerging Contaminants funding is reserved for entities that are DAC or <25,000 pop, 75% can go to any local government with an eligible project. DWRF Emerging Contaminants funds do NOT count against the $30M loan limit if it is included in the same project.
  - IIJA-eligible non-DAC: Entity may only receive funding source one (1) time.
- **Recommendation:** Allow all entities to receive funding sources multiple times.

**WPCRF IIJA supplemental**

- **Current limit:** $25M total loan funding per entity, ~50% PF loan.
  - All applicants: $25M in total funding per project (including PF)
  - DAC: Up to $1.5M in PF per project for all DACs.
  - IIJA-eligible non-DAC: Up to $500k in PF per project. Entity may only receive funding source one (1) time.
- **Recommendation**: Remove the loan limit entirely and allow all entities to receive funding sources multiple times.

**WPCRF Emerging Contaminants**

- **Current limit:** No limit currently, 100% PF loan.
  - DAC: 25% of WPCRF Emerging Contaminants funding is reserved for entities that are DAC or <25,000 pop, 75% can go to any local government with an eligible project.
  - IIJA-eligible non-DAC: Entity may only receive funding source one (1) time.
- **Recommendation:** Allow all entities to receive funding sources multiple times.

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**DWRF SET ASIDE UPDATE**
**July 23, 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% |
| | **Totals** | **$ 28,841,394** | **$ 4,244,039** | **85%** |
| | 1997-2022 Base | $ 8,429,320 | $ 0 | 100% |
| SSTTA | 2022 IIJA/BIL Supplemental | $ 156,420 | $ 0 | 100% |
| | 2023 IIJA/BIL Supplemental | $ 737,680 | $ 333,661 | 55% |
| | 2024 IIJA/BIL Supplemental | $ 737,680 | $ 737,680 | 0% |
| | 2025 IIJA/BIL Supplemental | $ 741,472 | $ 741,472 | 0% |
| | **Totals** | **$ 10,802,572** | **$ 1,812,813** | **83%** |
| | 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 | $ 499,362 | 85% |
| | 2023 IIJA/BIL Emerging Contaminants | $ 1,000,000 | $ 327,560 | 67% |
| | 2024 IIJA/BIL Supplemental | $ 3,200,000 | $ 1,318,188 | 59% |
| | 2024 IIJA/BIL Lead | $ 3,280,000 | $ 3,280,000 | 0% |
| | 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% |
| | **Totals** | **$ 56,987,128** | **$ 11,586,710** | **80%** |
| | 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 | $ 2,914,170 | 3% |
| | 2025 IIJA/BIL Supplemental | $ 4,361,600 | $ 4,361,600 | 0% |
| | **Totals** | **$ 46,237,280** | **$ 7,275,770** | **84%** |
| | 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 | $ 683,902 | 47% |
| | 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** | **$ 3,092,382** | **86%** |

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**MEMORANDUM**
August 12, 2026

**TO:** Project Finance Committee and Karl Ohlsen

**FROM:** Wesley Williams, Finance Director
Kevin Carpenter, Senior Financial Analyst I
Giorgi Gazashvili, Financial Analyst II
Emma Tucker, Financial Analyst I

**RE:** Review of the Town of La Veta, City of Las Animas, and Town of Cheraw Loan Term Change Request
Water Pollution Control Revolving Fund ("WPCRF")

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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:

**Town of La Veta**

The Town of La Veta (the "Town"), located in Huerfano County, is seeking funds through the WPCRF Disadvantaged Communities ("DAC") loan program in the total amount of $2,220,000 (comprised of an *$877,200 Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental direct loan, an *$842,800 IIJA/BIL General Supplemental Principal Forgiveness ("PF"), and a $500,000 Base PF). The project consists of the construction of a new mechanical dewatering system in a new building located adjacent to the existing wastewater treatment facility ("WWTF") building. The Town's project was authorized by SJR 12-003.

**Recommendation**

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating WPCRF DAC loans with the Town in the total amount of $2,220,000 (comprised of an *$877,200 IIJA/BIL General Supplemental direct loan, an *$842,800 IIJA/BIL General Supplemental PF direct loan, and a $500,000 Base PF). The loans will be for a term of 30 years, at an interest rate of 1.75%, with all loans subject to increasing user rates sufficiently, if necessary, to meet the Authority's rate covenant prior to loan execution. The Board will consider this request on August 19, 2026.

**City of Las Animas**

The City of Las Animas (the "City"), located in Bent County, is seeking funds through the WPCRF DAC loan program in the total amount of $1,497,600 (comprised of an *$508,776 IIJA/BIL General Supplemental direct loan, a *$488,824 IIJA/BIL General Supplemental PF, and a $500,000 Base PF). The project consists of replacing the failing force main to prevent any collapses and sewer spills in the future. The City's project was authorized by SJR 10-004.

**Recommendation**

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a WPCRF DAC loans with the City in the total amount of $1,497,600 (comprised of a $508,776 IIJA/BIL General Supplemental direct loan, a *$488,824 IIJA/BIL General Supplemental PF, and a *$500,000 Base PF). The loans will be for a term of 30 years, at an interest rate of 1.75%. The Board will consider this request on August 19, 2026.

**Town of Cheraw**

The Town of Cheraw (the "Town"), located in Otero County, was approved for an IIJA/BIL General Supplemental DAC direct loan through the WPCRF loan program in the total amount of $944,000 (comprised of a *$451,915 IIJA/BIL General Supplemental direct loan and a *$492,085 IIJA/BIL General Supplemental PF) on March 6, 2026. The approved loan terms were for a 20-year repayment at 1.5% interest rate. The project consists of replacing the existing lift station with a new above-ground lift station. The Town's project was authorized by SJR 22-002.

During staff negotiations with the Town to execute the loan, the Town expressed interest in changing the 20-year loan repayment term to 30 years instead, in order to ease the burden of the required rate increase on its residents. After checking in with the SRF project team and CDPHE engineers, the project components qualify for this loan term change. Changing the loan repayment term from 20 to 30 years also means that the interest rate would increase from 1.5% to 1.75%, per the current terms. With these term changes, the Town goes from requiring a rate increase estimated at $23.97 to $19.13 to take on the approved debt and meet the coverage ratio requirement.

**Recommendation**

Based on the attached updated credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation to approve the Town's request to change the repayment terms of the approved loan from 20 years at 1.5% to 30 years at 1.75%, subject to increasing user rates sufficiently, if necessary, to meet the Authority's rate covenant prior to loan execution. The Board will consider this request on August 19, 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. August 12, 2026**. The link to join via online is: https://us06web.zoom.us/j/86434046643?pwd=bP0FDXrGyJUHCspT1XMDVpl1ahOA7s.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **864 3404 6643**. The passcode is: **163551**.

Attachment: Town of La Veta 2026 WPCRF Credit Report
City of Las Animas 2026 WPCRF Credit Report
Town of Cheraw Updated 2026 WPCRF Credit Report and Original 2026 WPCRF Credit Report

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# WPCRF LOAN CREDIT REPORT (2026)

Town of La Veta ("The Town"), Huerfano County

| | |
|---|---|
| **Recommendation:** | **APPROVAL** |
| **Loan Request:** | $2,220,000 |
| **Interest Rate & Term:** | 1.75%, 30 years |
| **Annual Debt Service:** | $37,709 |
| **Pledge:** | Sewer Fund |
| **Current Rate:** | *$66.00 (S) $77.92 (W) |
| **Estimated Rate Increase:** | *$0.00 |

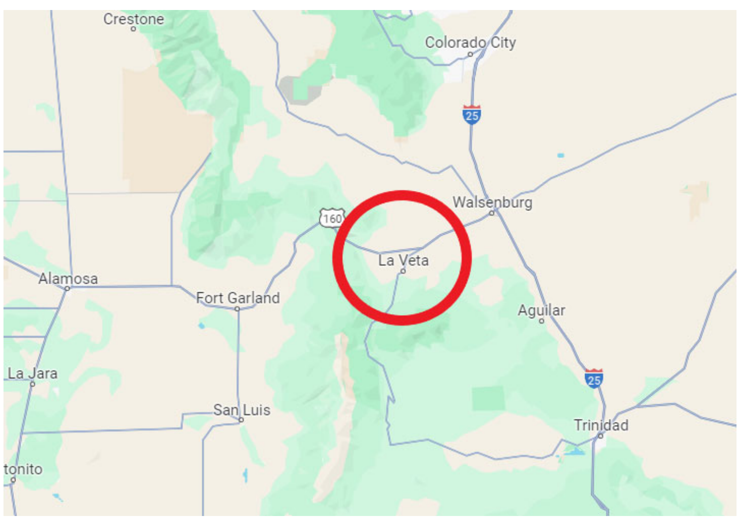
*Represents approved rate beginning September 1, 2026

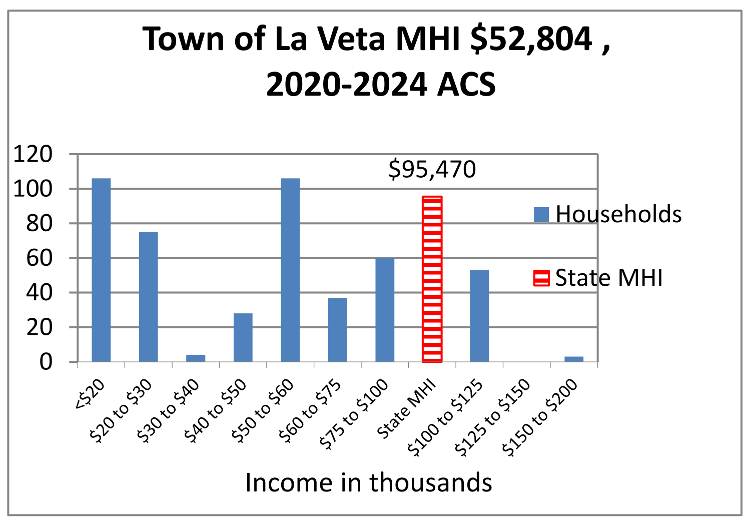
| **Project Budget** | |
|---|---|
| **WPCRF IIJA/BIL Loan:** | $877,200 |
| **WPCRF IIJA/BIL PF:** | $842,800 |
| **WPCRF Base PF:** | $500,000 |
| **2026 EIAF Grant** | $400,000 |
| **2026 D&E Grant:** | $300,000 |
| **2024 Planning Grant:** | $10,000 |
| **Total:** | $2,930,000 |

**PROJECT DESCRIPTION:** The project consists of the construction of a new mechanical dewatering system in a new building located adjacent to the existing wastewater treatment facility (WWTF) building.

| **COMMUNITY PROFILE: Town of La Veta** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| Town Population | 903 | 921 | 941 | 933 | 925 | | | 0.60% |
| Huerfano County Population | 6,834 | 6,950 | 7,101 | 7,059 | 7,025 | | | 0.69% |
| Huerfano County Jobs | 2,349 | 2,399 | 2,384 | 2,452 | 2,542 | | | 1.99% |
| Number of Sewer Taps | | | 581 | 583 | 584 | 585 | 585 | 0.17% |
| Number of Water Taps | | | 589 | 591 | 592 | 593 | 593 | 0.17% |
| Assessed Value ($000) | | | $9,297 | $9,112 | $9,155 | $9,137 | $12,442 | 7.56% |
| Actual Value ($000) | | | $94,062 | $94,064 | $88,234 | $88,306 | $147,303 | 12% |

**BORROWER BRIEF:** The Town of La Veta is located at the base of the Spanish Peaks of the San Juan Mountains in south central Huerfano County. State Highway 12 serves as the Town's Main Street and is located approximately 57 miles southwest of Pueblo and 46 miles east of Alamosa.




**RECOMMENDATION:** The Town serves a small, rural community in southern Huerfano County. This proposed loan is necessary to lower and stabilize long-term operational costs, especially related to rising costs needed to haul liquid sludge and maintain compliance and meet future requirements. Current costs are unsustainable and this project will streamline the Town's solids handling process by adding a dewatering facility (squeezing out the water) before shipping the waste away. Despite a projected rate increase, this project remains affordable thanks to strong financial support, including $710,000 in grants received by the Town. With the grants, the Town's eligibility for IIJA/BIL and base funding, plus its classification as a disadvantaged community, the project is considerably more affordable. We therefore recommend the WPCRF Committee approve a $877,200 IIJA/BIL repayable loan, $500,000 in WPCRF Base principal forgiveness, and $842,800 in IIJA/BIL principal forgiveness to the Town of La Veta.



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## PROJECT SUMMARY:

**System summary:** The Town is located in Huerfano County, approximately 17 miles southwest of Walsenburg serving 925 residents. The facility installed in 2022, processes consist of preliminary treatment (mechanical self-cleaning screen and grit separation), influent flow monitoring, two sequencing batch reactors (SBR), flow equalization tanks, disinfection using an ultraviolet (UV) light radiation system, and effluent flow monitoring. The solids handling process includes aerobic digestion and a digested sludge holding tank. Currently, the concentrated stabilized sludge is transferred from the aerobic digester to the holding tank and stored for offsite disposal.

**Reason/need:** Initially, the Town planned to find a nearby landowner willing to accept stabilized sludge for land application. However, despite years-long effort, no suitable landowners were identified. A contract sludge hauler is disposing of the liquid sludge which is very expensive and not financially sustainable. As a result, the Town's best alternative is to install a biosolids dewatering facility, which will allow for dewatered sludge to be transported offsite for disposal. The operational cost for dewatering and sludge hauling is substantially lower than hauling liquid sludge. The proposed dewatering facility will include a day tank with a tank mixer, a sludge feed pump, a rotary fan press sludge dewatering system, and equipment to handle and temporarily store dewatered biosolids for regular removal and disposal by a contract hauler. The equipment will be housed inside a new building located adjacent to the existing WWTF building. Additional improvements will include process piping and a pump to transfer stabilized sludge into the day tank and return the filtrate to the treatment facility's headworks. This project will streamline the Town’s solids handling process, providing a cost-effective solution for disposal of its stabilized sludge while maintaining compliance with water quality standards.

**System Compliance:** The Town is in compliance with the conditions of its discharge permit, and the project is primarily intended to maintain compliance and meet future requirements.

**Project Delivery Method:** Design/Bid/Build

**Contingency:** 9% of the total project cost

| **CURRENT INDICATORS:** | **2022** | **2023** | **2024** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 4,741 | 4,591 | 4,437 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | | | 5,386 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 7,679 | 7,348 | 7,028 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 8,530 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Sewer Debt/Tap ($): | 6,019 | 5,777 | 5,544 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Current Sewer + New Sewer Debt/Tap ($): | | | 7,046 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 48% | 47% | 45% | | >50% | X | 25-50% | | <25% |
| Total Debt + New Sewer Debt/Assessed Value: | | | 54% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 5% | 5% | 5% | | >10% | | 5-10% | X | <5% |
| Total Debt + New Sewer Debt/Actual Value: | | | 6% | | >10% | X | 5-10% | | <5% |
| Curr. Sewer Debt + New Debt/Tap/MHI: | | | 13% | | >20% | X | 10-20% | | <10% |
| Sewer Fund Current Ratio (CA/CL): | 611% | 1,013% | 556% | | <100% | | 100-200% | X | >200% |
| Sewer Fund Reserves/Current Expense: | 499% | 353% | 260% | | <50% | | 50-100% | X | >100% |
| Sewer Operating Ratio (OR/OE): | 258% | 183% | 120% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 194% | 156% | 72% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 194% | 156% | 72% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan: | | | 57% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 57% | X | <110% | | 110-125% | | >125% |
| Current Annual Sewer Rates/MHI: | | | 1.13% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Sewer Rates + New Sewer Debt Service/MHI: | | | 1.25% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | | | 361% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **11** | | **3** | | **7** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, seven are rated strong, three are average and eleven are considered weak. Overall, the indicators show this proposed loan represents a growing but manageable debt burden for a small community. The strong indicators show revenues consistently exceed expenses as well as strong reserves. The weak indicators reflect that the proposed debt is large relative to the size of the community.

- Based on 2024 financial information, coverage with the proposed loan is 57% without tap fee revenue. Additional annual revenue of about $93,677, or $13.34 per tap per month, would increase the coverage ratio to 110%. When including the recently approved rate increases of $16.18, no further rate increases are projected for the Town to meet the 110% coverage ratio.
    - When excluding the nearly $90,000 spent on sludge removal in 2024, the coverage with the proposed loan increases to 108% and both related indicators move from weak to strong.
- Over the past three years, the sewer fund’s operating ratio and current ratio have exceeded the benchmark for a “strong” indicator, thus demonstrating consistent financial stewardship of the sewer fund.

- The Town's sewer rates had not been raised since 2021; however, they remained sufficient to cover expenses to this point. The Town approved significant rate increases on July 21, 2026, for both sewer and water, that begin September 1, 2026. No further increase is projected following the approval of the new rate structure.
- Without principal forgiveness, the coverage ratio decreases to 43% without tap fee revenue. Additional annual revenue of about $157,174, or about $22 per tap per month, would increase the coverage ratio to 110%.

**Additional Project Financing**

In May 2026, the Town was awarded an Energy/Mineral Impact Assistance Grant (EIAF) for $400,000. The Town also received a Design and Engineering grant totaling $300,000 in 2026 as well as a Planning Grant in 2024 totaling $10,000.

## DESCRIPTION OF THE LOAN:

An estimated $877,200 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the Town approximately $37,709 in debt service annually. The Town also qualifies for $500,000 in WPCRF Base principal forgiveness and $842,800 in IIJA/BIL principal forgiveness.

**Disadvantaged Community:**

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

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

| | Benchmark | | Borrower | Met? |
|---|---|---|---|---|
| P1: MHI | $76,376 | >= | $52,804 | Yes |
| P2: MHV | $431,520 | >= | $389,300 | Yes |
| P3: County Unemployment | 5.35% | <= | 6.85% | Yes |
| County Job Change | 0.00% | >= | 15.90% | No |
| S1: County MHI | $76,376 | >= | $52,526 | Yes |
| S2: Ten Year % Change in Population | 0.00% | >= | 5.71% | No |
| S3: Assessed Value per Housing unit | $24,337 | >= | $14,837 | Yes |
| S4b: Curr. and Proj. System Debt | 0.15% | < | 2.40% | Yes |
| S4b: 80th Percentile | 0.75% | < | 2.40% | Yes |
| S5b: Proj. System Cost Per Tap to MHI | 0.73% | < | 2.20% | Yes |
| S5b: 80th Percentile | 1.10% | < | 2.20% | Yes |

Based on 2020-2024 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1.

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

**IIJA/BIL Principal Forgiveness Eligibility:**
In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The Town scores 7.5 points as shown below.

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | 0.60% | 1 |
| 2a: County Job Change | 0.00% | > | 15.90% | |
| 2b: County Unemployment | 5.35% | < | 6.85% | 0.5 |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | | |
| | $119,338 | < | $52,804 | 1 |
| 4: Rates to MHI | 0.56% | < | 1.13% | 1 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 4.23% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 31.58% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 30.22% | 0 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 89.42% | 0 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| **Total Points Scored:** | | | | 7.5 |

The Town qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 49.00%, the Town qualifies for approximately $842,800 in IIJA/BIL principal forgiveness after application of the $500,000 base principal forgiveness limit, leaving an estimated loan of $877,200. Due to the availability of funds and the Additional Subsidy requirements of the SRF, the Town will receive both Base principal forgiveness funds and IIJA/BIL principal forgiveness.

**ECONOMIC ANALYSIS:** The Town has a 2024 population estimated at 925 and has grown at an average annual rate of 0.60% since 2020. Huerfano County has experienced an increase of 0.69% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

The region's economy is dominated by retirees and the next largest base industries consist of regional services (such as healthcare and transportation), agriculture, and transfer payment. In Huerfano County, Government accounts for the largest job sector (18%), along with Health Service and Retail Trade (16%). The area's largest employers consist of the La Veta School District (45 employees); Spanish Peaks Medical Clinic (15 employees); Sangre Agro Tech (12 employees); the Town of La Veta (10 employees); and Charlie's Market (8 employees).

One customer accounts for more than 3% of utilization; La Veta School accounts for 0.94% of total usage and 3.27% of total revenue.

## ORGANIZATIONAL ANALYSIS:

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

**Organizational Structure**
The Town is a statutory town governed by a board of trustees and was incorporated in 1876. The Town provides services including Marshal (police) and fire protection, water and wastewater services, public works services, and parks and recreation services. The Town reports a full-time operator staffs the system, who reports to the Board of Trustees.

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

**Capital Improvement Plan**
As part of the application process, the Town submitted a capital improvement schedule, which anticipates capital outlay of $234,500 for several maintenance projects for the sewer fund. These projects begin in 2031 and last through 2050 and include replacement of the sanitary sewer collection system (2035 & 2050), WWTF Submersible pumps and mixers for SBR (2031 & 2043), Pumps and Mixers for WWTF equalization basin (2034 & 2049), and blowers for the WWTF in 2039. These projects will be funded by reserves.

**Intergovernmental**
The Town has a 2017 Intergovernmental Agreement (IGA) with the Navajo Western Water District (the District), where the District leases 5.0 acre feet annually of consumptive use of the District Water Rights to the Town. The Town may terminate the lease if it determines it will be impossible or impractical to obtain approval of a substitute water supply plan. In the event of litigation between the parties regarding the performance of either party's obligations, the prevailing party shall be awarded its costs and reasonable attorney fees. The agreement shall terminate in December 2042, unless the District reaches 75% buildout prior to 2037. Should the District achieve 75% buildout, the agreement will expire in December five years after that point.

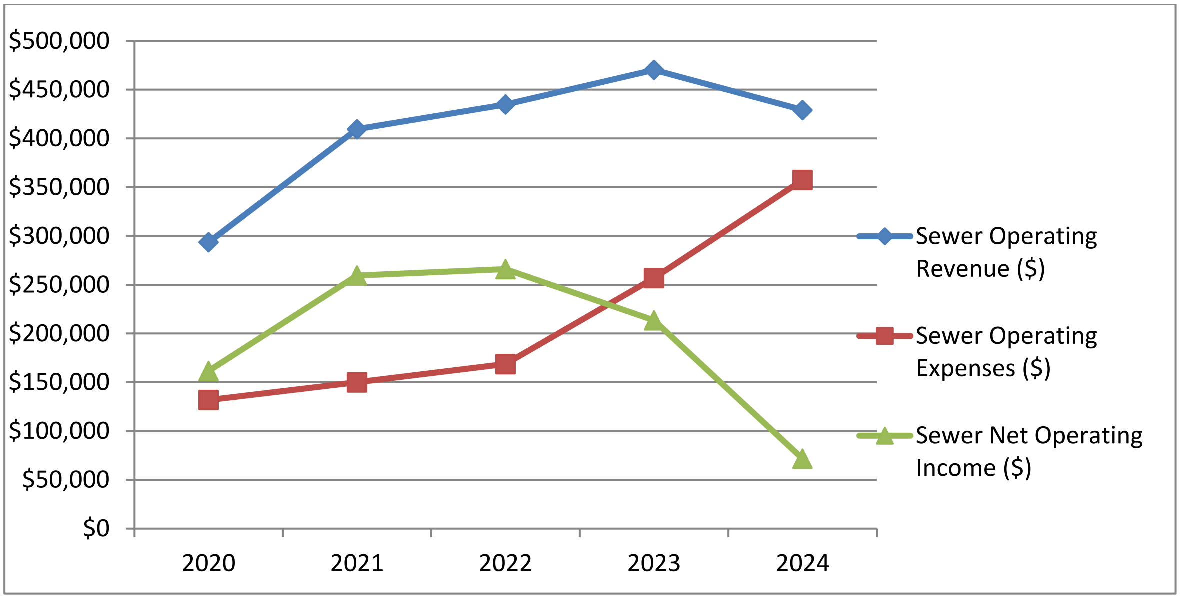
## REVENUE ANALYSIS:

The Town's sewer system revenues have been generally steady over the last several years, with a substantial spike in 2021 before leveling off again from 2022 through 2024. The significant 2021 revenue increase was driven heavily by tap fees of $284,500 that year alongside ongoing system usage. Tap fee revenue has historically been an inconsistent source of revenue over the observed five-year period, dropping to $0 in all other years—but operating revenues have consistently covered operating expenses by a wide margin. Operating revenues have shown a generally positive trend, climbing sequentially from 2020 to a peak in 2023, before experiencing a decline in 2024. This 2024 decline was driven by the Town's auditor reclassifying approximately $37,000 from grant revenue to operating revenue. The Town disputed this reclassification as inaccurate and subsequently hired a new auditor in 2024. Excluding the reclassified $37,000, operating revenue decreased by only about $2,000. Monthly sewer rates and residential sewer tap fees remained entirely flat over the observed multi-year period.

Sewer operating expenditures increased consistently each year. Because operating revenues consistently outpaced expenses, the Town's sewer operating ratio remained exceptionally strong, averaging 211% over the five-year period, though it contracted from a high of 273% in 2021 down to 120% in 2024 as expenditures rose due to the cost of hauling sludge.

| TRENDS | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|
| Monthly Sewer Rate ($) | | | 49.82 | 49.82 | 49.82 | 49.82 | 49.82 |
| Monthly Water Rate ($) | | | 48.10 | 48.10 | 48.10 | 48.10 | 48.10 |
| Residential Sewer Tap Fee ($) | | | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Residential Water Tap Fee ($) | | | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Total Sewer Revenue ($) | 295,581 | 696,579 | 437,864 | 473,529 | 457,816 | | |
| Tap/Development Fees ($) | 0 | 284,500 | 0 | 0 | 0 | | |
| Sewer Operating Revenue ($) | 293,566 | 409,517 | 434,790 | 470,359 | 429,161 | | |
| Sewer Operating Expenses ($) | 131,919 | 149,996 | 168,653 | 256,835 | 357,471 | | |
| Sewer Net Operating Income ($) | 161,647 | 259,521 | 266,137 | 213,524 | 71,690 | | |
| Sewer Debt ($) | 276,000 | 3,626,602 | 3,497,327 | 3,367,754 | 3,237,880 | | |
| Total Debt ($) | 1,333,955 | 4,638,217 | 4,461,610 | 4,283,691 | 4,104,433 | | |
| Sewer Debt Service ($) | 19,500 | 50,190 | 138,676 | 138,675 | 138,675 | | |
| Sewer Debt Service/Tap/Month ($) | | | 19.89 | 19.82 | 19.79 | | |
| Sewer Fund Reserves ($) | 742,246 | 3,626,827 | 1,534,546 | 1,397,329 | 1,289,375 | | |

| Ratios | 2020 | 2021 | 2022 | 2023 | 2024 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 99% | 59% | 99% | 99% | 94% | 90% |
| Operating Revenue as % of Expenses | 223% | 273% | 258% | 183% | 120% | 211% |
| Tap Fee Revenue as % of Total Revenue | 0.00% | 41% | 0.00% | 0.00% | 0.00% | 8.17% |




**Recent Rate Increases**
The Town's most recent rate increase of $16.18 for sewer and $29.82 for water was approved on July 21, 2026 and will be implemented on September 1, 2026.

**User Charges & System Utilization**
The Town's upcoming monthly sewer rate is a flat $66.00 ($23.82 debt service, $41.18 O&M, and a $1.00 processing fee) compared to the 2024 estimated state median of $44.65. Commercial users are charged per EQR schedule.

The Town's upcoming monthly water rate is estimated at $77.92 compared to the 2024 estimated state median of $60.61. The Town's average monthly water rate is based on typical residential consumption of 4,230 gallons per month. Residential users will pay a $61.00 base rate ($29.46 for debt service and $31.54 for O&M) and a volume charge of $4.00 per 1,000 gallons for consumption. Commercial users are charged per EQR schedule.

**Contributed Capital**
Sewer revenue from tap fees has ranged from $0.00 to $284,500 and has averaged 8% of total sewer revenue during the last five years as 2021 was the only year observed to record tap fee revenue. The Town's most recent sewer tap fee rate increase occurred in January 2021.

- Residential sewer tap fees are $4,000 (combined tap and connect fees).
- Residential water tap fees are $7,000 (combined tap and connect fees).
- Commercial users are charged per an EQR schedule for the type of business and ranges from .01 to 1.20 EQR.

| **Current System Utilization** | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 79% | 78% |
| **Non-residential (per EQR)** | 21% | 22% |

| **Current Fee Summary** | | |
|---|---|---|
| Tap size | Sewer user/tap fees | Water user/tap fees |
| ¾" | $66.00/$4,000 | $77.92/$7,000 |
| ¾" | $66.00/$4,000 | $77.92/$7,000 |

**DEBT as of December 31, 2024**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2014 | CWRPDA | 2034 | Sewer System Revenue | $135,000 | $0.0 | $13,500 |
| 2015 | CWRPDA | 2034 | Sewer System Revenue | $63,000 | $0.0 | $6,000 |
| 2018 | CWRPDA | 2051 | Sewer System Revenue | $1,325,000 | $0.0 | $50,000 |
| 2020 | CWRPDA | 2051 | Sewer System Revenue | $1,714,880 | 0.5% | $69,175 |
| 2008 | CWRPDA | 2039 | Water System Revenue | $633,717 | 1.875% | $50,118 |
| 2014 | CWCB | 2040 | Water System Revenue | $232,836 | 3.0% | $19,014 |

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

The Town has met the Loan Covenants on its WPCRF direct loans dated 2014, 2015, 2018 and 2020 and its 2008 DWRF direct loan with the Authority. The Town has also had no debt service payment issues.

Prepared by: Peter Dieterich
Date: July 28, 2026

Project # 142882W-B

Cost Categories:
Secondary Treatment (Category I) 100%

| August 5, 2026<br><br>WPCRF Credit Report<br>Town of La Veta, Huerfano County, CO<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| **Estimated Population - 2024** | **925** |
| **Number of Sewer Taps/Customers - 2024** | **584** |
| **Total Assessed Valuation - 2024** | **$9,155,000** |
| **Actual Value of All Real Property - 2024** | **$88,234,000** |
| **Median Household Income (MHI) - 2024** | **$52,804** |
| **Monthly Sewer Rate - 2024** | **$49.82** |
| **Sewer Operating Revenue - 2024** | **$429,161** |
| **Sewer Total Revenue - 2024**<br>**[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.]** | **$457,816** |
| **Sewer Tap and System Development Fee Revenue - 2024** | **$0** |
| **Sewer Operating Expense - 2024** | **$357,471** |
| **Sewer Current Expense - 2024** | **$496,146** |
| **Sewer Debt - 2024** | **$3,237,880** |
| **Total Debt - 2024** | **$4,104,433** |
| **Sewer Fund Reserves - 2024** | **$1,289,375** |
| **Sewer Debt Service - 2024** | **$138,675** |
| **New Sewer Debt**<br>[Requested WPCRF loan amount.] | **$877,200** |
| **Requested WPCRF Loan Term** | **30** |
| **Requested WPCRF Loan Interest Rate** | **1.75%** |
| **New Loan's Annual Sewer Debt Service (two payments annually)** | **$37,709** |

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## Current Indicators (2024)
## Town of La Veta
## (Sewer Only)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $4,104,433 | ÷ | Population | 925 | = | $4,437 |
| | New Debt | $877,200 | ÷ | Population | 925 | = | $948 |
| | Total Debt + New Debt | $4,981,633 | ÷ | Population | 925 | = | $5,386 |
| 2 | Total Debt | $4,104,433 | ÷ | Number of Taps | 584 | = | $7,028 |
| | New Debt | $877,200 | ÷ | Number of Taps | 584 | = | $1,502 |
| | Total Debt + New Debt | $4,981,633 | ÷ | Number of Taps | 584 | = | $8,530 |
| 3 | Total Debt | $4,104,433 | ÷ | Assessed Value | $9,155,000 | = | 44.83% |
| | New Debt | $877,200 | ÷ | Assessed Value | $9,155,000 | = | 9.58% |
| | Total Debt + New Debt | $4,981,633 | ÷ | Assessed Value | $9,155,000 | = | 54.41% |
| 4 | Total Debt | $4,104,433 | ÷ | Actual Value | $88,234,000 | = | 4.65% |
| | New Debt | $877,200 | ÷ | Actual Value | $88,234,000 | = | 0.99% |
| | Total Debt + New Debt | $4,981,633 | ÷ | Actual Value | $88,234,000 | = | 5.65% |
| 5 | Current Sewer Debt | $3,237,880 | ÷ | Number of Taps | 584 | = | $5,544 |
| | (Current Sewer Debt + New Sewer Debt) / Number of Taps | $7,046 | ÷ | MHI | $52,804 | = | 13.34% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $1,572,424 | ÷ | Current Liabilities | $283,049 | = | 556% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $1,289,375 | ÷ | Current Expenses | $496,146 | = | 260% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $429,161 | ÷ | Operating Expenses | $357,471 | = | 120% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $457,816 | - | | | | |
| | Minus Operating Expenses | $357,471 | | | | | |
| | = | $100,345 | ÷ | Current Debt Service | $138,675 | = | 72% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $100,345 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $100,345 | ÷ | Current Debt Service | $138,675 | = | 72% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $457,816 | | | | | |
| | Minus Operating Expenses | $357,471 | | | | | |
| | = | $100,345 | | Total Debt Service (with new loan) | $176,384 | = | 57% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $100,345 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | $100,345 | ÷ | Total Debt Service (with new loan) | $176,384 | = | 57% |
| 13 | Current Debt Service | $138,675 | ÷ | Number of Taps | 584 | = | $237.46 |
| | Annual New Sewer Debt Service | $37,709 | ÷ | Number of Taps | 584 | = | $64.57 |
| 14 | 2024 Annual Sewer Rate (Monthly Rate x 12) | $597.84 | ÷ | MHI | $52,804 | = | 1.13% |
| | 2024 Annual Sewer Rate + New Annual Debt Service Per Tap | $662.41 | ÷ | MHI | $52,804 | = | 1.25% |
| 15 | Current 2024 Monthly User Charge | | | | | | $49.82 |
| | (Debt Service on WPCRF Loan / 2024 Taps / Month) | | | | | | $5.38 |
| | Total | | | | | | $55.20 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $1,289,375 | ÷ | Operating Expenses | $357,471 | = | 361% |

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## 2026 SRF Disadvantaged Community Criteria

**Applicant:** Town of La Veta

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 2,220,000 |
| Interest Rate: | 3.25% |
| Term (years): | 20 |
| Annual Payment: | $ 151,825 |

| | | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|---|
| | Current Population (2024) | <= | 10,000 | 925 | Y | |
| | Population 5 years ago (2020) | | | 903 | | |
| | Poulation 10 years ago (2015) | | | 875 | | |
| | **Primary Factors** | | | | | |
| P1 | MHI (Place) | <= | $ 76,376 | 52,804 | Y | |
| | Margin of Error (MOE) | ± | | 10,885 | | |
| P2 | MHV (Place) | <= | $ 431,520 | 389,300 | Y | |
| | Margin of Error (MOE) | ± | | 72,761 | | |
| P3 | 24 Month Unemployment (County) | >= | 5.35% | 6.85% | Y | |
| | or 10 Year % Chng. Jobs (County) | <= | 0.00% | 15.90% | N | |
| | Jobs (2024) | | | 2,609 | | |
| | Jobs (2015) | | | 2,251 | | |
| | **Priority Factor Count** | | | | 3 | |
| | **Secondary Factors** | | | | | |
| S1 | MHI (County) | <= | $ 76,376 | 52,526 | Y | |
| | Margin of Error (MOE) | ± | | 5,017 | | |
| | Reliability (CV) | <= | 18.00% | 5.81% | Y | |
| S2 | 10 Year % Chng. Population | <= | 0.00% | 5.71% | N | |
| S3 | Assessed Value / Housing Unit | <= | $ 24,337 | $14,837 | Y | |
| | Assessed Value | | | 9,154,575 | | |
| | Total Housing Units | | | 617 | | |

| | | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S4 | Current Debt / Tap / MHV | > | 0.15% | 1.42% | Y | | |
| S | Current + Projected Debt/Tap/MHV | > | 0.15% | 2.40% | Y | | |
| | S4b 80th percentile | | 0.75% | 2.40% | Y | | |

| | | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S5 | System Full Cost / Tap / MHI | > | 0.80% | 1.29% | Y | | |
| | Projected Rate @ 110% Coverage | > | 0.73% | 2.20% | Y | | |
| | S5b 80th percentile | | 1.10% | 2.20% | Y | | |
| | **Secondary Factor Count** | | | | 4 | | |

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

| | |
|---|---|
| Taps or EQR's | 584 |
| Total Debt | 3,237,880 |
| Principal & Interest | 138,675 |
| Operating Expenses (including operating transfers out) | 357,471 |
| Depreciation | 40,213 |

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## WPCRF & DWRF

| | | | Benchmark | Applicant | Points | Notes on Data Used | Result |
|---|---|---|---|---|---|---|---|
| | **Eligiblity Criteria** | | | | | | |
| 1 | Population loss or growth is slower than the state's over 5 years | <= | 0.73% | 0.60% | 1.0 | | |
| | Current Population (2024) | | | 925 | | | |
| | Poulation five years ago (2020) | | | 903 | | | |
| 2a | 10 Year % County Job Change | >= | 0 | 15.90% | 0.0 | | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | 5.35% | 6.85% | 0.5 | | |
| 3 | Median Household Income | <= | $ 95,470 | 52,804 | 1.0 | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| | | >= | $ 119,338 | | 0.0 | | |
| | Reliability (CV) | <= | 40.00% | N/A | N | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| 4 | Rates compared to MHI | > | 0.56% | 1.13% | 1.0 | | |
| S | Monthly Residential Rate | > | | 49.82 | | | |
| | | | | *based on application only, needs to be confirmed* | | | |
| 5 | Project addresses removal of lead or emerging contaminants | | Yes | No | 0.0 | | |
| 6 | % Population that identifies as minority is greater than 40% | > | 40.00% | 4.23% | 0.0 | | |
| 7 | % Population that are housing burdened is greater than 50% | > | 50.00% | 31.58% | 0.0 | | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | 40.00% | 30.22% | 0.0 | | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | 55.00% | 89.42% | 1.0 | | |
| | % Population over 65 years old | | | 59.20% | | | |
| 10 | Meets base program DAC criteria? | | | Yes | 3.0 | | |
| | **BIL Eligibility Points** | | | | 7.5 | | |

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## 2026 IUP WPCRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Town of La Veta |
| **Date of Scoring** | 7/28/2026 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 155 |
| **DAC:** | DAC |

| | | | | |
|---|---|---|---|---|
| | **Benchmarks** | | | |
| **$95,470** | **2020-2024 State MHI estimate** | | | |
| **P1** | **MHI** | | $52,804 | 55% |
| | <50% of state MHI | 35 | | |
| | Between 51% and 80% of state MHI | 20 x | | |
| | Between 81% and 100% of state MHI | 5 | | |
| | >100% state MHI | 0 | | |
| **S5a** | **User Fees (current SEWER rate at 110%/tap/MHI)** | | 1.29% | |
| | Rates are > 1.14% | 45 x | | |
| | 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** | | 1.42% | |
| | Debt is > 0.53% | 45 x | | |
| | 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** | | 925 | |
| | Less than 500 | 35 | | |
| | Between 500 and 1,000 | 25 x | | |
| | 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** | | 14,837 | |
| | AV per household is < $12,722 | 35 | | |
| | AV per household is between $12,272 and $24,337 | 20 x | | |
| | AV per household is between $24,337 and $46,151 | 10 | | |
| | AV per household is greater than $46,151 | 0 | | |

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# Principal Forgiveness and Priority Point Scoring

Applicant: Town of La Veta
DWRF or WPCRF: WPCRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 49.00%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): $842,800

## Base DWRF/WPCRF Principal Forgiveness Scoring

**DWRF/WPCRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 0 |
| DOLA Affordability Score: | 155 |
| Total Score | 155 |

Eligible as a base program DAC? Yes

Eligible base program DWRF/WPCRF principal forgiveness percentage:

Amount of principal forgiveness awarded (accounting for any applicable cap/max): $500,000

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 30 |
| DOLA Affordability Score: | 155 |
| Total Score: | 185 |

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# WPCRF LOAN CREDIT REPORT (2026)

City of Las Animas (“The City”), Bent County

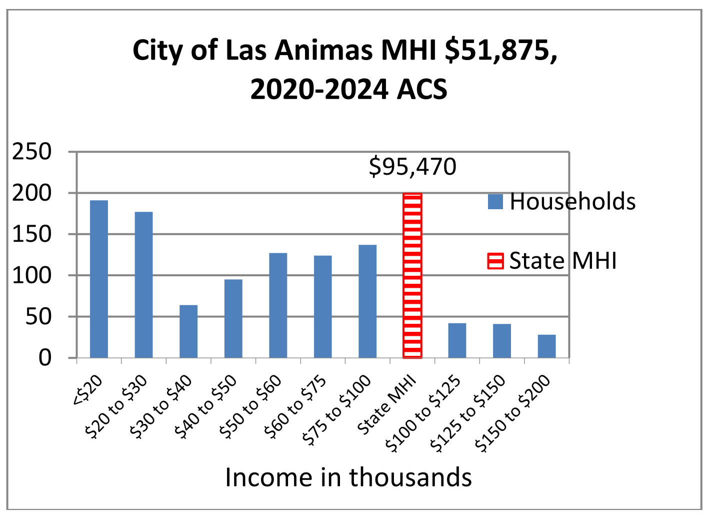
| | |
|---|---|
| **Recommendation:** | **APPROVAL** |
| **Loan Request:** | $1,507,600 |
| **Interest Rate & Term:** | 1.75%, 30 years |
| **Annual Debt Service:** | $22,090 |
| **Pledge:** | Sewer Fund |
| **Current Rate:** | $36.61 (S) $41.05 (W) |
| **Estimated Rate Increase:** | $0.00 |

| **Project Budget** | |
|---|---|
| **WPCRF IIJA/BIL Loan:** | $513,876 |
| **WPCRF IIJA/BIL PF:** | $493,724 |
| **WPCRF Base PF:** | $500,000 |
| **2024 D&E Grant:** | $294,400 |
| **2025 CDBG Grant:** | $600,000 |
| **Total:** | $2,402,000 |

**PROJECT DESCRIPTION:** The purpose of the proposed project is to replace the failing force main to prevent any collapses and sewer spills in the future.

| **COMMUNITY PROFILE: City of Las Animas** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|---|
| City Population | 2,281 | 2,326 | 2,315 | 2,363 | 2,331 | | | 0.54% |
| Bent County Population | 5,479 | 5,343 | 5,425 | 5,700 | 5,744 | | | 1.19% |
| Bent County Jobs | 1,321 | 1,327 | 1,358 | 1,432 | 1,593 | | | 4.79% |
| Number of Sewer Taps | | 1,100 | 1,106 | 1,112 | 1,094 | 1,088 | 1,087 | -0.43% |
| Number of Water Taps | | 1,189 | 1,194 | 1,195 | 1,213 | 1,171 | 1,162 | -0.68% |
| Assessed Value ($000) | | | $6,654 | $6,621 | $5,371 | $5,159 | $8,523 | 6.38% |
| Actual Value ($000) | | | $57,947 | $59,443 | $49,105 | $49,041 | $97,697 | 13.95% |

**BORROWER BRIEF:** The City of Las Animas is located along the banks of the Arkansas River in northwestern Bent County. U.S. Highway 50 serves as the City’s Main Street and is located approximately 82 miles east of Pueblo and 36 miles west of Lamar.


**RECOMMENDATION:** The City serves a rural community in southeastern Colorado. This proposed loan is necessary to proactively prevent a public health emergency before the degraded force main fails. The City’s wastewater force main has lost 50% of its wall thickness and serves over 90% of the City and it is now so thin that it is highly susceptible to collapsing under pressure or shifting soil. A collapse would result in the immediate loss of service as well as potentially contaminating large portions of the City and even spreading to the Arkansas River. However, the City is in a strong position to take on this loan and is not projected to need a rate increase given the funding support from grants as well as qualifying for principal forgiveness as a disadvantaged community. We therefore recommend the WPCRF Committee approve a $513,876 IIJA/BIL repayable loan, $500,000 in WPCRF Base principal forgiveness, and $493,724 in IIJA/BIL principal forgiveness to the City of Las Animas.



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## PROJECT SUMMARY:

**System summary:** The City serves a population of 2,331 in Bent County. The current collection system was largely constructed in the early 1900s using clay pipe with brick-and-mortar manholes. The collection system travels to their traditional wastewater treatment facility where it is treated and discharged through three discharge points and ultimately ends up in the Arkansas River.

**Reason/need:** In 2022, the City undertook a wastewater system improvements project in which approximately 15,300 lineal feet of sanitary sewer collection system main was replaced with 8, 10, and 12-inch PVC. While replacing a section of the collection system piping in Moore Ave, the City's existing force main was damaged. The Contractor repaired the force main but noted that the pipe wall was very thin. After further inspection, it was determined that the force main has lost half of its wall thickness, making the force main susceptible to failure due to collapse. Since the force main was damaged, the force main has undergone inspection in other areas and it has been further confirmed that the wall thickness has the potential of failure since it is so thin. This force main serves over 90% of the City and failure of the force main could have serious consequences.

**System Compliance:** The City 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:** 10.8% of the total project

| CURRENT INDICATORS: | 2022 | 2023 | 2024 | | Weak | | Average | | Strong |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 1,226 | 1,157 | 1,078 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | | | 1,299 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 2,565 | 2,459 | 2,297 | | >$5,000 | | $2,500 - 5,000 | X | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 2,767 | | >$5,000 | X | $2,500 - 5,000 | | <$2,500 |
| Current Sewer Debt/Tap ($): | 1,667 | 1,578 | 1,522 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Current Sewer + New Sewer Debt/Tap ($): | | | 1,992 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 43% | 41% | 47% | | >50% | X | 25-50% | | <25% |
| Total Debt + New Sewer Debt/Assessed Value: | | | 56% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 4.90% | 4.60% | 5.12% | | >10% | X | 5-10% | | <5% |
| Total Debt + New Sewer Debt/Actual Value: | | | 6.16% | | >10% | X | 5-10% | | <5% |
| Curr. Sewer Debt + New Debt/Tap/MHI: | | | 3.84% | | >20% | | 10-20% | X | <10% |
| Sewer Fund Current Ratio (CA/CL): | 795% | 599% | 962% | | <100% | | 100-200% | X | >200% |
| Sewer Fund Reserves/Current Expense: | 312% | 124% | 135% | | <50% | | 50-100% | X | >100% |
| Sewer Operating Ratio (OR/OE): | 162% | 120% | 127% | | <100% | | 100-120% | X | >120% |
| Coverage Ratio (TR-OE)/DS: | 355% | 124% | 172% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | 350% | 121% | 170% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | | | 140% | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | 139% | | <110% | | 110-125% | X | >125% |
| Current Annual Sewer Rates/MHI: | | | 0.82% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Sewer Rates + New Sewer Debt Service/MHI: | | | 0.86% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | | | 160% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **1** | | **8** | | **12** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, twelve are rated strong, eight are average and one is considered weak. Overall, the indicators show that the system is in a strong financial position to take on the proposed loan, despite some existing debt. The strong indicators show a well-managed system with strong reserves, and consistently robust current and operating ratios. The weak indicator reflects high debt ratios with the proposed loan per capita and per tap.

- Based on 2024 financial information, coverage with the proposed loan is 140% with tap fee revenue and 139% without tap fee revenue. No additional annual revenue is projected to be needed to meet the SRF program's 110% coverage requirement under either scenario.
- Over the past three years, the sewer fund's operating ratio and current ratio have both far exceeded the benchmark for a "strong" indicator, thus demonstrating consistent financial stewardship of the sewer fund.
- The City's sewer rates were raised in 2024 and 2025 and beginning in 2025 the City enacted annual CPI adjustments (1.4% and 2.1% respectively) to the sewer and water rates to prepare for future debt.
- Without principal forgiveness, the coverage ratio moves to 103% with tap fee revenue and 102% without tap fee revenue. Additional annual revenue of about $10,800, or $0.83 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue.

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**Additional Project Financing**
In January 2025, the City was awarded a Community Development Block Grant (CDBG) of $600,000.

The City also received a design and engineering grant for $294,400 in June 2024.

## DESCRIPTION OF THE LOAN:

An estimated $513,876 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the City approximately $22,090 in debt service annually. The City also qualifies for $500,000 in WPCRF base principal forgiveness and $493,724 in IIJA/BIL principal forgiveness.

**Disadvantaged Community:**

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

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

| | Benchmark | | Borrower | Met? |
|---|---|---|---|---|
| P1: MHI | $76,376 | >= | $51,875 | Yes |
| P2: MHV | $431,520 | >= | $132,700 | Yes |
| P3: County Unemployment | 5.35% | <= | 3.42% | No |
| County Job Change | 0.00% | >= | 13.22% | No |
| S1: County MHI | $76,376 | >= | $50,179 | Yes |
| S2: Ten Year % Change in Population | 0.00% | >= | 0.60% | No |
| S3: Assessed Value per Housing unit | $24,337 | >= | $4,266 | Yes |
| S4b: Curr. and Proj. System Debt | 0.15% | < | 2.18% | Yes |
| S4b: 80th Percentile | 0.75% | < | 2.18% | Yes |
| S5b: Proj. System Cost Per Tap to MHI | 0.73% | < | 1.30% | Yes |
| S5b: 80th Percentile | 1.10% | < | 1.30% | Yes |

Based on 2020-2024 American Community Survey data, the City met the requirements of a DAC, qualifying under scenario #1.

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



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

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.73% | > | 0.54% | 1 |
| 2a: County Job Change | 0.00% | > | 13.22% | 0 |
| 2b: County Unemployment | 5.35% | < | 3.42% | |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $95,470 | > | $51,875 | 1 |
| | $119,338 | < | | |
| 4: Rates to MHI | 0.56% | < | 0.82% | 1 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 56.97% | 1 |
| 7: % Households Housing Burdened | 50.00% | < | 40.85% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 55.16% | 1 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 76.93% | 1 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| | | | **Total Points Scored:** | 9 |

The City qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with a principal forgiveness funding package. Using an estimated principal forgiveness award of 49.00%, the City qualifies for approximately $493,724 in IIJA/BIL principal forgiveness after application of the $500,000 base principal forgiveness limit, leaving an estimated loan of $513,876. Due to the availability of funds and the Additional Subsidy requirements of the SRF, the City will receive both Base principal forgiveness funds and IIJA/BIL principal forgiveness.

**ECONOMIC ANALYSIS:** The City has a 2024 population estimated at 2,331 and has grown at an average annual rate of 0.54% since 2020. Bent County has experienced an increase of 1.19% in population since 2020. The state population increased at an average annual rate, estimated 0.73%.

The region's largest job sectors are agriculture, regional services, retirees and government. In Bent County, agribusiness accounts for the largest job sector (28%), along with government (23%), and retirees (17%). The area's largest employers consist of Bent County Correctional Facility with 230 employees, Mountain Prairie (agriculture) with 120 employees, Bent County Healthcare Facility with 82 employees, Las Animas School District RE-2 with 80 employees, and Bent County with 40 employees.

One customer accounts for more than 3% utilization: CoreCivic, owner of the Bent County Correctional Facility, accounts for 33% of total usage and 23% of total revenue.

## ORGANIZATIONAL ANALYSIS:

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

**Organizational Structure**
The City is a statutory city governed by a council/mayor form of government and was incorporated in 1882. The City provides services including public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and water and wastewater services. Approximately six full-time employees staff the sewer utility. The sewer utility is overseen by the Treatment Operator who can delegate tasks to other full-time city employees and who reports to the Public Works Director, who reports to the Mayor.

- The City has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The City maintains general liability insurance coverage through the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

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- There are currently no pending lawsuits against the City.
- There have been no recall elections in the last ten years.

**Capital Improvement Plan**
As part of the application process, the City submitted a capital improvement schedule, which anticipates capital outlay of $320,000 for various sewer projects to be funded from reserves through 2050. These projects include replacement sanitary sewer collection lines, lift station pump replacement, and aeration equipment repair/replacement.

**Intergovernmental**
The City has an agreement in perpetuity with Bent County, and correspondingly with Corrections Corporation of America (CCA) to provide water and sewer service to the Bent County Correctional Facility. The agreement replaced a previous agreement with the County for a different prison contractor, and stipulates the tap sizes, responsibilities, etc. and designates authority. The IGA does not have stipulations concerning guaranteed revenues if the Facility downsizes or closes.

## REVENUE ANALYSIS:

Sewer system revenues have been on a positive trend over the last several years, increasing steadily from 2021 through 2024. Monthly sewer rates were held constant from 2022 through 2024 ($35.36) before rate increases in 2025 and 2026. Tap and development fees have consistently represented a minor fraction of the total revenue, making up less than 1% of total revenue each year and averaging just 0.39% overall. Despite this minimal connection to new development, operating revenues have steadily climbed annually, consistently covering operating expenses by a healthy margin.

Sewer operating expenditures experienced some volatility over the observed five-year period. Expenses spiked significantly in 2021 to $414,178 before dropping back down in 2022 and jumping again in 2023, where they remained relatively flat through 2024.. The large drop in 2022 was due to deferred maintenance on swabbing main lines, which picked up again in 2023. 2023 saw a rise in large part from the renewed swabbing projects as well as the implementation of significant salary increases for the City to remain competitive in the area. Because operating revenues consistently outpaced these changing costs, the City's operating ratio remained positive every year, averaging 136% overall. Net operating income peaked in 2022 following the rate hike, before stabilizing in 2024.

| TRENDS | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|
| Monthly Sewer Rate ($) | | | 35.36 | 35.36 | 35.36 | 35.88 | 36.61 |
| Monthly Water Rate ($) | | | 39.66 | 39.66 | 39.66 | 40.24 | 41.05 |
| Residential Sewer Tap Fee ($) | | 500 | 500 | 500 | 500 | 500 | 500 |
| Residential Water Tap Fee ($) | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total Sewer Revenue ($) | 492,900 | 492,177 | 593,839 | 631,419 | 686,445 | | |
| Tap/Development Fees ($) | 0.00 | 3,078 | 3,700 | 2,700 | 2,000 | | |
| Sewer Operating Revenue ($) | 481,390 | 483,734 | 532,588 | 611,282 | 659,362 | | |
| Sewer Operating Expenses ($) | 311,482 | 414,178 | 327,929 | 511,426 | 519,321 | | |
| Sewer Net Operating Income ($) | 169,908 | 69,556 | 204,659 | 99,856 | 140,041 | | |
| Sewer Debt ($) | 418,489 | 1,913,091 | 1,843,989 | 1,754,541 | 1,664,849 | | |
| Total Debt ($) | 1,600,889 | 3,037,224 | 2,837,056 | 2,733,897 | 2,513,311 | | |
| Sewer Debt Service ($) | 41,120 | 41,047 | 74,856 | 96,906 | 96,941 | | |
| Sewer Debt Service/Tap/Month ($) | | 3.11 | 5.64 | 7.26 | 7.38 | | |
| Sewer Fund Reserves ($) | 541,647 | 1,971,352 | 1,255,471 | 756,058 | 832,115 | | |

| Ratios | 2020 | 2021 | 2022 | 2023 | 2024 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 98% | 98% | 90% | 97% | 96% | 96% |
| Operating Revenue as % of Expenses | 155% | 117% | 162% | 120% | 127% | 136% |
| Tap Fee Revenue as % of Total Revenue | 0.00% | 0.63% | 0.62% | 0.43% | 0.29% | 0.39% |



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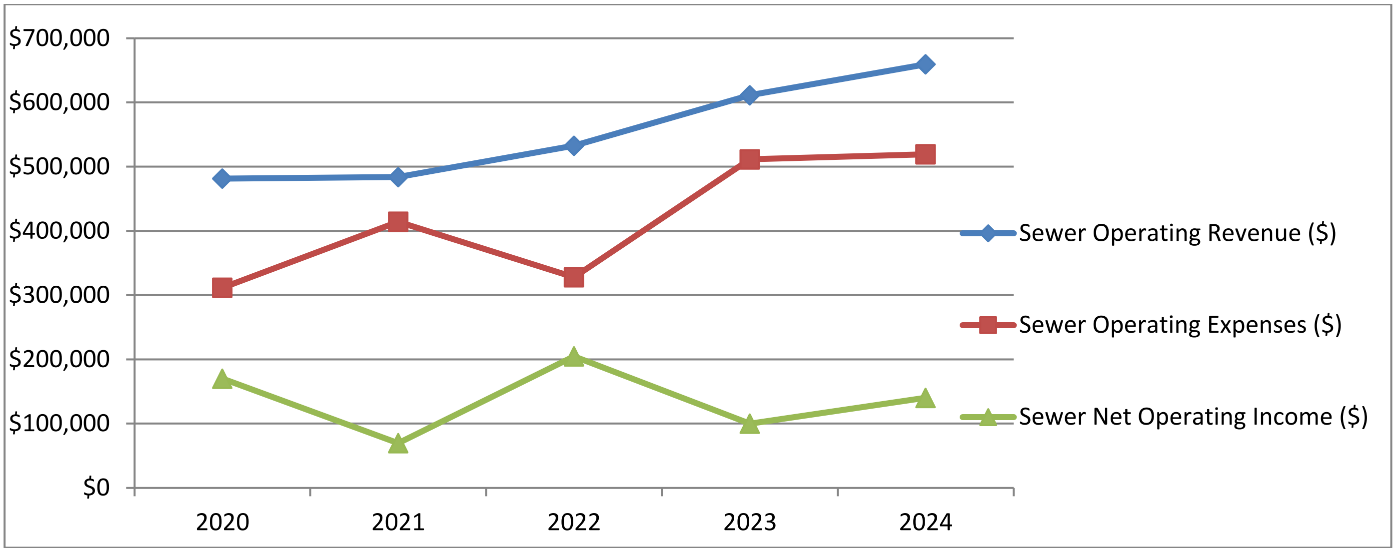


**Recent Rate Increases**
The City's most recent sewer rate increase of $0.73 was implemented on January 1, 2026. Water rates increased by $0.81 on the same date.

**User Charges & System Utilization**
The City's current monthly sewer rate is estimated at $36.61, compared to the 2024 estimated state median of $44.65. The City's average monthly sewer rate is based on typical residential utilization of 4,088 gallons per month. Residential and commercial users pay a base rate of $35.20 monthly for up to 3,000 gallons and $1.30 per 1,000 gallons over 3,000. The base rate for non-resident users is $59.00 monthly for up to 3,000 gallons and $1.30 per 1,000 gallons over 3,000.

The City's current estimated average monthly residential water rate is $41.05 compared to the 2024 estimated state median of $60.61. The City's average monthly water rate is based on typical residential consumption of 5,787 gallons per month. Users with a ¾" tap pay a $35.20 base rate up to 3,000 gallons and volume charges as follows: $2.10 per 1,000 gallons for consumption from 3,001 to 10,000 gallons; $3.37 per 1,000 gallons from 10,001 to 30,000 gallons; $4.22 per 1,000 gallons for 30,001 to 40,000 gallons, and $5.83 per 1,000 gallons for use over 40,000 gallons. The base rate for out-of-town users with ¾" taps is $64.75. The base rate and volume charges increase depending on meter size up to 6'.

Industrial and commercial users with meters of 2" or more, and who do not use water from the meter to irrigate vegetation pay the allotted minimum and are then charged by the following schedule: $2.10/1,000 gallons after minimum up to 200,000 gallons; $3.50/1,000 from 200,001 gallons to 800,000; and $5.31/1,000 gallons for 800,001 and above.

**Contributed Capital**
Revenue from tap fees has ranged from $0.00 to $3,700 and has averaged 0.39% of total sewer revenue during the last five years. The City's most recent sewer tap fee rate increase occurred prior to the observed five years.

- Residential sewer tap fees are $500. Multiple unit dwellings are $500 plus $300/each additional unit, and commercial taps are $600.
- Residential and commercial water tap fees are $1,000.

| Current System Utilization | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 47% | 48% |
| **Non-residential (per EQR)** | 53% | 52% |

| Current Fee Summary | | |
|---|---|---|
| Tap size | Sewer user/tap fees | Water user/tap fees |
| ¾" | $36.61/$500 | $38.84/$1,000 |
| ¾" | $36.61/$500 | $38.84/$1,000 |



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**DEBT as of December 31, 2024**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2008 | CWRPDA-WPCRF | 2028 | Sewer revenue | $75,400 | 0% | $18,850 |
| 2011 | CWRPDA-WPCRF | 2032 | Sewer revenue | $118,350 | 0% | $15,780 |
| 2013 | CWRPDA-WPCRF | 2034 | Sewer revenue | $60,674 | 0% | $6,387 |
| 2021 | CWRPDA-WPCRF | 2051 | Sewer revenue | 1,410,425 | 0.50% | $55,909 |
| 2008 | CWRPDA-DWRF | 2038 | Water revenue | $378,935 | 0% | $27,067 |
| 2022 | Water Refunding | 2027 | Water revenue | $144,527 | 2.25% | $48,262 |
| 2022 | Water Refunding | 2033 | Water revenue | $325,000 | 2.75% | $8,938 |

**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 WPCRF direct loans dated 2008, 2011, 2013, and 2021 and DWRF loan dates 2008 with the Authority. The City has also had no debt service payment issues.

Prepared by: Peter Dieterich
Date: July 28, 2026

Project # 140841W-B

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



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| July 28, 2026<br><br>WPCRF Credit Report<br>City of Las Animas, Bent County, CO<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| **Estimated Population - 2024** | **2,331** |
| **Number of Sewer Taps/Customers - 2024** | **1,094** |
| **Total Assessed Valuation - 2024** | **$5,371,000** |
| **Actual Value of All Real Property - 2024** | **$49,105,000** |
| **Median Household Income (MHI) - 2024** | **$51,875** |
| **Monthly Sewer Rate - 2024** | **$35.36** |
| **Sewer Operating Revenue - 2024** | **$659,362** |
| **Sewer Total Revenue - 2024**<br>**[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.]** | **$686,445** |
| **Sewer Tap and System Development Fee Revenue - 2024** | **$2,000** |
| **Sewer Operating Expense - 2024** | **$519,321** |
| **Sewer Current Expense - 2024** | **$616,262** |
| **Sewer Debt - 2024** | **$1,664,849** |
| **Total Debt - 2024** | **$2,513,311** |
| **Sewer Fund Reserves - 2024** | **$832,115** |
| **Sewer Debt Service - 2024** | **$96,941** |
| **New Sewer Debt**<br>[Requested WPCRF loan amount.] | **$508,776** |
| **Requested WPCRF Loan Term** | **30** |
| **Requested WPCRF Loan Interest Rate** | **1.75%** |
| **New Loan's Annual Sewer Debt Service (two payments annually)** | **$21,871** |

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| Current Indicators (2024)<br>City of Las Animas<br>(Sewer Only) | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $2,513,311 | ÷ | Population | 2,331 | = | $1,078 |
| | New Debt | $508,776 | ÷ | Population | 2,331 | = | $218 |
| | Total Debt + New Debt | $3,022,087 | ÷ | Population | 2,331 | = | $1,296 |
| 2 | Total Debt | $2,513,311 | ÷ | Number of Taps | 1,094 | = | $2,297 |
| | New Debt | $508,776 | ÷ | Number of Taps | 1,094 | = | $465 |
| | Total Debt + New Debt | $3,022,087 | ÷ | Number of Taps | 1,094 | = | $2,762 |
| 3 | Total Debt | $2,513,311 | ÷ | Assessed Value | $5,371,000 | = | 46.79% |
| | New Debt | $508,776 | ÷ | Assessed Value | $5,371,000 | = | 9.47% |
| | Total Debt + New Debt | $3,022,087 | ÷ | Assessed Value | $5,371,000 | = | 56.27% |
| 4 | Total Debt | $2,513,311 | ÷ | Actual Value | $49,105,000 | = | 5.12% |
| | New Debt | $508,776 | ÷ | Actual Value | $49,105,000 | = | 1.04% |
| | Total Debt + New Debt | $3,022,087 | ÷ | Actual Value | $49,105,000 | = | 6.15% |
| 5 | Current Sewer Debt | $1,664,849 | ÷ | Number of Taps | 1,094 | = | $1,522 |
| | (Current Sewer Debt + New Sewer Debt) / Number of Taps | $1,987 | ÷ | MHI | $51,875 | = | 3.83% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $928,692 | ÷ | Current Liabilities | $96,577 | = | 962% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $832,115 | ÷ | Current Expenses | $616,262 | = | 135% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $659,362 | ÷ | Operating Expenses | $519,321 | = | 127% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $686,445 | - | | | | |
| | Minus Operating Expenses | $519,321 | | | | | |
| | = | $167,124 | ÷ | Current Debt Service | $96,941 | = | 172% |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | $167,124 | | | | | |
| | Minus Tap and Development Fee Revenu | $2,000 | | | | | |
| | = | $165,124 | ÷ | Current Debt Service | $96,941 | = | 170% |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $686,445 | | | | | |
| | Minus Operating Expenses | $519,321 | | | | | |
| | = | $167,124 | | Total Debt Service (with new loan) | $118,812 | = | 141% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | $167,124 | | | | | |
| | Minus Tap and Development Fee Revenu | $2,000 | | | | | |
| | = | $165,124 | ÷ | Total Debt Service (with new loan) | $118,812 | = | 139% |
| 13 | Current Debt Service | $96,941 | ÷ | Number of Taps | 1094 | = | $88.61 |
| | Annual New Sewer Debt Service | $21,871 | ÷ | Number of Taps | 1094 | = | $19.99 |
| 14 | 2024 Annual Sewer Rate (Monthly Rate x 12) | $424.32 | ÷ | MHI | $51,875 | = | 0.82% |
| | 2024 Annual Sewer Rate + New Annual Debt Service Per Tap | $444.31 | ÷ | MHI | $51,875 | = | 0.86% |
| 15 | Current 2024 Monthly User Charge | | | | | | $35.36 |
| | (Debt Service on WPCRF Loan / 2024 Taps / Month) | | | | | | $1.67 |
| | Total | | | | | | $37.03 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $832,115 | ÷ | Operating Expenses | $519,321 | = | 160% |

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## WPCRF & DWRF

| | | | | | Benchmark | Applicant | Points | Notes on Data Used | |
|---|---|---|---|---|---|---|---|---|---|
| | **Eligiblity Criteria** | | | | | | | | |
| 1 | Population loss or growth is slower than the state's over 5 years | <= | | 0.73% | | 0.54% | 1.0 | | |
| | Current Population (2024) | | | | | 2,331 | | | |
| | Poulation five years ago (2020) | | | | | 2,281 | | | |
| 2a | 10 Year % County Job Change | >= | | 0 | | 13.22% | 0.0 | | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | | 5.35% | | 3.42% | 0.0 | | |
| 3 | Median Household Income | <= | $ | 95,470 | | 51,875 | 1.0 | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| | | >= | $ | 119,338 | | | 0.0 | | |
| | Reliability (CV) | <= | | 40.00% | | N/A | N | | |
| | | | | | | | | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| 4 | Rates compared to MHI | > | | 0.56% | | 0.82% | 1.0 | | |
| S | Monthly Residential Rate | > | | | | 35.36 | | | |
| | | | | | | | | *based on application only, needs to be confirmed* | |
| 5 | Project addresses removal of lead or emerging contaminants | | | Yes | | No | 0.0 | | |
| 6 | % Population that identifies as minority is greater than 40% | > | | 40.00% | | 56.97% | 1.0 | | |
| 7 | % Population that are housing burdened is greater than 50% | > | | 50.00% | | 40.85% | 0.0 | | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | | 40.00% | | 55.16% | 1.0 | | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | | 55.00% | | 76.93% | 1.0 | | |
| | % Population over 65 years old | | | | | 21.77% | | | |
| 10 | Meets base program DAC criteria? | | | | | Yes | 3.0 | | |
| | **BIL Eligibility Points** | | | | | | 9.0 | | |

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## 2026 SRF Disadvantaged Community Criteria

**Applicant:** City of Las Animas

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 1,497,600 |
| Interest Rate: | 3.25% |
| Term (years): | 20 |
| Annual Payment: | $ 102,420 |

| | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|
| Current Population (2024) | <= | 10,000 | 2,331 | Y | |
| Population 5 years ago (2020) | | | 2,281 | | |
| Poulation 10 years ago (2015) | | | 2,317 | | |
| **Primary Factors** | | | | | |
| MHI (Place) | <= | $ 76,376 | 51,875 | Y | |
| Margin of Error (MOE) | ± | | 10,249 | | |
| MHV (Place) | <= | $ 431,520 | 132,700 | Y | |
| Margin of Error (MOE) | ± | | 54,040 | | |
| 24 Month Unemployment (County) | >= | 5.35% | 3.42% | N | |
| or 10 Year % Chng. Jobs (County) | <= | 0.00% | 13.22% | N | |
| Jobs (2024) | | | 1,576 | | |
| Jobs (2015) | | | 1,392 | | |
| **Priority Factor Count** | | | | 2 | |
| **Secondary Factors** | | | | | |
| MHI (County) | <= | $ 76,376 | 50,179 | Y | |
| Margin of Error (MOE) | ± | | 7,108 | | |
| Reliability (CV) | <= | 18.00% | 8.61% | Y | |
| 10 Year % Chng. Population | <= | 0.00% | 0.60% | N | |
| Assessed Value / Housing Unit | <= | $ 24,337 | $4,266 | Y | |
| Assessed Value | | | 5,371,290 | | |
| Total Housing Units | | | 1259 | | |

| | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|
| Current Debt / Tap / MHV | > | 0.15% | 1.15% | Y | | |
| Current + Projected Debt/Tap/MHV | > | 0.15% | 2.18% | Y | | |
| S4b 80th percentile | | 0.75% | 2.18% | Y | | |

| | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|
| System Full Cost / Tap / MHI | > | 0.80% | 1.32% | Y | | |
| Projected Rate @ 110% Coverage | > | 0.73% | 1.30% | Y | | |
| S5b 80th percentile | | 1.10% | 1.30% | Y | | |
| **Secondary Factor Count** | | | | 4 | | |

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

| | |
|---|---|
| Taps or EQR's | 1,094 |
| Total Debt | 1,664,849 |
| Principal & Interest | 96,941 |
| Operating Expenses (including operating transfers out) | 519,321 |
| Depreciation | 227,701 |

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## 2026 IUP WPCRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | City of Las Animas |
| **Date of Scoring** | 7/28/2026 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 160 |
| **DAC:** | DAC |

| | | | | | |
|---|---|---|---|---|---|
| | **Benchmarks** | | | | |
| **$95,470** | **2020-2024 State MHI estimate** | | | | |
| **P1** | **MHI** | | | $51,875 | 54% |
| | <50% of state MHI | 35 | | | |
| | Between 51% and 80% of state MHI | 20 | x | | |
| | Between 81% and 100% of state MHI | 5 | | | |
| | >100% state MHI | 0 | | | |
| **S5a** | **User Fees (current SEWER rate at 110%/tap/MHI)** | | | 1.32% | |
| | Rates are > 1.14% | 45 | x | | |
| | 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** | | | 1.15% | |
| | Debt is > 0.53% | 45 | x | | |
| | 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** | | | 2,331 | |
| | Less than 500 | 35 | | | |
| | Between 500 and 1,000 | 25 | | | |
| | Between 1,000 and 2,000 | 20 | | | |
| | Between 2,000 and 5,000 | 15 | x | | |
| | Betweeen 5,000 and 10,000 | 5 | | | |
| | >10,000 | 0 | | | |
| **S3** | **Assessed Value/Household** | | | 4,266 | |
| | AV per household is < $12,722 | 35 | x | | |
| | 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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# Principal Forgiveness and Priority Point Scoring

Applicant: City of Las Animas
DWRF or WPCRF:WPCRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 49%

Amount of principal forgiveness awarded (accounting for any applicable cap/max):$493,724

## Base DWRF/WPCRF Principal Forgiveness Scoring

**DWRF/WPCRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 0 |
| DOLA Affordability Score: | 160 |
| Total Score | 160 |

Eligible as a base program DAC? Yes

Eligible base program DWRF/WPCRF principal forgiveness percentage:

Amount of principal forgiveness awarded (accounting for any applicable cap): $500,000

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 45 |
| DOLA Affordability Score: | 160 |
| Total Score: | 205 |

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| | |
|---|---|
| TO: | Members of the CWRPDA Board and Karl Ohlsen |
| FROM: | Wesley Williams, Ian Loffert, and Giorgi Gazashvili, CWRPDA |
| SUBJECT: | Town of Cheraw (the "Town") WPCRF Loan Year Term Change- Credit Report Update |
| DATE: | August 19, 2026 |

| **Project Budget** | |
|---|---|
| WPCRF IIJA/BIL Loan: | $451,915 |
| WPCRF IIJA/BIL Principal Forgiveness: | $492,085 |
| 2024 D&E Grant: | $300,000 |
| 2023 Planning Grant: | $10,000 |
| **Total:** | **$1,254,000** |

The CWRPDA Board approved the Town for a WPCRF funding package of $1.25 million on March 6, 2026. The March loan application was approved for a repayment term of 20 years. Due to the rate increase that was associated with application, the Town has requested an amendment to the Board-approved loan to change the term of 20 years to 30 years, in order to ease the burden of the required rate increase on the Town residents. The associated term change would result in the Town receiving the 30-year interest rate of 1.75%, as opposed to the approved 20-year and interest rate of 1.5%. After checking with the SRF project team and CDPHE engineers, the project qualifies for a 30-year term with the SRF due to the project's useful life being 30 years or more.

Based on 2024 financial statements, the Town's finances largely remain the same with a few minor changes due to the interest rate and term change. The indicators related to the coverage ratio and the new debt calculation have improved but stayed in their respective categories.

| **CURRENT INDICATORS** | **2024** | | **Weak** | | **Average** | | **Strong** |
|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 1,574 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | 3,565 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 2,770 | | >$5,000 | X | $2,500-5,000 | | <$2,500 |
| Total Debt + New Debt/Tap ($): | 6,273 | X | >$5,000 | | $2,500-5,000 | | <$2,500 |
| Current Sewer Debt/Tap ($): | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Current Sewer + New Sewer Debt/Tap ($): | 3,503 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 87% | X | >50% | | 25-50% | | <25% |
| Total Debt + New Sewer Debt/Assessed Value: | 196% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 6.87% | | >10% | X | 5-10% | | <5% |
| Total Debt + New Sewer Debt/Actual Value: | 16% | X | >10% | | 5-10% | | <5% |
| Curr. Sewer Debt + New Debt/Tap/MHI: | 9.09% | | >20% | | 10-20% | X | <10% |
| Sewer Fund Current Ratio (CA/CL): | 216% | | <100% | | 100-200% | X | >200% |
| Sewer Fund Reserves/Current Expense: | 144% | | <50% | | 50-100% | X | >100% |
| Sewer Operating Ratio (OR/OE): | 63% | X | <100% | | 100-120% | | >120% |
| Coverage Ratio (TR-OE)/DS: | N/A | | <110% | | 110-125% | X | >125% |
| Coverage Ratio (TR-OE)/DS Excluding Tap Fees: | N/A | | <110% | | 110-125% | X | >125% |
| Coverage Ratio with New Loan: | -88% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | -88% | X | <110% | | 110-125% | | >125% |
| Current Annual W&S Rates/MHI: | 0.62% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Sewer Rates + New Sewer Debt Service/MHI: | 1.01% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve | 144% | | <25% | | 25-50% | X | >50% |
| | **TOTAL:** | **9** | | **3** | | **9** | |

**Financial Analysis**

The financials, when considering the change of term from 20-years to 30-years which comes with an interest rate change from 1.5% to 1.75%, improve the coverage ratio indicators, which decreases the required rate increase from $23.97 to $19.13

- The Coverage Ratio with a 20-year term and 1.5% interest was approximately -65%, which seems higher than the new coverage ratio of -88%. However, this is due to the Operating income being a negative number. The Debt Service actually decreases which makes the Town's financials and coverage ratio better.
- If the change request is approved, the annual debt service of $26,238 with the approved loan terms of 1.50% interest rate over 20 years, will decrease to $19,427 with the suggested loan terms of 1.75% interest rate over 30 years.

# WPCRF LOAN CREDIT REPORT (2026)

Town of Cheraw ("The Town"), Otero County

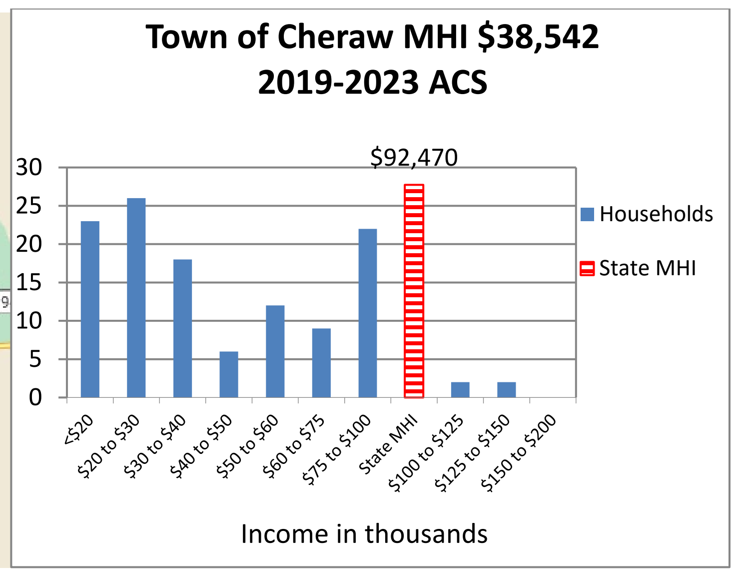
| | |
|---|---|
| **Recommendation:** | **CONDITIONAL APPROVAL** |
| **Loan Request:** | $944,000 |
| **Interest Rate & Term:** | 1.5%, 20 years |
| **Annual Debt Service:** | $26,238 |
| **Pledge:** | Sewer System Revenue |
| **Current Rate:** | $25.70 |
| **Estimated Rate Increase:** | $23.97 |

| **Project Budget** | |
|---|---|
| **WPCRF IIJA/BIL Loan:** | $451,915 |
| **WPCRF IIJA/BIL Principal Forgiveness:** | $492,085 |
| **2023 Planning Grant:** | $10,000 |
| **2025 D&E Grant:** | $300,000 |
| **Total:** | $1,254,000 |

**PROJECT DESCRIPTION:** The proposed project includes replacing the existing lift station with a new above-ground lift station.

| **COMMUNITY PROFILE: Town of Cheraw** | **2020** | **2021** | **2022** | **2023** | **2024** | **2025** | **Avg. Annual Change** |
|---|---|---|---|---|---|---|---|
| Town Population | 237 | 236 | 232 | 230 | 227 | | -1.07% |
| Otero County Population | 18,670 | 18,527 | 18,277 | 18,142 | 17,916 | | -1.03% |
| Otero County Jobs | 7,022 | 7,119 | 7,167 | 7,249 | 7,216 | | 0.68% |
| Number of Sewer Taps | | 129 | 129 | 129 | 129 | 129 | 0.00% |
| Number of Water Taps | | 119 | 119 | 119 | 119 | 119 | 0.00% |
| Assessed Value ($000) | | 513 | 529 | 505 | 412 | 425 | -4.60% |
| Actual Value ($000) | | 5,886 | 5,962 | 5,960 | 5,198 | 5,253 | -2.80% |

**BORROWER BRIEF:** The Town of Cheraw is located about 75 miles east of the City of Pueblo and 10 miles north of the City of La Junta in Otero County in southeast Colorado.


**RECOMMENDATION:** The Town serves a small, rural community in Otero County. This proposed loan is necessary to replace a lift station that is at the end of its useful life. The Town will need to nearly double sewer rates to complete this project, however, the Town has spent a substantial amount of time educating residents on the need for the project and is prepared to make the required rate increases. We therefore recommend the WPCRF Committee approve a $451,915 WPCRF IIJA/BIL supplemental loan, and $492,085 in principal forgiveness to the Town of Cheraw on the condition rates are increased to meet coverage requirements for this WPCRF request and to come into compliance with the outstanding DWRF loans.

## PROJECT SUMMARY:

**System summary:** The Town's sanitary sewer system consists of a collection system that was installed in 1980. The entire collection system flows by gravity to the Town's lift station. The collection system feeds into the treatment facility, that is comprised of three interconnected wastewater evaporative ponds.

**Reason/need:** The Town's existing lift station is at the end of its useful life and is in need of replacement. The existing lift station is exhibiting signs of corrosion and exposed concrete aggregate in the wetwell walls. This is increasing the risk of the lift station becoming inoperable, which would make the collection system fail.

**System Compliance:** The Town 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:** 10% of the total project cost is included as contingency.

| CURRENT INDICATORS: | 2022 | 2023 | 2024 | | Weak | | Average | | Strong |
|---|---|---|---|---|---|---|---|---|---|
| Total Debt per Capita ($): | 1,621 | 1,605 | 1,574 | | >$2,000 | X | $1,000 - 2,000 | | <$1,000 |
| Total + New Debt/Capita ($): | | | 3,565 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Tap ($): | 2,915 | 2,862 | 2,770 | | >$5,000 | X | $2,500 - 5,000 | | <$2,500 |
| Total Debt + New Debt/Tap ($): | | | 6,273 | X | >$5,000 | | $2,500 - 5,000 | | <$2,500 |
| Current Sewer Debt/Tap ($): | 0 | 0 | 0 | | >$2,000 | | $1,000 - 2,000 | X | <$1,000 |
| Current Sewer + New Sewer Debt/Tap ($): | | | 3,503 | X | >$2,000 | | $1,000 - 2,000 | | <$1,000 |
| Total Debt/Assessed Value: | 71% | 73% | 87% | X | >50% | | 25-50% | | <25% |
| Total Debt + New Sewer Debt/Assessed Value: | | | 196% | X | >50% | | 25-50% | | <25% |
| Total Debt/Actual Value: | 6.31% | 6.19% | 6.87% | | >10% | X | 5-10% | | <5% |
| Total Debt + New Sewer Debt/Actual Value: | | | 16% | X | >10% | | 5-10% | | <5% |
| Curr. Sewer Debt + New Debt/Tap/MHI: | | | 9.09% | | >20% | | 10-20% | X | <10% |
| Sewer Fund Current Ratio (CA/CL): | 2,128% | 537% | 216% | | <100% | | 100-200% | X | >200% |
| Sewer Fund Reserves/Current Expense: | 334% | 181% | 144% | | <50% | | 50-100% | X | >100% |
| Sewer Operating Ratio (OR/OE): | 110% | 64% | 63% | 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: | | | -65% | X | <110% | | 110-125% | | >125% |
| Coverage Ratio with New Loan Excluding Tap Fees: | | | -65% | X | <110% | | 110-125% | | >125% |
| Current Annual Sewer Rates/MHI: | | | 0.62% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Current Sewer Rates + New Sewer Debt Service/MHI: | | | 1.15% | | >3.0% | | 1.5-3.0% | X | <1.5% |
| Operation and Maintenance Reserve: | | | 144% | | <25% | | 25-50% | X | >50% |
| | | | **Total:** | **9** | | **3** | | **9** | |

**FINANCIAL ANALYSIS:** Of the twenty-one current indicators calculated, nine are rated strong, three are average and nine are considered weak. Overall, the indicators illustrate a system where sewer expenses exceed system revenues, and the proposed debt is anticipated to be large for the community. The strong indicators show the lack of existing sewer debt and affordable rates with both the current and requested debt. The weak indicators reflect inadequate revenue to cover expenses, the need to raise rates for the projected loan, and the Town's existing and requested debt being large relative to community size and wealth.

- The Town's operating ratio was negative in 2023 and 2024, meaning operating expenses exceeded operating revenue in those years. This deficit is explained in the revenue section below.
- Based on 2024 financial information, coverage with the proposed loan is -65%. Additional annual revenue of about $45,931, or $29.67 per tap per month, would increase the coverage ratio to 110%. The Town has raised sewer rates by $5.70 since 2024, which decreases the required rate increase to $23.97.
- Without principal forgiveness, the coverage ratio moves to -31%. Additional annual revenue of about $77,359, or $49.97 per tap per month.
- The Town states "public reception to the anticipated rate increases has been mixed but generally constructive. The Town has been transparent about the financial condition of the sewer fund, the need for the project, and the consequences of inaction, which has helped residents better understand why rate increases are necessary. While there is understandable concern about affordability and the impact on household budgets, much of the feedback has reflected recognition that the infrastructure improvements are essential and long overdue."

**Additional Project Financing**

BACK TO AGENDA

The Town received a $10,000 planning grant and a $300,000 design and engineering grant in 2025.

## DESCRIPTION OF THE LOAN:

An estimated $451,915 loan with a twenty-year term with two payments annually at an interest rate of 1.5% will cost the Town approximately $26,238 in debt service annually. The Town also qualifies for $492,085 in IIJA/BIL principal forgiveness.

**Disadvantaged Community:**

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

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

| Credit Report | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Met? |
| P1: MHI | $73,976 | >= | $38,542 | Yes |
| P2: MHV | $401,760 | >= | $97,900 | Yes |
| P3: County Unemployment | 4.47% | <= | 4.72% | Yes |
| County Job Change | 0.00% | >= | 5.04% | No |
| S1: County MHI | $73,976 | >= | $54,897 | Yes |
| S2: Ten Year % Change in Population | 0.00% | >= | -1.73% | Yes |
| S3: Assessed Value per Housing unit | $24,308 | >= | $3,434 | Yes |
| S4b: Curr. and Proj. System Debt | 0.16% | < | 7.47% | Yes |
| S4b: 80th Percentile | 0.88% | < | 7.47% | Yes |
| S5b: Proj. System Cost Per Tap to MHI | 0.76% | < | 2.39% | Yes |
| S5b: 80th Percentile | 1.18% | < | 2.39% | Yes |

Based on 2019-2023 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1.

Due to its projected rates to MHI and MHV exceeding the 80th percentile, the Town qualifies for the lowest interest rate available (Category 2 DAC, 1.5% or 1.75%).

**IIJA/BIL Principal Forgiveness Eligibility:**

In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The Town scores 8.5 points as shown below.

| IIJA/BIL PF DETERMINATION | | | | |
|---|---|---|---|---|
| | Benchmark | | Borrower | Points |
| 1. Five Year % Change in Population | 0.61% | > | -1.07% | 1 |
| 2a: County Job Change | 0.00% | > | 5.04% | |
| 2b: County Unemployment | 4.47% | < | 4.72% | 0.5 |
| 3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point) | $92,470 | > | $38,542 | |
| | $115,588 | < | | 1 |
| 4: Rates to MHI | 0.56% | < | 0.78% | 1 |
| 5: Project addresses removal of lead or emerging contaminants | Yes | | No | 0 |
| 6: % Minority | 40.00% | < | 16.59% | 0 |
| 7: % Households Housing Burdened | 50.00% | < | 32.50% | 0 |
| 8: % Population under 200% Poverty Level | 40.00% | < | 40.28% | 1 |
| 9: % Population under 200% Poverty Level + % Population over 65 years old | 55.00% | < | 70.61% | 1 |
| 10: Meets DAC criteria | Yes | | Yes | 3 |
| | | | **Total Points Scored:** | 8.5 |

The Town qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 52.128%, the Town qualifies for approximately $492,085 in principal forgiveness, leaving an estimated loan of $451,915.

**ECONOMIC ANALYSIS:** The Town has a 2024 population estimated at 227 and has decreased at an average annual rate of -1.07% since 2020. Otero County has experienced a decrease of -1.03% in population since 2020. The state population increased at an average annual rate, estimated at 0.95%.



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The County's economy is dominated by agribusiness, retirees, education and health care, public assistance income (excluding retirees), and government. Otero County's largest job sectors are health services, government, retail, accommodation and food service, and manufacturing. The County's jobs have been stagnant over the past five years, though they have increased when looking at a 10-year span.

The area's largest employers consist of Cheraw School District with 40 employees, Frontier Diner with 5 employees, Bruce Well Service with 4 employees, Town of Cheraw with 3 employees, and Phillips Communication with 3 employees.

## ORGANIZATIONAL ANALYSIS:

**Bond Rating**

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

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

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

**Organizational Structure**

The Town is a statutory town governed by a council/mayor form of government and was incorporated in 1917. The Town provides services including street maintenance, water, sewer and garbage disposal services. Approximately 1 full-time employee plus contract operator staff the sewer utility. The sewer utility is overseen by the superintendent, who reports to the mayor.

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

**Capital Improvement Plan**

The Town does not maintain a capital improvement plan. Anticipated upcoming capital improvement projects include the replacement of the lining of the third lagoon in 2028, and the replacement of the Town's water meters with smart meters in the next 2-5 years. The anticipated costs are approximately $2,600,000 to be funded from grant and loans.

## REVENUE ANALYSIS:

In 2023, the Town changed how it accounted for sewer fund expenses. Sewer expenses that we previously billed to the general fund were reallocated to the sewer fund, causing the rise in expenses there. The higher 2023 and 2024 sewer fund expenses are expected to be the normal moving forward. Now that the Town has a more accurate understanding of the expenses, the Town has been taking incremental steps to ensure the fund is self-sufficient by implementing annual rate increases, though a larger rate increase will be necessary for the proposed loan.

| TRENDS | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|---|---|
| Monthly Sewer Rate ($) | | 20.00 | 20.00 | 20.00 | 20.00 | 25.00 | 25.70 |
| Monthly Water Rate ($) | | 24.51 | 43.01 | 45.01 | 45.01 | 47.68 | 58.72 |
| Residential Sewer Tap Fee ($) | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 51,000 |
| Residential Water Tap Fee ($) | | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 51,000 |
| Total Sewer Revenue ($) | 26,947 | 30,286 | 30,427 | 30,528 | 30,653 | | |
| Tap/Development Fees ($) | 0 | 0 | 0 | 0 | 0 | | |
| Sewer Operating Revenue ($) | 26,835 | 30,112 | 30,410 | 30,510 | 29,916 | | |
| Sewer Operating Expenses ($) | 28,681 | 26,122 | 27,757 | 47,494 | 47,722 | | |
| Sewer Net Operating Income ($) | -1,846 | 3,990 | 2,653 | -16,984 | -17,806 | | |
| Sewer Debt ($) | 0 | 0 | 0 | 0 | 0 | | |
| Total Debt ($) | 0 | 0 | 376,040 | 369,163 | 357,303 | | |
| Sewer Fund Reserves ($) | 71,962 | 97,743 | 92,803 | 85,837 | 68,768 | | |

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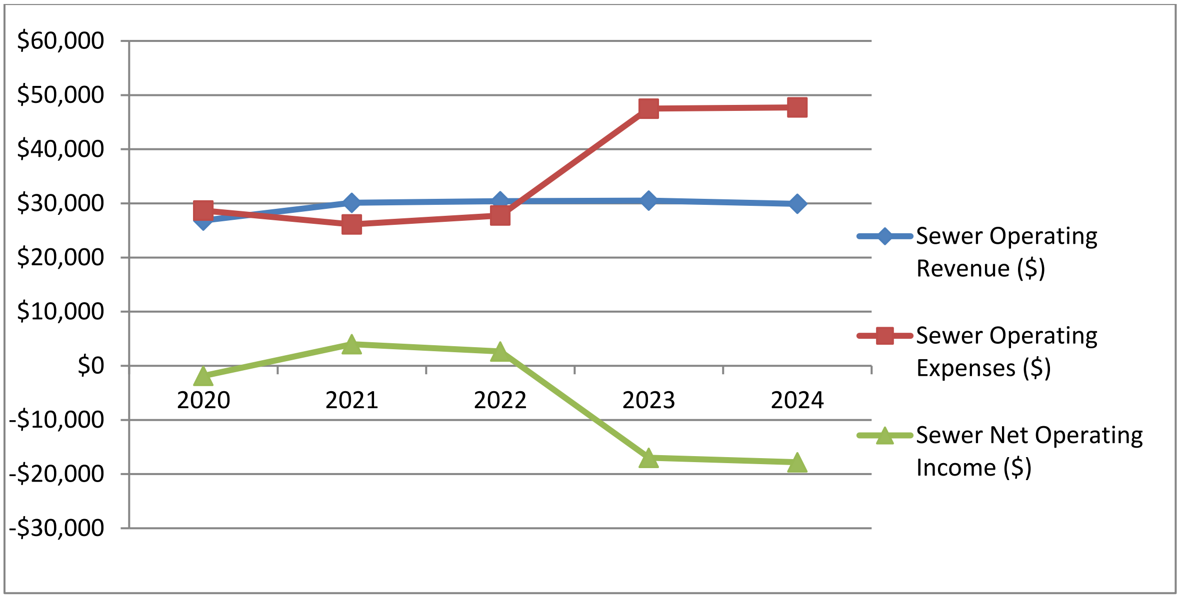
| Ratios | 2020 | 2021 | 2022 | 2023 | 2024 | Average |
|---|---|---|---|---|---|---|
| Operating Revenue as % of Total Revenue | 100% | 99% | 100% | 100% | 98% | 99% |
| Operating Revenue as % of Expenses | 94% | 115% | 110% | 64% | 63% | 89% |
| Tap Fee Revenue as % of Total Revenue | 0% | 0% | 0% | 0% | 0% | 0% |




**Recent Rate Increases**
The Town's most recent rate increase of $0.70 was implemented on December 8, 2025.

**User Charges & System Utilization**
The Town's current monthly sewer rate is a flat $25.70 compared to the 2024 estimated state median of $44.65.

The Town's current estimated average monthly residential water rate is $58.72 compared to the 2024 estimated state median of $60.61. The Town's average monthly water rate is based on typical residential consumption of 5,340 gallons per month. Residential and commercial customers pay a $38.04 base rate, a $10 facility charge, and $2.00 per 1,000 gallons of consumption.

**Contributed Capital**
The Town has not collected any revenue from tap fees during the last five years. The Town has not changed their tap fees in the past five years.

- Sewer tap fees are $1,000.
- Water tap fees are $1,000.

| Current System Utilization | | |
|---|---|---|
| | Usage | Revenue |
| **Residential** | 91% | 94% |
| **Non-residential (per EQR)** | 9% | 6% |

| Current Fee Summary | | |
|---|---|---|
| Tap size | Sewer user/tap fees | Water user/tap fees |
| ¾" | $25.70/$1,000 | $58.72/$51,000 |
| ¾" | $25.70/$1,000 | $58.72/$51,000 |

**DEBT as of December 31, 2024**

| Executed | Lender | Term End | Pledge | Outstanding | Interest Rate | Annual payment |
|---|---|---|---|---|---|---|
| 2022 | DWRF | 2052 | Water Revenue | $159,209 | 0.50% | $6,311 |
| 2022 | DWRF | 2052 | Water Revenue | $186,175 | 0.50% | $7,380 |



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

The Town has had no debt service payment issues.

- The Town has met the O&M reserve fund covenant for its 2022 DWRF loans in recent two years. However, the Town failed to meet the 110% rate covenant on their 2022 DWRF loans. The Town has already raised rates to meet this covenant

| **Town of Cheraw Water Revenue Pledge** | | | | |
|---|---|---|---|---|
| **Year** | **Rate Covenant** | **In Compliance (Y/N)** | **O&M Reserve Fund*** | **In Compliance (Y/N)** |
| 2023 | -315% | N | $204.50 | Y |
| 2024 | -169% | N | $296.50 | Y |

*Dollar amount reserved above the 3-month O&M expenses.

Prepared by: Desi Santerre
Date: February 10, 2026

Project #220061W-B
Cost Categories: 100% - Sewer System Rehabilitation



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| Date<br>10-Feb-26<br>WPCRF Credit Report<br>Town of Cheraw, Otero County, CO<br>Using most recent data available<br>(Census, audits, local records) | |
|---|---|
| **Estimated Population - 2024** | **227** |
| **Number of Sewer Taps/Customers - 2024** | **129** |
| **Total Assessed Valuation (in thousands) - 2024** | **$412** |
| **Actual Value of All Real Property (in thousands) - 2024** | **$5,198** |
| **Median Household Income (MHI) - 2023** | **$38,542** |
| **Monthly Sewer Rate - 2024** | **$20.00** |
| **Sewer Operating Revenue - 2024** | **$29,916** |
| **Sewer Total Revenue - 2024**<br>**[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.]** | **$30,653** |
| **Sewer Tap and System Development Fee Revenue - 2024** | **$0** |
| **Sewer Operating Expense - 2024** | **$47,722** |
| **Sewer Current Expense - 2024** | **$47,722** |
| **Sewer Debt - 2024** | **$0** |
| **Total Debt - 2024** | **$357,303** |
| **Sewer Fund Reserves - 2024** | **$68,768** |
| **Sewer Debt Service - 2024** | **$0** |
| **New Sewer Debt**<br>[Requested WPCRF loan amount.] | **$451,915** |
| **Requested WPCRF Loan Term** | **20** |
| **Requested WPCRF Loan Interest Rate** | **1.50%** |
| **New Loan's Annual Sewer Debt Service (two payments annually)** | **$26,238** |

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## Current Indicators (2024)
## Town of Cheraw
## (Sewer Only)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Total Debt | $357,303 | ÷ | Population | 227 | = | $1,574 |
| | New Debt | $451,915 | ÷ | Population | 227 | = | $1,991 |
| | Total Debt + New Debt | $809,218 | ÷ | Population | 227 | = | $3,565 |
| 2 | Total Debt | $357,303 | ÷ | Number of Taps | 129 | = | $2,770 |
| | New Debt | $451,915 | ÷ | Number of Taps | 129 | = | $3,503 |
| | Total Debt + New Debt | $809,218 | ÷ | Number of Taps | 129 | = | $6,273 |
| 3 | Total Debt | $357,303 | ÷ | Assessed Value | $412,000 | = | 86.72% |
| | New Debt | $451,915 | ÷ | Assessed Value | $412,000 | = | 109.69% |
| | Total Debt + New Debt | $809,218 | ÷ | Assessed Value | $412,000 | = | 196.41% |
| 4 | Total Debt | $357,303 | ÷ | Actual Value | $5,198,000 | = | 6.87% |
| | New Debt | $451,915 | ÷ | Actual Value | $5,198,000 | = | 8.69% |
| | Total Debt + New Debt | $809,218 | ÷ | Actual Value | $5,198,000 | = | 15.57% |
| 5 | Current Sewer Debt | $0 | ÷ | Number of Taps | 129 | = | $0 |
| | (Current Sewer Debt + New Sewer Debt) / Number of Taps | $3,503 | ÷ | MHI | $38,542 | = | 9.09% |
| 6 | Current Ratio (CA / CL) | | | | | | |
| | Current Assets | $127,817 | ÷ | Current Liabilities | $59,049 | = | 216% |
| 7 | Reserve/Expense Ratio | | | | | | |
| | Reserves | $68,768 | ÷ | Current Expenses | $47,722 | = | 144% |
| 8 | Operating Ratio (OR / OE) | | | | | | |
| | Operating Revenues | $29,916 | ÷ | Operating Expenses | $47,722 | = | 63% |
| 9 | Coverage Ratio [(TR - OE) / DS] | | | | | | |
| | Total Revenues | $30,653 | - | | | | |
| | Minus Operating Expenses | $47,722 | | | | | |
| | = | -$17,069 | ÷ | Current Debt Service | $0 | = | #DIV/0! |
| 10 | Coverage Ratio Excluding Tap and Development Fee Revenue | -$17,069 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | -$17,069 | ÷ | Current Debt Service | $0 | = | #DIV/0! |
| 11 | Projected Coverage Ratio | | | | | | |
| | Total Revenues | $30,653 | | | | | |
| | Minus Operating Expenses | $47,722 | | | | | |
| | = | -$17,069 | | Total Debt Service (with new loan) | $26,238 | = | -65% |
| 12 | Projected Coverage Excluding Tap and Development Fee Revenue | -$17,069 | | | | | |
| | Minus Tap and Development Fee Revenu | $0 | | | | | |
| | = | -$17,069 | ÷ | Total Debt Service (with new loan) | $26,238 | = | -65% |
| 13 | Current Debt Service | $0 | ÷ | Number of Taps | 129 | = | $0.00 |
| | Annual New Sewer Debt Service | $26,238 | ÷ | Number of Taps | 129 | = | $203.40 |
| 14 | 2024 Annual Sewer Rate (Monthly Rate x 12) | $240.00 | ÷ | MHI | $38,542 | = | 0.62% |
| | 2024 Annual Sewer Rate + New Annual Debt Service Per Tap | $443.40 | ÷ | MHI | $38,542 | = | 1.15% |
| 15 | Current 2024 Monthly User Charge | | | | | | $20.00 |
| | (Debt Service on WPCRF Loan / 2024 Taps / Month) | | | | | | $16.95 |
| | Total | | | | | | $36.95 |
| 16 | Operation and Maintenance Reserve | | | | | | |
| | Reserves | $68,768 | ÷ | Operating Expenses | $47,722 | = | 144% |

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## 2025 SRF Disadvantaged Community Criteria

**Applicant:** Town of Cheraw

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

**Loan Terms**

| | |
|---|---|
| Amount of Loan: | $ 944,000 |
| Interest Rate: | 3.25% |
| Term (years): | 20 |
| Annual Payment: | $ 64,560 |

| | | | Benchmark | Applicant | Result | Notes on Data Used |
|---|---|---|---|---|---|---|
| | Current Population (2024) | <= | 10,000 | 227 | Y | |
| | Population 5 years ago (2020) | | | 237 | | |
| | Poulation 10 years ago (2015) | | | 231 | | |
| | **Primary Factors** | | | | | |
| P1 | MHI (Place) | <= | $ 73,976 | 38,542 | Y | |
| | Margin of Error (MOE) | ± | | 14,161 | OK | |
| | Reliability (CV) | <= | 18.00% | 22.34% | N | |
| P2 | MHV (Place) | <= | $ 401,760 | 97,900 | Y | |
| | Margin of Error (MOE) | ± | | 13,209 | | |
| | Reliability (CV) | <= | 18.00% | 8.20% | Y | |
| P3 | 24 Month Unemployment (County) | >= | 4.47% | 4.72% | Y | |
| | or 10 Year % Chng. Jobs (County) | <= | 0.00% | 5.04% | N | |
| | Jobs (2023) | | | 8,375 | | |
| | Jobs (2014) | | | 7,973 | | |
| | **Priority Factor Count** | | | | 3 | |
| | **Secondary Factors** | | | | | |
| S1 | MHI (County) | <= | $ 73,976 | 54,897 | Y | |
| | Margin of Error (MOE) | ± | | 7,068 | | |
| | Reliability (CV) | <= | 18.00% | 7.83% | Y | |
| S2 | 10 Year % Chng. Population | <= | 0.00% | -1.73% | Y | |
| S3 | Assessed Value / Housing Unit | <= | $ 24,308 | $3,434 | Y | |
| | Assessed Value | | | 412,123 | | |
| | Total Housing Units | | | 120 | | |

| | | | Benchmark | Applicant | Result | If MHV CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S4 | Current Debt / Tap / MHV | > | 0.16% | 0.00% | N | | |
| S | Current + Projected Debt/Tap/MHV | > | 0.16% | 7.47% | Y | | |
| | S4b 80th percentile | | 0.88% | 7.47% | Y | | |

| | | | Benchmark | Applicant | Result | If MHI CV > 18%, calculate result at top of band | Result |
|---|---|---|---|---|---|---|---|
| S5 | System Full Cost / Tap / MHI | > | 0.84% | 1.48% | Y | | |
| | Projected Rate @ 110% Coverage | > | 0.76% | 2.39% | Y | | |
| | S5b 80th percentile | | 1.18% | 2.39% | Y | | |
| | **Secondary Factor Count** | | | | 5 | | |

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

| | |
|---|---|
| Taps or EQR's | 129 |
| Total Debt | 0 |
| Principal & Interest | 0 |
| Operating Expenses (including operating transfers out) | 47,722 |
| Depreciation | 25,917 |

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# WPCRF & DWRF

| | | | Benchmark | Applicant | Points | Notes on Data Used | Result |
|---|---|---|---|---|---|---|---|
| | **Eligiblity Criteria** | | | | | | |
| 1 | Population loss or growth is slower than the state's over 5 years | <= | 0.61% | -1.07% | 1.0 | | |
| | Current Population (2024) | | | 227 | | | |
| | Poulation five years ago (2020) | | | 237 | | | |
| 2a | 10 Year % County Job Change | >= | 0 | 5.04% | 0.0 | | |
| 2b | County 24 Month unemployment rate exceeds the state's plus 1% | >= | 4.47% | 4.72% | 0.5 | | |
| 3 | Median Household Income | <= | $ 92,470 | 38,542 | 1.0 | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| | | >= | $ 115,588 | | 0.0 | | |
| | Reliability (CV) | <= | 40.00% | 22.34% | Y | **If MHI CV > 40%, calculate result at top of band** | **Result** |
| 4 | Rates compared to MHI | > | 0.56% | 0.78% | 1.0 | | |
| S | Monthly Residential Rate | > | | 25.00 | | | |
| | | | | *Confirmed Resolution No. 120824* | | | |
| 5 | Project addresses removal of lead or emerging contaminants | | Yes | No | 0.0 | | |
| 6 | % Population that identifies as minority is greater than 40% | > | 40.00% | 16.59% | 0.0 | | |
| 7 | % Population that are housing burdened is greater than 50% | > | 50.00% | 32.50% | 0.0 | | |
| 8 | % Population under 200% Poverty Level is greater than 40% | > | 40.00% | 40.28% | 1.0 | | |
| 9 | % Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state | >= | 55.00% | 70.61% | 1.0 | | |
| | % Population over 65 years old | | | 30.33% | | | |
| 10 | Meets base program DAC criteria? | | | Yes | 3.0 | | |
| | **BIL Eligibility Points** | | | | 8.5 | | |

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# Principal Forgiveness and Priority Point Scoring

Applicant: Town of Cheraw
DWRF or WPCRF: WPCRF

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

**BIL Principal Forgiveness**

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 52.128%

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $492,085

## Base WPCRF Principal Forgiveness Scoring

**WPCRF**

| | |
|---|---|
| Water Quality & Public Health + CPDWR Compliance: | 0 |
| DOLA Affordability Score: | 150 |
| Total Score | 150 |

Eligible as a base program DAC?

Eligible base program DWRF principal forgiveness percentage:

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

## Priority Point Scoring

| | |
|---|---|
| Total WQCD Score: | 5 |
| DOLA Affordability Score: | 150 |
| Total Score: | 155 |

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## 2025 IUP WPCRF Priority Point Calculations

| | |
|---|---|
| **Entity Name:** | Town of Cheraw |
| **Date of Scoring** | 9-Jan-26 |
| **SRF Phase:** | Loan app |
| **DOLA Score:** | 150 |
| **DAC:** | DAC |

| | | | | |
|---|---|---|---|---|
| | **Benchmarks** | | | |
| **$92,470** | **2019-2023 State MHI estimate** | | | |
| **P1** | **MHI** | | $38,542 | 42% |
| | <50% of state MHI | 35 x | | |
| | 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)** | | 1.48% | |
| | Rates are > 1.17% | 45 x | | |
| | 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** | | 0.00% | |
| | Debt is > 0.67% | 45 | | |
| | Debt is between 0.16% and 0.67% | 25 | | |
| | Debt is < 0.16% | 0 x | | |
| | **OR** | | | |
| **S4a** | **Current water & sewer debt (for combined systems)** | | | |
| | Debt is > 1.49% | 45 | | |
| | Debt is between 0.64% and 1.49% | 25 | | |
| | Debt is < 0.64% | 0 | | |
| | **Population served** | | 227 | |
| | Less than 500 | 35 x | | |
| | Between 500 and 1,000 | 25 | | |
| | Between 1,000 and 2,000 | 20 | | |
| | Between 2,000 and 5,000 | 15 | | |
| | Betweeen 5,000 and 10,000 | 5 | | |
| | >10,000 | 0 | | |
| **S3** | **Assessed Value/Household** | | 3,434 | |
| | AV per household is < $12,721 | 35 x | | |
| | 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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| | | | |
|---|---|---|---|
| PreQual Date Score: | 5 | **Project Manager** | **ES Review Engineer** |
| PNA Date Score: | 155 | S. Oliver | S. Daniels |
| Project Name: | replacement & Lift Station | | |
| SRF Project Number: | 220061W-B | | |
| ES Project Number: | ES.25.SRF.09522 | | |

## Water Pollution Control Revolving Fund Priority Scoring Model (Attachment I WPCRF IUP 2024)

| Water Quality Improvement Criteria | Possible Points | PQ Points Scored (leave blank if not scored) | PNA Points Scored | Comments | When to Score | Responsible Party | Scoring Criteria | Resources |
|---|---|---|---|---|---|---|---|---|
| **Project addresses a water quality impairment identified in the 303(d) list or a groundwater standard that has been exceeded.** | **40** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | Verify if the discharging segment and project addresses water bodies that are classified as impaired. If project addresses a water quality impairment identified in the 303(d) list or a groundwater standard, award points. | Regulation 93 - Colorado Regulation No. 93 is comprised of Colorado's Section 303(d) List of impaired waters.<br><br>Regulation 93 Dashboard - Allows to verify what segments are impaired (303(d) and TMDL) |
| **Project will implement an approved TMDL (total maximum daily load): (Points are not additive. Can score points only in one category)** | | | | | | | | |
| **• 1 TMDL.** | **50** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | Check permit and/or Water Quality Planning Target (WQPT) to verify if a system is discharging into a segment with a TMDL. If project addresses the specific TMDL, award points. | TMDLs represent the maximum amount of a pollutant that a water body can receive while still meeting water quality standards. Addressing TMDLs often requires wastewater projects designed to reduce the discharge of pollutants. For example, if a stream segment has a TMDL for phosphorus and the project is implementing advanced treatment processes to remove nitrogen and phosphorus, award points.<br><br>If older permit, review permit fact sheet for TMDL. Approved TMDLs located at the bottom of page for each basin<br><br>Onbase - Obtain most recent permit or WQPT |
| **• 2 TMDLs.** | **75** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | | |
| **• 3 or more TMDLs.** | **80** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | | |
| **Project applies BMPs to mitigate against erosion, sedimentation, pollution runoff including:** | | | | | | | | |
| **• Creation of riparian buffers, floodplains, vegetated buffers, slope stabilization and additional stream restoration methods.** | **10** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | If project includes BMPs for environmental management such as riparian buffers, floodplains, vegetated buffers, slope stabilization and additional stream restoration methods, award points | |
| **• Supports wetland protection, restoration or creation by means of constructed wetlands.** | **10** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | If project includes wetland protection strategies such as restoration projects (active restoration projects to restore the hydrology, vegetation, and functions of degraded wetlands), landuse planning and zoning, education and public awareness, or includes constructed wetlands, award points. | |
| **Project corrects individual sewage disposal systems or exfiltration for sewers shown to be polluting either surface or groundwater and mitigates a public health emergency and/or a confirmed repeated contamination of a supply source by E. coli, fecal coliform or nitrate above established standards.** | **50** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | Submittal should document groundwater or surface water pollution, and public health emergency and/or confirmed repeated contamination of a supply source by listed parameters. If documented and project corrects ISDS or sewer exfiltration, award points.<br><br>Strategies to manage and mitigate exfiltration in sewer systems includes upgrading and repairing systems (e.g., piping lining, joint sealing manhole rehabilitation, material upgrades and proper installation). | |
| **Total Water Quality Improveme** | | **0** | **0** | | | | | |
| **Financial /Affordability Criteria*** | | | | | | | | |
| **Total Financial / Affordability Points scored by DOLA for this section =** | | | **150** | | | **DOLA** | | |
| **Total Addtional Subsidy Points =** | | **0** | **150** | | | **Total WQ Improvement Score + Financial/Affordability Points** | | |
| **Permit Compliance (Points are not additive. Can score points only in one category)** | | | | | | | | |
| **Project is designed to maintain permit compliance or meet new permit effluent limits** | **40** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | Review permit and Water Quality Planning Targets. System should not have ongoing violations.<br><br>For example, a wastewater treatment plant has proposed a project to meet the Regulation 31 interim numeric effluent limits for phosphorus and nitrogen, effective by December 31, 2027. Although the current system complies with nutrient limits, its existing treatment configuration is constrained and cannot achieve the stringent Regulation 31 limits. | Enforcement and Compliance History Online (ECHO) - View DMR data and compliance history<br><br>ICIS Data - Contact David Kurz to obtain effluent discharge data related to National Pollutant Discharge Elimination System (NPDES) permit.<br><br>Engineering Search Tool - Comprehensive information on wastewater system |
| **Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of a consent order or other enforcement action.** | **25** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | Identify if the project is focused on a facility's proactive and voluntary initiatives to identify and correct enforcement issues that could lead to regulatory violations. The facility aims to resolve any possible violations before an enforcement action such as notice of violation or consent orders are imposed by the Division. | Enforcement and Compliance History Online (ECHO) - View DMR data and compliance history<br><br>OnBase - View Compliance history and correspondence |
| **Project addresses an enforcement action by a regulatory agency and the facility is currently in significant non-compliance.** | **15** | 0 | 0 | | **PQ/PNA** | **Engineering Section** | Determine if facility is under enforcement action and currently in significant non-compliance (SNC). If a facility is under an formal enforcement action (e.g., Notice of Violation, Compliance Order on Consent, and Cease and Desist Order), then the facility is under SNC. SNC includes but not limited to violations ranging from numeric effluent limit violations, DMR reporting violations, permit compliance violations, and unpermitted discharges. If they facility has a compliance advisory, it may not be in SNC. Contact compliance officer to verify SNC. If the project addresses the enforcement action and SNC award points | WQCD Clean Water Program Enforcement Management System - Document describes the compliance monitoring, data management, enforcement escalation, and formal enforcement processes and procedures of the Division,<br><br>Clean Water Enforcement Dashboard - Check enforcement's internal tracker for active enforcement cases. On the left sidebar case history dashboard, click Sectors, then type of permit (PPU Individual/General)<br><br>Clean Water Enforcement Actions - Specifies ongoing enforcement actions |
| **Sustainability / Green Project Reserve (GPR)** | | | | | | | | |
| **Project incorporates one or several of the following planning methodologies:** | | | | | | | | |
| **• Regionalization and consolidation.** | **5 (scores total of 5 points if one or more of the following are met below)** | 5 | 0 | | **PQ/PNA** | **Engineering Section** | Review proposed project to see if consolidation or regionalization is included. Award points if Regionalization and consolidation principles are used. | Regionalization involves sharing physical infrastructure in a defined geographic area when a political or private entity provides wastewater service by means of physically connecting existing and future communities to a regional or centralized treatment facility. Examples of regionalization include a sewer district connecting the flows of three privately owned treatment facilities to a centralized facility and a municipality connecting several small facilities by extending a sewer line.<br><br>The EPA defines the consolidation of wastewater treatment plants as the process of merging two or more wastewater treatment facilities into a single, larger facility or system. This process often involves the physical and administrative integration of existing plants to improve efficiency, reduce costs, and enhance service delivery. When a physical consolidation occurs, one system is dissolved, and its customers are provided wastewater service by another existing system. |
| **• Promoting sustainable utilities and/or communities through:** | | | | | | | | |
| **o Fix it first.** | | | 5 | | **PQ/PNA** | **Engineering Section** | "Fix it First" is typically specified in the analysis of the existing facilities and on operations and maintenance issues of the PNA report. Award points if project prioritizes maintenance, repair, and upgrading of existing infrastructure over new construction. | "Fix it first" is a strategy that prioritizes the maintenance, repair, and rehabilitation of existing wastewater infrastructure over the construction of new facilities. This strategy focuses on ensuring that the current infrastructure operates efficiently and effectively, thereby extending its lifespan. Common "Fix it first" strategies for repair and rehabilitation of the collection system includes cured-in-place pipe, pipe bursting, and slip lining to repair or replace deteriorating pipes to control inflow/infiltration. Fix It First" also encourages replacement of older infrastructure. Replacement is allowed for similar equipment designed for the same intent. For example, replacement of outdated or inefficient equipment in wastewater treatment plants to enhance treatment efficiency and reduce operational costs. This may include aeration systems, chemical dosing systems, and sludge management equipment. |
| **o Asset Management Planning** | | | | | **PNA** | **Engineering Section** | Typically presented in capital costs associated with the selected alternative and 20 year cash flow projection. Award points if asset management planning principles are used. | EPA About Asset Management - Asset management involves minimizing the total cost of owning, operating, and maintaining wastewater assets while ensuring the system remains compliant. This practice includes the regular maintenance of wastewater components over extended planning cycles, ultimately replacing them when their deterioration makes further maintenance impractical. An asset management program, typically outlined in a written asset management plan, is used to implement this approach.<br><br>Collection Systems |
| **o Full cost pricing** | | | | | **PNA** | **Engineering Section** | Typically presented in capital costs associated with the selected alternative and 20 year cash flow projection. Award points if life cycle cost analysis principles are used. | Full cost pricing is to ensure that the rates charged for wastewater services cover not only the operational and maintenance costs but also the full life-cycle costs of the project (i.e., initial capital costs, annual O&M costs and replacement costs). |
| **o Life cycle cost analysis.** | | | | | **PNA** | **Engineering Section** | Typically presented in capital costs associated with the selected alternative and 20 year cash flow projection. Award points if life cycle cost analysis principles are used. | Life cycle cost analysis assesses the total economic impact of a wastewater treatment system over its entire life span. This includes the initial capital costs, operation and maintenance costs, energy costs, replacement costs, and any other costs that might be incurred during the system's lifetime. The goal of this analysis is to help decision-makers select the most cost-effective option by considering all relevant costs associated with a project. |
| **o Evaluation of innovative alternatives to traditional solutions** | | | | | **PNA** | **Engineering Section** | Innovative alternatives are not covered by the design criteria. Award points if project evaluated alternatives are not covered by the design criteria and require alternative technology review. | Research on Innovative and Alternative Wastewater Technologies - Innovative alternatives to traditional wastewater treatment solutions include a variety of advanced technologies and methods aimed at improving efficiency, reducing costs, and minimizing environmental impact. |
| **• Conservation easements and/or land-use restrictions.** | | | | | **PQ/PNA** | **Engineering Section** | Review proposed project to see if conservation easements and/or land-use restrictions is included. Award points if conservation easements and land-use restrictions principles are used. | Sustainable Water Infrastructure - Sustainable utilities with conservation easements and/or land-use restrictions in wastewater infrastructure involve incorporating environmental conservation strategies into the planning, operation, and maintenance of wastewater systems. These approaches aim to protect natural resources, ensure long-term sustainability, and enhance environmental stewardship while maintaining effective wastewater management services. By integrating conservation easements and land-use restrictions, wastewater utilities can achieve greater sustainability, protect natural resources, and ensure reliable service delivery while safeguarding the environment. |
| **Project incorporates Green Project Reserve Components at a minimum of 20 percent of total project costs: (Need approved GPR submittal to score points, may score points in more than one category)** | | | | | | | | |
| **• Green infrastructure.** | **10** | 0 | 0 | | **PQ/PNA** | **SRF Team** | Coordinate with SRF Compliance Specilist to review GPR eligibility | |
| **• Water efficiency.** | **10** | | | | **PQ/PNA** | **SRF Team** | Coordinate with SRF Compliance Specilist to review GPR eligibility | |

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| | | | |
|---|---|---|---|
| PreQual Date Score: | 5 | Project Manager | ES Review Engineer |
| PNA Date Score: | 155 | S. Oliver | S. Daniels |
| Project Name: | replacement & Lift Station | | |
| SRF Project Number: | 220061W-B | | |
| ES Project Number: | ES.25.SRF.09522 | | |

## Water Pollution Control Revolving Fund Priority Scoring Model (Attachment I WPCRF IUP 2024)

| Water Quality Improvement Criteria | Possible Points | PQ Points Scored (leave blank if not scored) | PNA Points Scored | Comments | When to Score | Responsible Party | Scoring Criteria | Resources |
|---|---|---|---|---|---|---|---|---|
| • Environmentally innovative. | 5 | | | | PQ/PNA | SRF Team | Coordinate with SRF Compliance Specilist to review GPR eligibility | |
| • Energy efficiency. | 5 | | | | PQ/PNA | SRF Team | Coordinate with SRF Compliance Specilist to review GPR eligibility | |
| • Project is categorically eligible for the GPR and does NOT require a business case (bonus points). | 5 | | | | PQ/PNA | SRF Team | Coordinate with SRF Compliance Specilist to review GPR eligibility | |
| **Readiness to Proceed Points** | | | | | | | | |
| **Project has secured the following:** | | | | | | | | |
| • Plans and specifications approved. | 5 | 0 | 0 | | PQ/PNA | Engineering Section | Award points if facility has received Process Design Report approval or if Self-Certification form has been acknowledged. | |
| Project implements one or more of the following planning instruments: (Scores a total 5 points for one more of the following) | 5 | 0 | 0 | | PQ/PNA | Engineering Section | Points will be awarded only if the planning instrument is submitted and there is a thorough discussion on how the project specifically addresses the issues identified in the planning instrument.<br><br>For example, if a project targets nutrient reduction, specifically nitrogen and phosphorus, and the Watershed Management Plan has identified excessive levels of these nutrients from the wastewater treatment plant, then readiness to proceed points can be awarded. | |
| • Watershed management plan. | | | | | PQ/PNA | Engineering Section | | |
| • Source water protection plan. | | | | | PQ/PNA | Engineering Section | | |
| • Nonpoint source management plan. | | | | | PQ/PNA | Engineering Section | | |
| • Approved 305(b) Report Category 4b designation. | | | | | PQ/PNA | Engineering Section | | |
| • Nutrient management plan. | | | | | PQ/PNA | Engineering Section | | |
| • Comprehensive land use planning. | | | | | PQ/PNA | Engineering Section | | |
| Project has funding secured by multiple financial assistance provider(s) | 10 | | | | PQ/PNA | SRF Team | Give points if applicant can document an award or a commitment from another funding agency for the same project being funded by SRF. | |
| | Total Points Scored | 5 | 155 | | | | | |

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**MEMORANDUM**

**August 19, 2026**

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

**FROM:** **Wes Williams, Finance Director**
**Ian Loffert, Assistant Finance Director**

**RE:** **2025 Base and Infrastructure Investment and Jobs Act / Bipartisan Infrastructure Law ("IIJA/BIL") Capitalization Grant Awards and Conditions Water Pollution Control Revolving Fund ("WPCRF")**

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The following 2025 Federal Fiscal Year ("FFY") WPCRF Base and Infrastructure Investment and Jobs Act / Bipartisan Infrastructure Law ("IIJA/BIL") program capitalization grants were awarded late last year:

| Capitalization Grant | FFY 2025 ($) | Increase/Decrease from FFY 2024 | Date of Award |
|---|---|---|---|
| WPCRF Base Program | $12,691,000 | +$6,161,000 | 9/11/2025 |
| WPCRF IIJA/BIL Supplemental | $19,705,000 | +$1,514,000 | 9/10/2025 |
| WPCRF IIJA/BIL Emerging Contaminants | $1,701,000 | $0 | 9/10/2025 |

FFY 2025 WPCRF Capitalization Grant conditions may include, but are not limited to, the following:

- Build America Buy America Act (BABAA).
- Disadvantaged Business Enterprise (DBE) solicitation and utilization.
- Davis Bacon wage rates.
- American Iron and Steel (AIS).
- Reporting requirements (including SRF, NIMS, FFATA & SAM, and environmental benefits reporting).
- National Environmental Policy Act (NEPA).
- Uniform administrative requirements.
- Sub award requirements.
- Financial requirements.
- Audit requirements.
- Obligation and spend down requirements.
- Resource conservation and recovery requirements.
- Statutory, regulatory and program guidance (CFDA) requirements.
- State grant cybersecurity conditions.
- Contract administrative provisions.

The FFY 2025 WPCRF **Base Program** includes a requirement to use a minimum of 10% of the capitalization grant funds for "green" projects. At the March 2018 Board meeting, the Board approved modifications to the Green Project Reserve ("GPR") Policy that included increasing the amount of available funding to the greater of $5 million or the minimum percentage required by the WPCRF capitalization grant (FFY25 10% = $1,269,100). With the recent demand decrease for the WPCRF funding, Staff recommends pausing the required allocation of the higher threshold ($5 million) and only allocating the minimum percentage required by the WPCRF capitalization grant. The purpose of the recommended pause is to minimize the amount of lower interest rate GPR loans while the congressionally directed spending cuts are in place, so higher interest loans revolve as much as possible.

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The FFY 2025 WPCRF **Base Program** Capitalization Grant Agreement and the Clean Water Act combined require that no less than 20%, but no more than 30%, of the grant be provided as additional subsidy. The 20% and 30% levels of the FFY 2025 WPCRF Base Capitalization Grant equal $2,538,200 and $3,807,300, respectively. The Colorado WPCRF program uses additional subsidy for the Design and Engineering grant program, and staff recommends that the minimum required amount, or $2,538,200, be allocated to additional subsidy for the WPCRF. For reference, the WPCRF budgeted $1,500,000 for Design and Engineering grants for calendar year 2026. In June 2026, the Authority Board approved Base WPCRF program additional subsidy to be eligible to be used for DACs, if necessary, at a prevailing limit of $500,000, or such other limits as subsequently approved by the Authority Board.

The FFY 2025 WPCRF **IIJA/BIL General Supplemental** Capitalization Grant agreement requires at least 49% additional subsidy ($9,655,450). In addition, the IIJA/BIL General Supplemental Capitalization Grant includes a requirement to use a minimum of 10% of the capitalization grant funds for "green" projects ($1,970,500). Proportional loan and principal forgiveness will be provided from this capitalization grant with a maximum of $1.5 million of IIJA/BIL Supplemental principal forgiveness per project, per year, for DACs and $500 thousand for IIJA/BIL-eligible non-DACS as previously approved by the Authority Board in June 2026, or such other limits as subsequently approved by the Authority Board.

Currently, the proportional **IIJA/BIL General Supplemental** loan funds and IIJA/BIL General Supplemental principal forgiveness that are available to non-DAC IIJA/BIL eligible entities includes a per-entity limit as approved previously by the Authority Board in March 2023. This per-entity limit is subject to change per future Authority Board approvals and will be reviewed and discussed at the August 19, 2026, Board meeting.

All WPCRF Loans (Base and IIJA/BIL loans as well as combined base and IIJA/BIL loans) are subject to an established loan limit for Base and IIJA/BIL program funding with a maximum loan limit of $25 million per project per year, as previously approved by the Authority Board in March 2026, and is subject to change per future Authority Board approvals. This loan limit will be reviewed and discussed at the August 19, 2026, Board meeting.

The FFY 2025 WPCRF IIJA/BIL **Emerging Contaminant** Capitalization Grant agreement requires 100%, or $170,1000, of the grant be provided as principal forgiveness or additional subsidy.

**Board Action:** Staff recommends the Board approve the FFY 2025 WPCRF Base and IIJA/BIL program capitalization grant awards and the conditions and requirements that must be met for each grant. Specific, important condition/requirement recommendations are listed below for reference purposes but are not intended to be an exhaustive list.

- GPR – Staff recommends the minimum of 10% ($1,269,100) of the WPCRF Base and 10% ($1,970,500) of the WPCRF IIJA/BIL General Supplemental grants be provided for GPR projects/loans while continuing to pause the higher allocation threshold ($5 million).
- WPCRF Base – Staff recommends the minimum of 20% ($2,538,200) of the grant be provided as additional subsidy with an allocation of $1,500,000 in additional subsidy funds for Design and Engineering Grants in calendar year 2026.
- WPCRF IIJA/BIL General Supplemental – Staff recommends the minimum of 49% ($9,655,450) of the grant be provided as principal forgiveness.
- WPCRF IIJA/BIL Emerging Contaminants – Staff recommends 100% ($1,701,000) of the grant be provided as principal forgiveness.

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COLORADO WATER RESOURCES &
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**MEMORANDUM**
**August 19, 2026**

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

**FROM:** **Wesley Williams, Finance Director**
**Ian Loffert, Assistant Finance Director**

**RE:** **Water Pollution Control Revolving Fund ("WPCRF")**
**WPCRF Loan Limit Recommendation**

---

The Authority Board of Directors establishes loan limits for both Base and Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") funding as needed to manage program capacity and demand.

At the December 2, 2022, meeting, the Board established a WPCRF loan limit per entity of $18 million. At that time, available WPCRF funding was constrained, and the limit was implemented to ensure funds could be distributed across a greater number of entities.

At the March 6, 2026, meeting, the Board increased the WPCRF loan limit to $25 million per project, per year. This increase was intended to help finance larger wastewater projects while preserving program capacity. However, over the last few years, the WPCRF program has experienced a significant decline in loan demand, resulting in increased available program capacity. Given current demand levels, staff believes a loan limit is no longer necessary. Additionally, larger WPCRF projects have had to seek out other funding sources due to the current loan limit, and some have elected not to use the SRF program as a result.

Staff recommends that the Board remove the WPCRF loan limit per project, per year.

This proposed change would:
- Provide additional flexibility to finance larger wastewater projects
- Allow larger entities to meet more of their capital needs through the WPCRF program
- Return the WPCRF program to its pre-IIJA/BIL structure, which did not include a per entity loan limit

The proposed change would apply to all WPCRF loans:

| Loan Program & Type | Limit Per Project, Per Year |
|---|---|
| All WPCRF Loans (individual base and IIJA/BIL loans as well as combined base + IIJA/BIL loans + leveraged loan) | No limit |

**<u>Board Action:</u>** Staff recommends that the Board approve removing the loan limit per project, per year for the WPCRF program at the August 19, 2026, Board meeting.

Attachment: Per Entity IIJA/BIL Funding and WPCRF Loan Limit Recommendations SRF Memo

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**MEMORANDUM**

**To:** SRF Committee

**From:** DAC Subcommittee

**Date:** July 28, 2026

**Re:** Per Entity IIJA/BIL Funding and WPCRF Loan Limit Recommendations

## Background/Reason and Need

As the SRF program is in the final year of the Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") funding, staff is monitoring the project pipeline for IIJA funding sources to ensure the timely and expeditious use of funds. The EPA has identified that WPCRF IIJA Supplemental funds, and WPCRF funds in general, should be spent down faster. This memo reviews and makes recommendations on changing restrictions to DWRF IIJA Lead Service Line, DWRF Emerging Contaminants, WPCRF IIJA Supplemental, and WPCRF IIJA Emerging Contaminants funding sources.

**Recommendation:**

For IIJA Eligible non-DAC local governments, remove the restriction that entities may only receive funding one time from the DWRF Lead Service Line and DWRF Emerging Contaminants funding sources. For WPCRF applicants, remove the limit of $25M in total funding per project (including PF), and remove the restriction that entities may only receive funding one time from the WPCRF IIJA Supplemental and WPCRF Emerging Contaminants funding sources.

**Rationale:**

The Colorado SRF program has received direction to spend down IIJA funds at a faster rate. Demand for Lead Service Line funds has been low, and removing the restriction on IIJA Eligible non-DAC local governments receiving funds multiple times will allow those funds to be spent more quickly with high capacity communities who have already been through the SRF program. DAC local governments would still be prioritized for Lead Service Line projects.

WPCRF demand weakened over the past two years because funding for WPCRF projects was limited for a short period of time and lower loan limits were in place. The program has since seen increased interest and demand, and the WPCRF project pipeline is now robust. Removing the restriction that all applicants can only receive $25M in total funding per project (including PF) will allow WPCRF funds to be spent more quickly. As is the case with Lead Service Line Replacement projects, DAC local governments would still be prioritized for WPCRF funding.

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**DWRF IIJA Supplemental**

- **Current limit:** $30M total loan funding per entity, ~50% PF of loan.
    - DAC: Up to $2.5M in PF per project for Category 2 DACs. Up to $2M in PF per project for Category 1 DACs.
    - IIJA-eligible non-DAC: Up to $1.5M in PF per project. Entity may only receive funding source one (1) time.
- **Recommendation:** No change due to strong current demand for DWRF IIJA Supplemental funds. PF limits for this funding source were last adjusted at the June 2026 Board meeting.

**DWRF Lead Service Lines**

- **Current limit:** $30M total loan funding per entity, ~50% PF of loan; Up to $10M in PF per project per year
    - DAC: LSL grant funds do NOT count against the $30M loan limit if it is included in the same project.
    - IIJA-eligible non-DAC: Entity may only receive funding source one (1) time.
- **Recommendation:** Allow all entities to receive funding sources multiple times.

**DWRF Emerging Contaminants**

- **Current limit:** $30M total loan funding per entity, 100% PF loan; Up to $30M in PF per project per year.
    - DAC: 25% of DWRF Emerging Contaminants funding is reserved for entities that are DAC or <25,000 pop, 75% can go to any local government with an eligible project. DWRF Emerging Contaminants funds do NOT count against the $30M loan limit if it is included in the same project.
    - IIJA-eligible non-DAC: Entity may only receive funding source one (1) time.
- **Recommendation:** Allow all entities to receive funding sources multiple times.

**WPCRF IIJA supplemental**

- **Current limit:** $25M total loan funding per entity, ~50% PF loan.
    - All applicants: $25M in total funding per project (including PF)
    - DAC: Up to $1.5M in PF per project for all DACs.
    - IIJA-eligible non-DAC: Up to $500k in PF per project. Entity may only receive funding source one (1) time.
- **Recommendation**: Remove the loan limit entirely and allow all entities to receive funding sources multiple times.

**WPCRF Emerging Contaminants**

- **Current limit:** No limit currently, 100% PF loan.
    - DAC: 25% of WPCRF Emerging Contaminants funding is reserved for entities that are DAC or <25,000 pop, 75% can go to any local government with an eligible project.
    - IIJA-eligible non-DAC: Entity may only receive funding source one (1) time.
- **Recommendation:** Allow all entities to receive funding sources multiple times.

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**WPCRF ALLOTMENTS UPDATE**
**July 23, 2026**

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

| Program | Grant Year | Grant Amount | | Funds Remaining | | % Complete |
|---|---|---|---|---|---|---|
| Technical ("Technical") Assistance | 2022 IIJA/BIL Supplemental | $ | 284,720 | $ | 0 | 100% |
| | 2023 IIJA/BIL Supplemental | $ | 333,480 | $ | 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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# BOARD PROGRAM WORK SESSION

Minutes
June 4, 2026

| | |
|---|---|
| Board Members: | Mike Fabbre (Committee Chair), Chris Treese (joined at 3:05pm), Roy Heald, Matthew Shuler, Steve Vandiver, Patti Wells, Eric Wilkinson, Bruce Whitehead, and Karen Wogsland |
| Authority Staff: | Keith McLaughlin, Jim Griffiths, Justin Noll, Wesley Williams, Ian Loffert, Kevin Carpenter, Daniel Lockard, and Heather Newton |
| Others Present: | Karl Ohlsen, Cynthia Thayer, Victor Chen, Armando Herald, Aly Ulibarri, and James Wheatley |

Committee Chair Mike Fabbre called the Board Program Work Session ("BPWS") to order at 3:00 p.m. in the Authority's conference room and via video/audio teleconferencing. He welcomed attendees and opened the meeting. Committee Chair Fabbre indicated that there are seven agenda items.

**Lookout Mountain Water District Follow-up Questions**

Committee Chair Fabbre reminded everyone that there was a lengthy discussion regarding Lookout Mountain Water District ("the District") at the Project Finance Committee ("PFC") meeting. The item was placed on the consent agenda but could be removed if requested. He also noted that Wesley Williams and Daniel Lockard sent an email to Board members with answers to questions that arose at the PFC meeting. Committee Chair Fabbre then invited Wesley Williams to present on agenda item #1. Mr. Williams stated that the District has strong credit metrics and received a favorable recommendation from the SRF committee. He indicated that the District is working through the Congressionally Directed Spending ("CDS") process and is confident it will receive the CDS funding. Mr. Williams provided the answers to the two outstanding PFC questions. The first question was what the District would do if it did not receive the CDS funds. Mr. Williams explained that the District would reduce the project scope, add more reserves if its Board approves, or push the entire project back until CDS funds are received. The second question involved the level of available reserves. Mr. Williams relayed that the credit report reflects audited financial statements from 2024, and the reserve numbers have since increased due to rate increases implemented since 2024. Also, the District will transfer general fund money into its reserves, if necessary. There were no further questions, and Director Wogsland noted that, since she made the motion at the PFC meeting, she is comfortable with the answers provided and therefore keeping the item on the consent agenda.

**Loan Interest Rate – Mid-Year Update**

Kevin Carpenter referred to the memo included in the BPWS packet. He reminded the BPWS that Authority staff provided an economic update in April 2026 and that there have been only minor changes since then. Mr. Carpenter noted that staff are not recommending any changes to interest rates at this time and have not made any changes to interest rates for about two years. He stated that staff is comfortable with current



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interest rates and prefers to avoid frequent changes so that the Authority's borrowers have adequate time to plan. There was discussion about the possibility of raising interest rates and making the Authority's rates more competitive with those of CWCB and USDA, as well as the reasoning behind the Authority's current relatively low interest rates. A motion was made to recommend to the full Board staff's recommendation of no changes to interest rates.

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

**Updated Authority Retention Schedule Policy**

Heather Newton referred to the memo in the BPWS materials and noted that this is a cleanup item to simplify the retention guidance and ensure the Authority is not retaining documents for longer than necessary. Ms. Newton provided background information and highlighted the following sections and proposed changes to the retention policy: 1. ACC300; 2. ACC310; 3. ACC400 and 4. FIN110. Ms. Newton stated that the changes help to distinguish between permanent core accounting records and non-permanent support documents, as well as adding clarity on specific document types. There was additional discussion about: 1. Removal of ORG310 "EPA Reports" since the submission of those reports has been discontinued; 2. Setting all retention periods to the same length of time, using the longest retention, to simplify the policy even further; and 3. Concerns with electronic files and backup of the digital files. A motion was made to approve the recommended changes to the retention schedule policy and to place it on the consent agenda as presented.

Motion: Patti Wells
2nd: Matthew Shuler
Committee Chair Mike Fabbre noted the discussion regarding removal of ORG310 from the policy and asked how it should be resolved and if its removal should be included in the motion.
An amended motion to approve the recommended changes to the retention schedule policy was made to include the removal of ORG310 and place it on the consent agenda.
Motion: Patti Wells
2nd: Matthew Shuler
There was further discussion about leaving ORG310 in the policy for reference.

The amended motion was withdrawn by Directors Wells and Shuler, approving the original motion: A motion to approve the staff-recommended changes to the retention schedule policy, as presented, and to place it on the consent agenda.
Motion: Patti Wells
2nd: Matthew Shuler
Vote: Motion carried unanimously.

**Disadvantaged Community Criteria Updates**

Ian Loffert referred to the memo included in the BPWS materials and reminded the BPWS that at the April 2026 Board meeting, the Board approved removal of the Coefficient of Variation ("CV") threshold previously used to determine whether Median Household Income ("MHI") and Median Home Value ("MHV") data was reliable enough to be utilized for DAC evaluations. Staff anticipates that this recent



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policy change will reduce the number of future business cases by allowing the use of additional census datasets that were previously excluded due to reliability thresholds, thereby allowing more communities to qualify upfront. However, this change does not address the larger question of how a DAC should be defined and what criteria best define a DAC. As a result, Staff has suggested several potential approaches for modifying DAC eligibility criteria and qualification methodologies. Staff is seeking additional Board guidance regarding which approaches should be prioritized for further analysis, case-by-case testing, and potential future implementation. The options under consideration are: 1. Maintain existing DAC criteria with no additional changes; 2. Modify existing DAC scenarios; 3. Remove or reduce reliance on certain existing DAC criteria; 4. Transition to a modified IIJA/BIL-style DAC framework; and 5. Utilize alternative need-based methodologies from other state agencies. Keith McLaughlin informed the Board that, at the Board's direction, a meeting has been scheduled for June 12th with the Department of Revenue to learn what other information and financial data may be available for use. There was a discussion about what language to include in the Intended Use Plan, and it was agreed that the language should state that the criteria will include what is required at the federal level. Director Wilkinson requested that MHV be incorporated into the criteria, since it is typically a reliable and accurate number, and suggested that a percentage threshold be applied to MHI or MHV to help determine DAC category 1 versus DAC category 2 communities. Director Wells stated that she is in favor of eliminating the different scenarios (P1, P2, etc.). A motion was made to recommend to the full Board to authorize staff to incorporate language into the 2027 Intended Use Plan stating that DAC criteria and qualification processes will be updated and amended by the Authority Board in a manner consistent with federal requirements.

Motion: Patti Wells
2nd: Karen Wogsland
Vote: Motion carried unanimously.

**Information Systems ("IS") Policy Reorganization**

Jim Griffiths reminded the Board that the IS policy was presented for annual review in March of 2026. The Board approved the policy in March but requested that the policy be restructured and reorganized. Mr. Griffiths, along with Karl Ohlsen and Director Wells, worked on reorganizing the policy and have a draft for the BPWS to review and provide additional feedback and direction. Mr. Griffiths highlighted a couple of the changes made, including a definitions section and a name change to the policy. He stated that the policy has been renamed the Information Resource ("IR") Policy. There was a discussion about section 10.1 and sports betting and whether to allow it, and what guardrails to put in place if it is allowed. The following changes were requested: 1. 16.1 in Section 16, Security Training and Awareness, should be updated to remove the words "or at least within 10 days of" and to include only "prior to being granted access"; 2. 2.3 in Section 2, Acceptable Use; Incidental Use, should incorporate flexibility and require authorization from the Executive Director; 3. 1.6 in Section 1, Definitions, should read "IR consultant" with the definition of "IR"; and 4. Once the restructured policy is in place, the policy review period under Section V should be revised so that staff reviews every year and the Board reviews every two years. It was agreed that the changes would be incorporated by the next day's Board meeting. A motion was made to recommend to the full Board the adoption of the Information Resource Policy, version 3.2, with the changes discussed.



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Motion: Chris Treese
2nd: Matthew Shuler
Vote: Motion carried unanimously.

**Request for Qualifications/Proposal for Auditor Services – Update**

Justin Noll provided a general update regarding the Request for Qualifications ("RFQ") and Request for Proposals ("RFP") for auditor services, reporting on the schedule of dates and events for the process. Mr. Noll stated that staff has identified a list of twelve potential auditing firms, but staff is going to narrow the RFQ/RFP list to five or six firms. He further stated that staff has certain criteria they are looking for in a firm, such as size, tenure, and SRF program experience. Mr. Noll highlighted the key dates on the schedule and informed the BPWS that any Board members are welcome to participate in any step and attend any meetings. Mr. McLaughlin indicated that staff is preparing the RFP, using other SRFs' RFPs as guidance, as the next step. Directors Heald and Wilkinson requested that staff include a request from the potential auditors to specify the partners and staff who would perform the audit, along with their resumes. Several Directors expressed their gratitude to staff for undertaking the auditor RFQ/RFP.

Committee Chair Fabbre announced that if time allows, a new item will be added to the end of the BPWS regarding the North Washington Street Water and Sanitation District's loan application and the updated information received.

**Administrative Fee – How to Manage Sustainably**

Wesley Williams reminded the Board that this topic was originally on the agenda for the April Board retreat, but due to timing, it was never discussed. Mr. Williams defined and described the Administrative Fees, the sources for each program, the uses for each program, and the history of the fees. Mr. Williams then highlighted that over 50% (30% set-asides and 20-26% principal forgiveness) is taken from the capitalization grants in the drinking water program, making it historically less sustainable, while only 20% (10-20% principal forgiveness) is taken from grants in the wastewater program. Mr. Williams concluded by highlighting the action items completed over the last few years to help bolster the amount available for admin fees and the approaches developed to help maintain healthy admin balances going forward.

After Mr. Williams concluded, Keith McLaughlin began his discussion by noting that he, Jim Griffiths, and Director Vandiver met with leadership at the Water Quality Control Division ("WQCD") the previous week. The discussion centered on the SRF set-aside balances, which are currently high, and the anticipated potential rapid decline in available funds (due to the end of IIJA) to support a sustainable program; staffing; and the impact of Congressionally Directed Spending. Mr. McLaughlin indicated that he believes the discussion went well, and that leadership at WQCD was receptive to what was presented (ex: securing funds from the state of Colorado). While no official plan was put into place at the conclusion of the meeting, progress was made, and Mr. McLaughlin and Mr. Griffiths will be sending a letter to WQCD with suggestions and next steps. Director Vandiver echoed Mr. McLaughlin's comments about WQCD being receptive to the conversation and got them thinking about ideas on how to move forward. Director Vandiver also indicated that the conversation needs to continue so that a solution can be reached. In addition to the letter, Authority staff will provide amount and estimates to WQCD, so they can begin working on a solution.

WQCD committed to addressing the issues discussed and to begin making initial reductions in the FY27 budget, along with reductions in the 2026 set-aside amounts.

Director Treese left the BPWS meeting at 6:15 pm.

**North Washington Street Water and Sanitation District Discussion**

Keith McLaughlin reminded the BPWS of the lengthy discussion regarding the water conservation plan requirement at the PFC meeting. He noted that the statute allows applicants to apply for the funds without an approved plan but cannot receive them until the plan is approved. The question is whether this rule applies to the North Washington Street Water and Sanitation District through Denver Water. Mr. Williams noted that in 2024 and 2025, the District sold just over 2,000 acre-feet but purchases treated water from Denver Water who is a covered entity under the statute. Karl Ohlsen provided additional information and definitions regarding the statute's provisions but stated that it still leaves questions and asserted that the Authority staff and Board are not the proper body to decide whether the District is a covered entity. Mr. Ohlsen stated that the Authority needs a reliable legal opinion from the District advising whether the District is a covered entity. There was a discussion about Denver Water not being in compliance with the CWCB's requirements, as well as a discussion about approving the loan application on the condition that Denver Water comes into compliance with the requirement and not disbursing the funds to the District until compliance is met. Director Whitehead asked if the Authority is presently disbursing funds to other borrowers that are either under Denver Water's plan or are out of compliance themselves, and Mr. McLaughlin replied that he believes the CWCB reviews and approves the plan at a specific time and does not go back to review compliance annually. He added that all borrowers related to Denver Water that are receiving funds had an approved plan at the time of approval. Mr. Griffiths stated that staff would check on this internally. It was recommended to approve the loan application at the June 5, 2026, Board meeting and to require the District to come into compliance with the statute prior to receiving funds, and have staff amend the resolution accordingly.

Committee Chair Fabbre adjourned the meeting at 7:04 p.m.

# COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

## GOVERNMENTAL/PUBLIC AFFAIRS COMMITTEE AGENDA

**August 10, 2026**

**10:00-11:00 AM**

**Via Zoom meeting**

**(click this link to join the meeting)**

https://us06web.zoom.us/j/81524741182?pwd=RVeuSCpAQgEsabRYwwKEOaafYsAJaV.1

**Meeting ID: 815 2474 1182**

**Passcode: 881444**

Governmental/Public Affairs Committee Members: Matt Shuler - Chair, Patti Wells, Mike Fabbre, Bruce Whitehead, and Chris Treese (ex-officio); **All Board members are welcome!**

Authority staff: Keith McLaughlin, Jim Griffiths and Heather Newton

## Agenda

1. 2026 CWRPDA Legislative Review & Summary (A Summary is included in an Excel Spreadsheet)

COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY
The Amp - Suite 820, 1580 N. Logan Street, Denver, Colorado 80203-1939
303/830-1550 · Fax 303/832-8205 · info@cwrpda.com

**MEMORANDUM**

August 5, 2026

TO: Governmental Affairs Committee, Board of Directors, and Karl Ohlsen

FROM: Keith McLaughlin, Executive Director
Jim Griffiths. Deputy Director

RE: 2026 Colorado Legislative Resolution and Bill Summary
Water and Local Government Related Activity

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The attached 2026 Colorado legislative summary includes a list of legislation and resolutions that may impact water and wastewater systems and the Authority's operations. The summary also includes several water and local government related bills that died due to lack of agreement and support. These failed bills are included to show some of the activity that occurred during the 2026 session and that may come back in 2027.

We will discuss these bills and resolutions at the Government Affairs Committee meeting on August 10, 2026 at 10:00 AM via Zoom.

Attachment: 2026 Colorado Legislative Resolution and Bill Summary.

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## 2026 Colorado Legislative Resolution and Bill Summary

| Resolution / Bill | Title | Sponsors | Effective Date | Brief Description | CWC Position | Governor Signed (Y/N) | Bill Death (if applicable) | Impact on CWRPDA | Comments |
|---|---|---|---|---|---|---|---|---|---|
| SJR 26-001 | **Water Projects Eligibility Lists** | Senators: Roberts, Simpson Reps: McCormick, Winter | signed by governor on March 13, 2026 | Annual CWRPDA list including adds, deletes and modification projects | Support | Y | N/A | High | Entities can apply for, but not receive, SRF and IIJA loans/grants unless their project is included on our annual eligibility list. |
| HJR 26-1017 | **Ute Water Rights** | Senators: Roberts, Simpson Reps: Stewart, McCluskie | signed by the speaker of the house on April 1, 2026 | A resolution recognizing the 1980's era Ute water rights settlement and urging the federal government to provide funds for infrastructure to deliver this water from Lake Nighthorse and the Animas River to the Tribe's reservation (and several other related items). | N/A | N/A | N/A | Low | A show of support by the Colorado General Assembly for the Ute Mountain Ute water rights settlement (1988) and urging the federal government to continue to make progress on infrastructure and related items. |
| SB 26-016 | **Prohibit Discharge Pre-production Plastic Materials** | Senators: Cutter, Wallace Reps Smith, Lukens | Signed by the Governor on March 30, 2026 | Prohibits the discharge of plastic pellets and other preproduction plastic materials through land application or into state waters, wastewater, storm water runoff or other runoff by a facility that makes, uses, packages or transports plastic pellets. | Support | Y | N/A | Low | No appropriations were made. It was noted that workload at CDPHE may minimally increase to respond to inquiries and complaints, and investigate and prosecute violations. |
| SB 26-157 | **Determination of Town Abandonment** | Senators: R. Pelton, Hinrichsen Reps: Winter, Martinez | Signed by Governor on May 26, 2026 | Concerning the abandonment of a town that has critical water infrastructure for the residents of the town, and, in connection therewith, making an appropriation for O&M. | Support | Y | N/A | Medium | Authorizes CDPHE to transfer up to $100,000 from the small communities water and wastewater grant fund to the department of public safety to cover the cost of operation and maintenance of a town's water system if an application for abandonment of the town has bee filed with the secretary and the town has a water system that is failing... |
| HB 26-1145 | **Mobile Home Park Water Quality** | Senators: Cutter, Mullica Reps: Velasco, Phillips | Signed by the Governor on May 4, 2026 | Clarifies current law in several areas including enforcement. | Support | Y | N/A | Low | The bill clarifies current law including, WQCD has the authority to enforce the requirements of the existing program; WQCD can issue cease and desist orders to address violations; clarifies month penalty amounts; park owners are not entitled to administrative hearings to contest an imposed civil penalty but may seek judicial review. |
| HB 26-1338 | **Funding Water Conservation Board (CWCB) projects** | Senators: Roberts, Simpson Reps: McCormick, Winter | Signed by Governor on June 1, 2026 | CWCB projects bill and appropriation for their loan and grant programs | Support | Y | N/A | Low | Bill includes funds for basin implementation program, watershed restoration program, statewide turf analysis, grants for water plan projects, water conservation and drought mitigation planning. |
| HB 26-1340 | **Revegetation of Dry Farm - Formerly Irrigated Agricultural Land** | Senators: R. Pelton, Hinrichsen Reps: Winter, Mauro | Signed by Governor on May 29, 2026 | Requires a water right owner that changes the use of water right in water divsiion 2 from agriculture irrigation purposes to another beneficial use on or after January 1, 2027 to engage in revegetation or conversion to dryland farming… | Support | Y | N/A | Low | Erosion control and weed management - Lower Arkansas Basin area only. |
| HB 26-1391 | **Safe Drinking Water in Child Care Centers & Schools** | Senators: Amabile, Kirkmeyer Reps: Brown, Sirota | Signed by Governor on May28, 2026 | Extends the school and child care clean drinking water fund through the 2028-29 state fiscal year, adding high schools to the scope of potential recipients of grants. | Support | Y | N/A | Low | Also prohibits CDPHE from issuing a license to a child care center unless that center is in compliance with laws concerning the testing of drinking water. Appropriates $8.7 million to CDPHE. |
| HB 26-1112 | **Regulation of Underground Injection Control Wells** | Senators: Hinrichsen, Simpson Reps: Paschal, Smith | N/A | **POSTPONED INDEFINITELY.** Colorado's energy and carbon management commission would take authority over certain classes of injection wells and adopt rules and take over primacy from USEPA. | N/A | N/A | Lots of comments and edits to this Bill. Eventually died for lack of agreement/support | Low | On occasion, a water treatment facility will re-inject certain filtrate/water into the ground and become subject to certain regulations. |
| HB 26-1323 | **Wildfire Resiliency Prohibiting Taking of Beavers** | Senators: Cutter, Kipp Reps: Linsay, Velasco | N/A | **POSTPONED INDEFINITELY.** Bill would have ended much of the trapping of beavers in Colorado. | N/A | N/A | Lots of comments and edits to this Bill. Eventually died for lack of agreement/support. | Low | Could impact water intake structures for some treatment works if not written correctly. Intake structures typically need to be clear of wood including beavor structures and dams. |
| HR 26-1008 | **Affirm Commitment to the Taxpayer Bill of Rights (Resolution only)** | Reps: Gonzalez, Barron | N/A | **POSTPONED INDEFINITELY.** Pro-TABOR Resolution | N/A | N/A | Lack of support for resolution (not a bill) | Low | We require a bond counsel opinion from our borrowers on TABOR compliance for debt issuance. So we monitor TABOR Bills and resolutions. |

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**Colorado Water Resources**
**and**
**Power Development Authority**

**Budget and Audit Committee Minutes**

**July 23, 2026**

## Call to Order

Treasurer Karen Wogsland called the meeting to order at 10:00 a.m.

## Attendance

Budget and Audit Committee members attending via a video conference call: Chris Treese (Board Chair), Karen Wogsland (Audit Committee Chair), and Roy Heald.

Other Board members included: Bruce Whitehead, and Patti Wells.

Others present included: Keith McLaughlin (Executive Director), Justin Noll (Controller), Valerie Lovato (Assistant Controller), Stephanie Hines (Accountant II), Aaron Best (Accountant I), and Heather Newton (Office Manager).

## Introduction

Ms. Wogsland introduced the board members and laid out the goal of the meeting. The goal of the meeting was for the staff to recommend to the Budget & Audit Committee which applicants should be moved forward to the interview process to become the Authority's auditor.

## Discussion on Responses to RFP (Requests for Proposals)

Mr. Noll explained that the RFP was sent out to six firms and three firms returned proposals. He summarized the proposals and sent them to the committee for review. He felt that all three firms have the necessary qualifications, presented good RFP documents and have good SRF experience. He added that all SRF programs are different so there would still be a learning curve if a new firm is chosen. All three bids were similar, and the spread between the three firms was about $10,000.00 between the highest and lowest bids. The recommendation from staff is to move all three applicants forward to the interview process.

Mr. McLaughlin added that Mr. Noll and his staff hosted a meeting with all six applicants where they discussed the Authority's operations and each firm could ask questions. Ms. Wogsland asked why only three firms provided responses and Mr. Noll explained that two of the firms couldn't meet the time frame of completion by April 2027 and the third firm didn't have a large enough presence in Colorado.

Mr. Noll stated that in-person interviews should be taking place the week of August 3rd, 2026.

## Questions

Mr. Heald asked if Budget & Audit Committee members will be participating in the interviews and Mr. Noll responded that committee members are welcome but not required.

Mr. Treese asked if the use of AI by the audit firms is seen as a positive or a negative. Mr. Noll explained that he views it as a positive because each firm uses multiple AI softwares and they use it to make the audit process more efficient.

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Ms. Wogsland asked if Authority staff will be reaching out to the client representatives for each applicant and Mr. Noll responded that they will be reaching out to the references.

**Motion**

Motion: Mr. Heald proposed interviewing all three audit firms as part of the selection process.
2nd: Mr. Treese
Vote: Approved

**Closing Remarks**

Ms. Wogsland thanked the committee and other attendees for being there. The meeting adjourned at 10:18 a.m.

Respectfully submitted,

________________________________________

*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.

# COLORADO WATER RESOURCES
# &
# POWER DEVELOPMENT AUTHORITY

## PROJECT FINANCE COMMITTEE
## MEETING AGENDA

**August 12, 2026**
**Committee meeting at 9:00 a.m.**

**Via Zoom Conference Call**

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

Authority Staff: Keith McLaughlin, Jim Griffiths, 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, Peter Dieterich, and Monica Munoz-Revelo

## AGENDA

1. **DWRF DAC Business Case and Loan Applications:**

    - Montezuma County Local Improvement District No. 2023-1 Upper Road 42 – DAC Business Case – Gio **(Board Action)**
    - Montezuma County Local Improvement District No. 2023-1 Upper Road 42 (Base) – Direct Loan Request – Gio **(Board Action)**
    - City of Aurora (Base and IIJA/BIL LSL) – Direct Loan Request – Wes **(Board Action)**
    - Camelot Property Owner's Association (Base) – Direct Loan Request – Ian **(Board Action)**
    - Colorado City Metropolitan District (Base and IIJA/BIL Supp.) – Direct Loan Request – Ian **(Board Action)**
    - Penrose Water District (Base and IIJA/BIL Supp.) – Leveraged and Direct Loan Request – Wes **(Board Action)**
    - Bailey Water and Sanitation District (IIJA/BIL Supp.) – Direct Loan Request – Kevin **(Board Action)**
    - Town of Kremmling (Base) – Supplemental Direct Loan Request – Ian **(Board Action)**

**Note:** A Zoom conference call has been scheduled for **Wednesday, 9:00 a.m. August 12, 2026**. The link to join via online is: https://us06web.zoom.us/j/86434046643?pwd=bP0FDXrGyJUHCspT1XMDVpl1ahOA7s.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **864 3404 6643**. The passcode is: **163551**.

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- Town of Cheyenne Wells (Base and IIJA/BIL Supp.) – Direct Loan Request – Daniel **(Board Action – Staff recommends consent agenda)**

- Town of Dolores (IIJA/BIL Supp.) – Direct Loan Request – Daniel **(Board Action – Staff recommends consent agenda)**

- Town of La Veta (Base) – Supplemental Direct Loan Request – Kevin **(Board Action – Staff recommends consent agenda)**

**2. WPCRF Loan Applications and Direct Loan Term Change:**

- Town of La Veta (Base and IIJA/BIL Supp.) – Direct Loan Request – Kevin **(Board Action – Staff recommends consent agenda)**

- City of Las Animas (Base and IIJA/BIL Supp.) – Direct Loan Request – Emma **(Board Action – Staff recommends consent agenda)**

- Town of Cheraw (IIJA/BIL) – Direct Loan Term Change Request – Gio **(Board Action – Staff recommends consent agenda)**

**Note:** A Zoom conference call has been scheduled for **Wednesday, 9:00 a.m. August 12, 2026**. The link to join via online is: https://us06web.zoom.us/j/86434046643?pwd=bP0FDXrGyJUHCspT1XMDVpl1ahOA7s.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **864 3404 6643**. The passcode is: **163551**.

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**COLORADO WATER RESOURCES &**
**POWER DEVELOPMENT AUTHORITY**

**PERSONNEL COMMITTEE AGENDA**

**August 14, 2026**

**12:00pm-1:30pm**

**Via Zoom meeting**
**(click this link to join the meeting)**

https://us06web.zoom.us/j/85880177461?pwd=02Go36b29a16wrtdJEHr0005KADd4V.1

**Meeting ID: 858 8017 7461**
**Passcode: 476909**
**OR Call-in number: 1-719-359-4580**

Personnel Committee Members: Patti Wells (Chair), Eric Wilkinson, Steve Vandiver, Roy Heald, Chris Treese (ex-officio);

**All Board members welcome!**

Authority staff: Keith McLaughlin, Jim Griffiths

**Agenda**

1. Vacation Accrual Recommendations
2. Employee Survey Results
3. Authority Goals - Update

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# 2026 – AUTHORITY GOALS – BY CATEGORY

Top Goals (from all categories – not duplicated within the categories below):

1. Work with Authority's lobbyist, state and federal congressional delegates, partner agencies, governor's office, state counterparts, and related water associations regarding cuts to the base program funds due to Congressionally Directed Spending (CDS).

2. In coordination with our partners at WQCD and DOLA, work with the Governor's office and legislative staff to secure IIJA state match funds for 2026.

3. Provide base and IIJA funding effectively and efficiently in 2026 while accurately navigating base and IIJA program requirements. Optimize our use of IIJA funds in the final year of IIJA and begin transition to base program funding.

4. With assistance from our program partners select, develop and implement the CEOS replacement project.

5. Build resiliency in employee staffing. Increase efforts in cross training, technology, workload leveling, outsourcing, and the use of part-time employees.

6. Continue our close involvement in the Arkansas Valley Conduit ("AVC") project. Provide the best possible funding solutions for the communities in the Lower Arkansas Valley. Continue to collaborate with our partners, other state and federal agencies, Southeastern Colorado Water Conservancy District, and their communities.

Technology Goals:

1. Continue to monitor and upgrade state ADA website compliance.

2. Continue to understand and enhance our basic use of AI to help create efficiencies for the Authority.

3. Continue to bolster cybersecurity.

4. Continue to implement new HR software modules.

5. Continue implementation of the new audit and PAFR software in 2026

6. Complete and expand use of Authority "Intranet."

Legislative and Legal Goals:

1. Coordinate the confirmation hearing process for two Board appointees.

2. Monitor Authority and water related legislative bills and advise the Governmental/Public Affairs Committee as necessary.



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3. Timely lead Authority's Joint Resolution (eligibility list) through the legislative process.

4. Continue to maintain compliance with Colorado's new employment laws like (FAMLI), equal pay for equal work act, etc.

Personnel and Employee Development Goals:

1. Continue to take a leadership role in the Council of Infrastructure Financing Authorities (CIFA). Executive Director is scheduled to move into the Treasurer role in November of 2026.

2. Continue to serve on the Colorado Water Congress board of directors.

3. Build out Authority leadership at all levels.

4. Monitor staffing levels at the Authority and our SRF partner agencies as we move into the final year of IIJA funding in 2026.

5. Continue to provide and improve certain annual training to Board and Staff including conflict of interest, harassment, and other training.

6. Develop and grow the knowledge base of all staff, continuing the staff education commitment of the last four years.

7. Continue to educate staff on new and existing policies such as, employee handbook, drug free workplace policy, information systems policy and others.

8. Meet and build relationships with key water organizations across the state and nationally.

9. Continue to look for ways to improve our human resource capabilities, building on considerable improvements made over the last few years. Fully implement Inova's performance management platform as part of our human resources management upgrades.

10. Finalize benefit recommendations. This is a continuation of efforts started in 2024.

Operational Goals:

1. Find ways to improve our borrower loan payment experience focusing on smaller borrowers.

2. Review and implement streamlined financial summaries and reports.

3. Complete office space expansion project in early 2026.

4. Evaluate the investment strategy of the Authority and suggest changes to the way Authority funds are invested to maximize lending capacity.

5. Evaluate all professional insurance. Ensure all coverage is understood and the Authority is adequately protected.

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6. Continue to monitor, and report on, the interest rate environment so that the Authority loan interest rates are in-line with the market and other water funding programs.

Programmatic Goals:

1. Continue to ensure IIJA funding reaches disadvantaged communities and priority projects.
2. Monitor and strategize around IIJA obligations and grant draws to meet all IIJA capitalization grant deadlines.
3. Work with WQCD to prepare a final press release highlighting Colorado's IIJA successes in the final year of the IIJA.
4. Prepare to apply for additional IIJA lead service line funds when they are re-allocated in 2026.
5. Build on the progress and successes to continue to strengthen the DWRF administrative fee in order to administer a sustainable DWRF for Colorado.
6. Maximize the use of SRF leverage in 2026 to expand our lending capacity. Learn more about additional creative ways to leverage and enhance funds availability in order to meet increasing demand.
7. Monitor EPA's preferred performance metrics. EPA recommends that states 'over-obligate' SRF funds in order to meet this metric. Evaluate and develop a Colorado-specific cash flow and obligation tolerances strategy.
8. Continue to collaborate and coordinate closely with USDA, CWCB, DOLA and WIFIA on financing for Colorado projects.
9. Continue to work with the WQCD and WQCC to discuss options for funding Colorado's Safe Drinking Water Program that are outside of the SRF.
10. Develop and bring recommendations to the Authority Board for improvements to the Small Hydroelectric Loan Program, Forest Health and the Interim Loan Program.

Board Related Goals:

1. Continue to meet and coordinate with WQCD leadership regarding the end of IIJA and related staffing and set aside issues. Director Vandiver and the Executive Director are scheduled to discuss the topics at the WQCC February Board meeting.
2. Provide the Authority Board with the education materials necessary to build upon and enhance its decision-making process. At the Board's discretion, develop a mission, vision and values statement for the Authority in 2026.
3. Meet with Board members in each water basin to determine basin and Board member needs and direction.



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4. Hold a Board retreat in the first half of year 2026 at the Board's discretion.

5. Plan with the Chair of the Board any "away" meetings and site tours that may interest the Board.

6. Provide recommendations and gain the Board's perspective on continuing to use current auditor or request proposals from other audit firms.

7. Continue the liaison process with the WQCC. Focus on funding, efficiency, effectiveness and another joint Authority Board and WQCC meeting.

_______________ 19 Completed

_______________ 24 In Progress

_______________ 7 No Progress

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**M E M O R A N D U M**

**August 6, 2026**

**TO:** **Personnel Committee and Board of Directors**

**FROM:** **Keith McLaughlin, Executive Director**
**Jim Griffiths, Deputy Director**

**RE:** **Vacation Accrual Recommendations**

**Background:**
The CWRPDA employee handbook states that unused vacation leave remaining on December 31, may be carried over to the following year, but such carryover will be limited to no more than the days/hours per year accrued based upon the employee's length of service in the schedule below.

| Length of Service | Hours per Month Accrued | Days/Hours per Year Accrued |
|---|---|---|
| Start through Year 3 | 8 Hours | 12 Days/96 Hours |
| 4th Year | 9 Hours | 13.5 Days/108 Hours |
| 5th Year | 10 Hours | 15 Days/120 Hours |
| 6th through Year 9 | 11 Hours | 16.5 Days/132 Hours |
| 10th through Year 19 | 13.3 Hours | 20 Days/160 Hours |
| 20th Year or More | 16.67 Hours | 25 Days/200 Hours |

However, carryover in any amount greater than the days/hours per year accrued as set forth above may be carried forward only upon approval of the Executive Director.

**Current Vacation Accruals**
There are six employees whose current total vacation accrual exceeds the balances as provided in the schedule above. Four of the six employees are long-tenured employees who have carried forward some amount of excess vacation for the majority of their 15-plus-years with the Authority. The remaining two employees will likely have their accrual balances below the maximum vacation accrual by the end of the year.

Accrued vacation is paid out upon the completion of employment, and several past employees that were entering retirement have used their accrued vacation payout to bridge the gap between retirement and their first PERA pension payment. In addition, the Authority does not offer short-term disability or maternity leave, and many employees over the years have used a combination of sick and vacation accruals to cover serious illnesses, surgery recovery, and childbirth.

**Vacation Accrual Options to Replace Current Policy**
To address the Board's concern with large, accrued vacation balances and related issues, staff are proposing the following three options:

1. Vacation Cap for New Employees. Grandfather Existing Employees with a Conversion Option for All. Set a hard 600-hour cap on vacation leave for employees hired after the policy is adopted (new employees). New employees would be automatically paid out for all hours in excess of 600 hours at the end of each year. In addition, all employees (new and existing) who carry over 300 hours of vacation would be eligible to convert vacation leave to pay at current pay rates up to two times a year but may convert no more than 80 hours per year.

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2. Vacation Cap and Conversion Option for All Employees. Set a 600-hour hard cap on vacation leave for all employees. At the end of 2028 and every year thereafter, employees would automatically be paid out for all hours in excess of 600 hours. Employees with more than 300 hours of vacation leave may choose to convert vacation leave to pay at current rates up to two times a year but may convert no more than 80 hours per year.

3. Tiered Vacation Caps with Conversion Option. Set hard caps that are tiered to follow the current annual vacation accruals.

| Length of Service | Annual Vacation Accruals | Proposed Max Vacation Accruals |
|---|---|---|
| Start through Year 3 | 96 Hours | No Limit |
| 4th Year | 108 Hours | 300 Hours |
| 5th Year | 120 Hours | 400 Hours |
| 6th through Year 9 | 132 Hours | 500 Hours |
| 10th through Year 19 | 160 Hours | 600 Hours |
| 20th Year or More | 200 Hours | 600 Hours |

Employees are automatically paid out for any hours exceeding their maximum annual vacation accruals at year-end. Employees with more than 300 hours of vacation may choose to convert vacation leave to pay at current rates up to two times a year but may convert no more than 80 hours per year.

**Summary and Comparison Chart**

| Option | Name | Max Vacation Accrual | Vacation to Pay Option | Exceed Vacation Caps | Encourages Vacation Use | Restrictive/ Impactive | Vacation Payout Adds to HAS | Equal Treatment of Employees |
|---|---|---|---|---|---|---|---|---|
| 1 | Grandfather Employees | 600 Hrs[1] | 300 Hrs | Yes [2] | Lowest | Lowest | No [3] | No |
| 2 | Hard Cap-All Employees | 600 Hrs | 300 Hrs | No | Mid | Mid | Yes | Yes |
| 3 | Tiered Cap- All Employees | Tiered | 300 Hrs | No | Highest | Highest | Yes | Yes (within tiers) |

[1] Only applies to new employees hired after the policy is adopted
[2] Only existing/grandfathered employees can exceed vacation caps with ED approval
[3] Vacation payout would apply to new employees hired after the policy is adopted

**Employee Input Meetings**
Authority management met with all employees to discuss the vacation accrual options. In total, slightly more employees favored option 2 over option 1. Generally, newer employees are using their vacation as accrued and favored option 1 due to its minimal impact. Long-tenured employees favored option 2 as it provides a mechanism to slightly increase their PERA HAS* while addressing the Board's concerns. No employees favored option 3, though several viewed it as too restrictive.

**Recommendation:** Staff recommends option 2, a hard vacation cap and conversion option for all employees.

*PERA limits the annual salary increase to 8 percent per year. HAS = highest average salary.

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Northern Water

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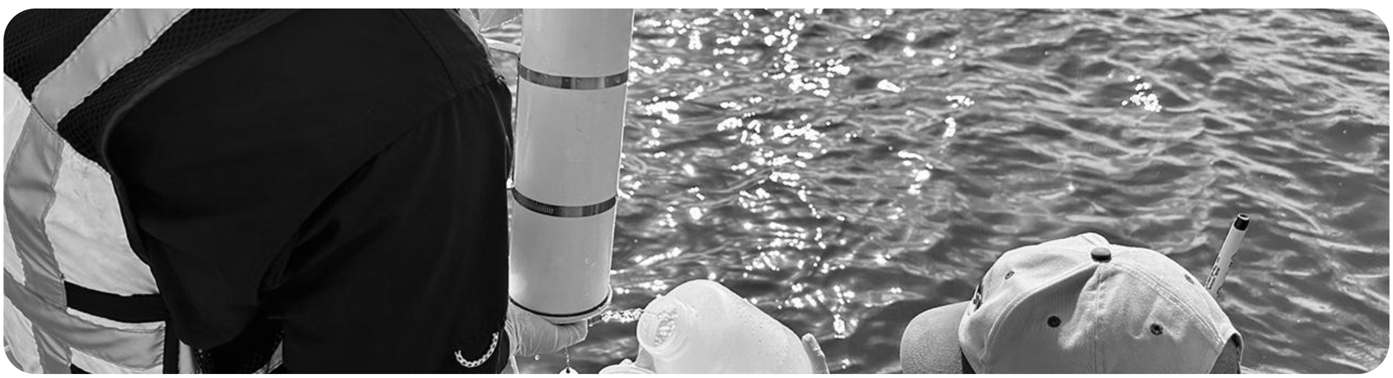
# Chimney Hollow Water Quality



## Naturally Occurring Uranium Found at Chimney Hollow

Northern Water and Chimney Hollow participants are committed to keeping its customers, stakeholders and end users, as well as the general public informed as we gather additional information on the discovery of uranium at the Chimney Hollow Reservoir construction site. Collecting data and modeling are crucial steps in the development of mitigation strategies, and we are actively working to learn more by evaluating test results from field investigations and modeling scenarios.

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Prior to making mitigation decisions, we want to make sure we have all the information to evaluate operational and treatment options. We are following a rigorous process, starting with geochemical characterization and scoping studies, to inform mitigation alternatives analysis and ultimately select a final approach. Following these steps allows us to make informed decisions, evaluate trade-offs, and determine the best path forward.

# Learning. Evaluating. Planning.

Northern Water has been testing how the uranium minerals leach into water and what concentration to expect when the reservoir fills and as its operation begins. To allow time for additional data collection and investigations to advance, we have elected not to fill the reservoir as quickly as initially planned. After the discovery of naturally occurring uranium at Chimney Hollow Reservoir, many avenues of data collection have been initiated to learn more about this situation and inform mitigation decisions. Northern Water moved approximately 1,500 acre feet of water into Chimney Hollow Reservoir in mid-April 2026. Additional water quality data will now be collected and used to evaluate the performance of model simulations used to predict uranium concentrations in the reservoir. In addition, post-fill dam safety monitoring will begin. Project participants have not expected or planned for delivery of water to occur for several years, and this postponement will not affect community water supplies.

Northern Water and project participants have been studying how the uranium minerals mobilize into water and what concentration to expect when the reservoir fills. All testing to date has been small scale and laboratory based. The addition of a small amount of fresh water in the reservoir, less than 2 percent of the total reservoir volume, will provide a better opportunity to study real-world conditions. In addition, Northern Water has sampled groundwater in the area to characterize baseline water quality conditions. This information, paired with data collected from the initial inflow of water in the reservoir, will inform further management options.

We expect uranium leaching from the dam to decrease over time, since there is a finite quantity of soluble uranium at the site. The duration of the leaching process is not fully understood yet and will depend on how the reservoir is operated over time. While the discovery of mineralized uranium has caused Northern Water and the Chimney Hollow participants to modify its plans, it is an issue that can be safely managed. The new reservoir remains an important part of securing water supply needs for Northern Colorado and its future.

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# Water Quality Monitoring

No water will be released from Chimney Hollow Reservoir until a management plan is identified.

This dashboard displays uranium levels in Chimney Hollow Reservoir and in nearby sampling locations from early April 2026, when water was first introduced into the reservoir. Water sampling for uranium occurs weekly with final results typically available within two months of the sampling date. Final data will be posted to the dashboard when received, and it may not be received in chronological order due to processes at the testing laboratory.

The water currently in Chimney Hollow Reservoir represents less than 2 percent of its total capacity, and no additional water will be added during initial monitoring. The initial monitoring period provides Northern Water time to appropriately sample the new waterbody and determine a strategy to manage the naturally occurring uranium moving forward.

The EPA standard for uranium after it has been treated by the local water provider is 30 μg/L (or parts per billion). The reported values provided below are the sampling results of the raw (untreated) water presently held in the reservoir. For context, and as a comparison to nearby waterbodies, reported values for Flatiron Reservoir (outlet), Carter Lake and Horsetooth Reservoir are also provided. View additional data collected throughout Northern Water's boundaries.

## Background Information:

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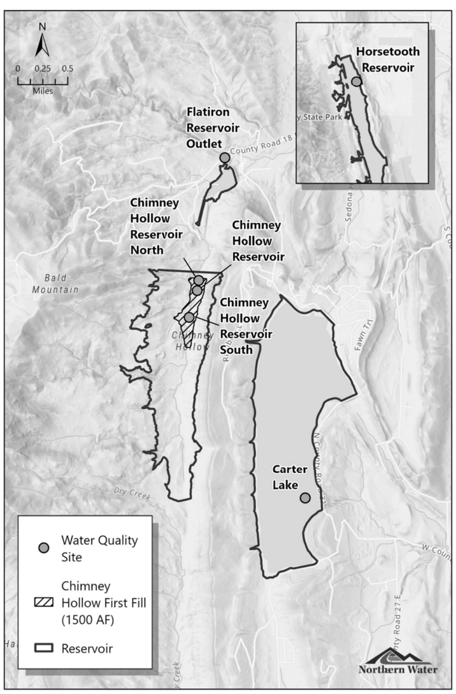
# July 2026 Update:

## July 2026 Update of the Chimney Hollow Reservoir Water Quality

Northern Water

Watch on




**Total Uranium (µg/L)**

| Station | Surface | Midpoint | Bottom | Canal |
|---|---|---|---|---|
| | Sampling Location (most recent data shown) | | | |
| Chimney Hollow Reservoir North | 12.9 | | 55.8 | |
| Chimney Hollow Reservoir | 12.7 | 22.8 | 82.9 | |
| Chimney Hollow Reservoir South | 12.8 | | 23.9 | |
| Flatiron Reservoir Outlet | | | | 0.7 |
| Carter Lake | 0.1 | | 0.2 | |
| Horsetooth Reservoir | 0.2 | | 0.1 | |

Surface: Collected 1 meter below the water surface
Midpoint: Collected between surface and bottom sampling depths
Bottom: Collected 1 meter above the reservoir bottom

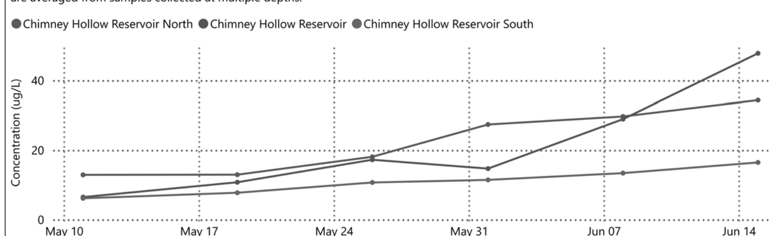
**Most Recent Data - Total Uranium (µg/L)**

Values shown at reservoir sites are averaged from samples collected at multiple depths

| | |
|---|---|
| Chimney Reservoir North 34.35 | Flatiron Reservoir Outlet 0.7 |
| Chimney Hollow Reservoir 47.80 | Carter Lake 0.11 |
| Chimney Reservoir South 16.47 | Horsetooth Reservoir 0.15 |

**Data Since Initial Fill - Total Uranium (µg/L)**

We expect uranium to increase over time as the uranium moves from the rocks in the embankment into the water in the reservoir. Values shown are averaged from samples collected at multiple depths.




Microsoft Power BI

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What is the problem? +

Where does the uranium come from? +

When was the uranium first detected? +

Why was uranium only recently discovered? +

What is uranium? +

How much uranium is found in rock at the site? +

How was uranium discovered? +

What do the preliminary data say? +

Are you planning on putting water into the reservoir soon? +

It's been an unusually dry year, where is the water coming from for the initial fill? +

When will water be delivered out of the reservoir? +

What is Northern Water going to do about it? +

Is there an exposure risk for those who worked on or visited the construction site? +

Is Chimney Hollow still going to be used for water supply? +

Are there other compounds we are looking at in light of the uranium discovery? +

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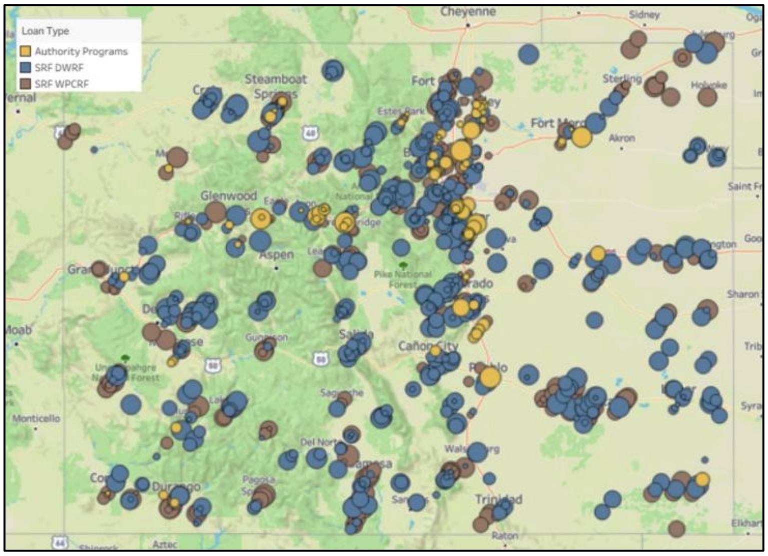
**Financing Water Projects in Every Corner of Colorado**

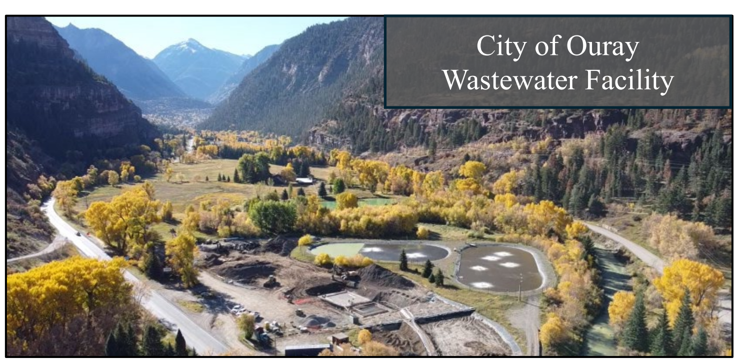
When residents in Sterling, Silt, Kremmling, and hundreds of other Colorado communities turn on the tap, they see the result of years of local planning and the financing that made those projects possible.

Since 1981, the Colorado Water Resources and Power Development Authority has worked with municipalities and special districts of every size to finance water and wastewater infrastructure, executing more than 800 loans totaling over $2.8 billion through Colorado's State Revolving Fund Programs. We just celebrated our 45th anniversary helping Colorado communities stay hydrated with healthy and clean water. A map of our loan portfolio tells the story at a glance: projects in every river basin in the state, from the Front Range to the Western Slope, the San Luis Valley to the Eastern Plains.




For many of Colorado's smallest and rural systems, affordability determines whether a project moves forward or sits on the shelf. Our Drinking Water Revolving Fund and Water Pollution Control Revolving Fund offer below-market interest rates, flexible terms, and, for qualifying disadvantaged communities, reduced interest rates, grants and principal forgiveness that meaningfully reduce costs for local ratepayers. Our team's expertise in municipal finance, federal compliance, and capital planning means communities don't navigate the process alone, from initial planning and eligibility through closing and construction.

The Authority is here to help with Drinking Water, Wastewater and dedicated funding for priorities like lead service line replacement and emerging contaminants such as PFAS. We encourage communities to explore these opportunities and reach out to us to see if we can help keep your community’s infrastructure project affordable.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If your community is planning a water or wastewater project, or wants to understand its financing options, visit www.cwrpda.com, call (303) 830-1550, or email info@cwrpda.com. You can also stay informed by subscribing to our quarterly SRF Newsletter through our website or by scanning the QR code and marking General - Grants and Loans.