

COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY

9:00 A.M. – December 6, 2024

Hybrid Meeting – In-person and via Zoom

Authority Conference Room

1580 N. Logan Street, Suite 810, Denver CO 80203

<https://us06web.zoom.us/j/89840683889?pwd=GNWbZyZoBJM1PguMbDQu2DajPaQ5SH.1>

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

Meeting ID: **898 4068 3889**

Passcode: **039159**

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 & Consent Agenda Approval**
4. **Approval of Minutes** – October 4, 2024
5. **Introduction of Guests**
6. **Other Agency Reports**
 - (a) Report of CWCB – Kirk Russell
 - (b) Report of WQCD – Nathan Moore, Clean Water Program Manager
 - (c) Report of DOLA – Cynthia Thayer
 - (d) Report of Authority Lobbyist – Christine Arbogast
7. **Authority Reports**
 - (a) Public and/or Board Member Comment
 - (b) Report of Chair – Chris Treese
 - Resolution of Appreciation – Resolution No. 24-36
 - Resolution of Appreciation – Resolution No. 24-37
 - (c) Report of Treasurer – Karen Wogsland
 - (d) Report of Executive Director – Keith McLaughlin
 - Authority Bylaws
 - (e) Manager's Report
 - Accounting
 - Finance
 - Office
 - (f) Report of Legal Counsel – Karl Ohlsen
8. **Drinking Water Revolving Fund**
 - (a) Loan Applications
 - Cucharas Sanitation & Water District, Resolution No. 24-38
 - City of Trinidad, Resolution No. 24-39
 - City of Fort Lupton – DAC Business Case Request
 - (b) Town of Ridgway – Additional Bonds Test Waiver and Consent
 - (c) Arkansas Valley Conduit Intergovernmental Agreement, Resolution No. 24-40
 - (d) Private Non-Profit Recommendations
 - (e) Leveraged/Direct/Interim/DAC Program Interest Rates for 2025
 - (f) Additions/Modifications/Deletions to the Project Eligibility List for Joint Resolution
 - (g) State Revolving Fund 2024 Series C Bond Sale Results
 - (h) Principal Forgiveness Caps and Maxes Recommendations
 - (i) Status of Projects
9. **Water Pollution Control Revolving Fund**
 - (a) Loan Applications
 - Town of Limon, Resolution No. 24-41
 - (b) Leveraged/Direct/Interim/DAC Program Interest Rates for 2025 – *same as 8(e)*
 - (c) Additions/Modifications/Deletions to the Project Eligibility List for Joint Resolution
 - (d) State Revolving Fund 2024 Series C Bond Sale Results – *same as 8(g)*
 - (e) Principal Forgiveness Caps and Maxes Recommendations
 - (f) Status of Projects

10. Small Hydropower Loan Program

- (a) Leveraged/Direct/Interim/DAC Program Interest Rates for 2025 – *same as 8(e)*
- (b) One-time Waiver request
- (c) Status Report

11. Water Revenue Bonds

- (a) Leveraged/Direct/Interim/DAC Program Interest Rates for 2025 – *same as 8(e)*
- (b) Status Report

12. Committee Reports

- (a) Personnel Committee – Minutes
- (b) Project Finance Committee - Minutes
- (c) Board Program Work Session – Minutes
- (d) Budget & Audit Committee
 - Adjustments to the 2024 Budget
 - Resolution No. 24-42 and Resolution No. 24-43

13. Legislative Issues and Other Business

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

14. Arrangements for Future Meetings

January 29, 2025 – 2 pm, Hyatt Regency Aurora Denver Conference Center (in conjunction with the Colorado Water Congress Annual Convention)

March 6, 2025 – Board Program Work Session (TBD)

March 7, 2025 – Board Meeting 9:00 am, Denver

April 24, 2025 – Board Program Work Session (TBD)

April 25, 2025 – Board Meeting 9:00 am, Denver

15. Adjournment

SLIDES

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CONSENT AGENDA

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

October 4, 2024

Prior to calling the meeting to order, Chair Vandiver expressed his appreciation to the Town of Silt, Authority staff and the Board for making the trip, hosting the tour, and the previous evening's Board Program Work Session. Everything came together well and was successful.

Call to Order

Chair Steve Vandiver called the meeting to order at 9:00 a.m. at the Silt Town Hall, located at 231 N. 7th Street, Silt, CO 81652 and via video and audio teleconferencing.

Board Member Identification and Declaration of a Quorum

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

Pledge of Allegiance

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

Approval of Consent Agenda

Chair Vandiver announced that the following items were placed on the Consent Agenda for Board consideration at the Project Finance Committee meeting: Agenda items 7(a) Drinking Water Revolving Fund loan application for Highland Lakes Water District (Supplemental), Resolution No. 24-33; and 8(a) Water Pollution Control Revolving Fund loan application for the Town of Lake City (Supplemental), Resolution No. 24-35. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

Motion: Chris Treese
2nd: Karen Wogsland
Vote: Motion carried

Introduction of Guests

Chair Vandiver invited any loan application representatives who joined the meeting virtually to identify themselves and note the entity they represent. Joanne Fagan, Project Engineer for the Town of Lake City, thanked the Board for its approval of the Town's project via the Consent Agenda. Chair Vandiver thanked Ms. Fagan for the Town's input at the Project Finance Committee conference call, held on Monday, September 30th.

Approval of Minutes – August 21, 2024

The August 21, 2024, Minutes were presented for approval. Director Whitehead noted a minor typo that he notified Ms. Speed about prior to the meeting. After hearing no additional comments, a motion was made to approve the Minutes of August 21, 2024, as corrected.

Motion: Eric Wilkinson
2nd: Bruce Whitehead
Vote: Motion carried

Other Agency Reports

Report of Colorado Water Conservation Board ("CWCB")

Kirk Russell, CWCB Finance Section Chief, referred to his written report and announced that the CWCB met on September 18th in Monte Vista. At that meeting, the CWCB Board approved five new loans: Crawford Water Conservancy District (Feder Canal Stabilization), Rio Blanco Water Conservancy District (Taylor Draw Hydroelectric Turbine Refurbishment), Larimer and Weld Irrigation Company (Cache La Poudre River Diversion Rehabilitation), Silver Lake Ditch & Reservoir Company (Elephant Butress Tunnel Rehabilitation), and West Side Water Conservancy District (Flannery Reservoir Purchase). Mr. Russell noted that the Rio Blanco Water Conservancy District's request necessitated coordination with the Authority regarding the best possible funding source for the project. The CWCB Board also heard an update from the Southeastern Colorado Water Conservancy District on the Arkansas Valley Conduit project, including the proposed process of utilizing the CWCB's \$30 million Projects Bill Grant as a 50% match to the CWR&PDA funding. The Board also approved approximately \$1.4 million in Water Supply Reserve Fund Grants ("WSRF") and approximately \$8.8 million in Water Plan Grants. Mr. Russell noted the next application deadline for Water Plan Grants is December 1st for Board consideration in March 2025.

The CWCB Finance Committee also met before its September Board meeting and the primary focus of that meeting was the CWCB's Construction Fund and the Severance Tax Perpetual Base Fund and recommendations for the CWCB's annual Projects Bill. The Committee reviewed approximately \$26.8 million of the Projects Bill Grants (formerly Non-Reimbursable Project Investments) project applications that will be considered for final approval at the November 2024 Board meeting. Mr. Russell highlighted two of the projects that will be considered: the Steamboat Springs – Yampa River/Walton Confluence Project (approximately \$2 million) and the Republican River Water Conservancy District – Retirement of Irrigated Acres in the South Fork Focus Zone (approximately \$6 million). Additionally, it was noted that the Board heard a preliminary review of a \$28 million loan application from the Lower Arkansas Valley Water Conservancy District for the purchase of water rights owned by Xcel Energy. A final review by staff is currently underway and final Board approval will be required prior to its inclusion in the 2025 Projects Bill since the loan exceeds \$10 million. The current projection for CWCB's allocation of the Severance Tax Perpetual Base Fund for FY24/25 is approximately \$49 million, and the following year's projection remains at approximately \$50 million. A staffing update was provided. Mr. Russell shared that the CWCB has created a new position in its Grants Program for Section Chief and that Jeannine Shaw has moved into that position. Ms. Shaw has previous experience with the City and County of Denver and Denver Water. Mr. Russell concluded with an announcement that the CWCB Board will meet next in Denver on November 20th and 21st.

Report of Water Quality Control Division ("WQCD")

Ron Falco, Safe Drinking Water Program Manager at the WQCD, referred to the provided written report and highlighted a few items, including an announcement that the Water Quality Control Commission's ("WQCC") annual planning meeting was held on September 9th and 10th in Berthoud. Mr. Falco also noted that the WQCC will meet on October 15th to hold its annual public comment informational hearing and town hall. The WQCC will also hold an administrative acting hearing for the FY 2025 Intended Use Plans at the October meeting. An announcement about the upcoming October 16th deadline for water systems to complete and submit their initial system-wide lead service line inventory and lead service line replacement plans was made. Additionally, water systems must notify its customers if service lines are made of an unknown material by mid-November. Mr. Falco reported that the Association of State Drinking Water Administrators, and EPA, met in St. Louis recently and confirmed that the lead and copper rule improvements are still expected to be finalized before the October 16th deadline. The WQCD's 2025 budget was submitted on August 21st and WQCD staff attended the Authority's September 30th Budget & Audit Committee meeting to answer any questions. Mr. Falco noted that due to an increase in funding availability, the WQCD will be extending additional assistance to wastewater systems across the state as demand continues to grow.

Following the agency report, Chair Vandiver noted that a more in-depth discussion about the Colorado Environmental Online Services (“CEOS”) public portal replacement budget request will need to be addressed before final budget approval. Mr. Falco agreed with Chair Vandiver about the importance of this budget item and noted this is the appropriate time to have the discussion. The partner agencies will be working together to identify needs and to ensure that the scope of work can accommodate the work of all three agencies. Mark Henderson opined that the partner agencies are in a better position than they were in the past and starting early in the process will help make the selection process more successful. This will ensure a well-planned, thoughtfully executed process that will ensure the strategy and product will work for all partner agencies.

Report of Department of Local Affairs (“DOLA”)

Desi Santerre, Department of Local Affairs Program Manager, referred to the provided agency report and confirmed that the most recent Energy and Mineral Impact Assistance (“EIAF”) Program application deadline was August 1st. There is approximately \$30 million in grant funding available for this application cycle. The written report included a listing of Tier I and Tier II applicants. Awards are expected to be announced in November. The next application deadline for the EIAF Program is December 1st. As previously reported, DOLA received Severance Tax/Federal Mineral Lease projections, but those projections may change as some forecasts suggest that oil and gas prices will fall. Finally, Ms. Santerre provided an update on the Department’s Small and Rural Communities Technical Services Program, noting that work was completed with one community, the Somerset Domestic Water Works District, and a meeting with the Department’s contractor and Regional Manager may produce another project for the program. Ms. Santerre thanked the Board for its willingness to transfer funding from the wastewater program to the drinking water to accommodate the higher demand for assistance. Through the end of August, approximately \$38,294 has been spent on technical services projects, including approximately \$33,222 on drinking water projects, and approximately \$5,071 on wastewater projects. DOLA has completed and shared its annual review of technical services activities. Following the agency report, Director Whitehead asked about the SRF column in the written report and Ms. Santerre confirmed that the designation notes if the entity has requested, or will likely be requesting funding through the SRF programs and confirmed that final funding decisions for each Tier are still pending.

Report of the Chair – Chair Vandiver opined that this has been a busy week, with several committee meetings, and thanked Justin Noll for his efforts during the Budget & Audit Committee meeting. The Project Finance and Nominating Committees also met since the last Board meeting and Chair Vandiver thanked all who attended, facilitated and participated in each Committee meeting.

Report of the Treasurer – Treasurer Fabbre echoed Chair Vandiver’s thanks to the Town of Silt, its employees, contractors and consultants that took time for the tour of the Town’s wastewater facilities. Since the last Board meeting, Treasurer Fabbre noted that the Investment Committee did not meet, but the Budget & Audit Committee met on September 30th to review and discuss the Authority’s proposed 2025 budget and Forvis Mazars’ 2024 audit engagement letter. Authority staff will be asking the Board for approval of the Forvis Mazars’ audit engagement letter and publication of the Authority’s draft 2025 budget later in the meeting agenda. Final approval for the 2025 budget will be forthcoming at the December 6th Board meeting. Treasurer Fabbre deferred to Mr. Noll and asked him to continue the Treasurer’s report. Mr. Noll noted that no financials were included in the Board’s materials because the staff is currently in transition to its new ERP software, Sage Intacct. Mr. Noll shared the COLOTRUST rates as of October 2024, and noted that since the Federal Reserve’s rate decreased, COLOTRUST has also decreased its daily yield rates from 5.4115% on September 18th to 5.3342% on September 19th and then to 5.0360% as of September 30th, in step with the Fed’s reductions. Mr. Noll announced that on September 3rd, Authority staff initiated debt service payments for outstanding bonds in both SRF Programs. The total amount paid was approximately \$6.5 million in the Drinking Water Revolving Fund and approximately \$17.5 million in the Clean Water Revolving Fund programs for principal and interest payments. On September 4th, Authority staff deallocated approximately \$20 million in the Drinking Water Revolving Fund and approximately \$26.5

million in the Clean Water Revolving Fund program, thereby releasing these funds back into the SRF Programs for future loan purposes. The deallocation process gives the Authority additional loan capacity for future lending. Following the report, Mr. McLaughlin thanked the Accounting staff for completing the successful debt service and deallocation transactions. A motion was made to approve the Treasurer's Report.

Motion: Mike Fabbre
2nd: Chris Treese
Vote: Motion carried

Report of Executive Director – Keith McLaughlin echoed Chair Vandiver's thanks to all who were involved in the successful tour of the Town of Silt's facilities and to the Board for making the trip to Silt for the tour and meetings. Mr. McLaughlin then referred to the written report contained in the Board's materials and noted a few highlights of the report, including a meeting with John Brockmeier, a new staff member in Senator Bennet's office, to discuss Congressionally Directed Spending (CDS) and its impact on the SRF Programs, and current disbursement issues. Also, on August 30th, Mr. McLaughlin met with Colorado State Treasurer, Dave Young, regarding the state's Building Urgent Infrastructure and Leveraging Dollars (BUILD) concept. Several discussions have been held with Mike Beck of the Colorado Department of Public Health and Environment to discuss securing the state match for the BIL funds and other various items. The state match is critical to securing the last two years of BIL funds and the Authority is still seeking a viable solution, including funding from HB24-1413 (state Severance Tax transfers). Work continues with Culture Solutions Group regarding the Authority's Salary and Benefit Survey and a draft is expected for review at the December Board meeting. This is the first survey from this consultant, so it is taking a little longer to complete than expected. Mr. McLaughlin acknowledged one staff anniversary since the last Board meeting: Cheryl Gantner, the Authority Records System Clerk, celebrated her 12th work anniversary on October 1st.

Appointment of Assistant Secretaries, Resolution No. 24-30

Keith McLaughlin presented Resolution No. 24-30 and stated that biennially the Authority adopts a Resolution to appoint Assistant Secretaries to assist in the execution of various loan, bond-related and administrative documents, as deemed necessary. The Authority would like to reappoint Finance Director Jim Griffiths, Assistant Finance Director Wesley Williams, Controller Justin Noll and Office Manager Sabrina Speed as Assistant Secretaries to a term of two years to perform the duties and functions of the Secretary at such times as may be necessary. A motion was made to adopt Resolution 24-30.

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

Appointment of Assistant Treasurer, Resolution No. 24-31

Keith McLaughlin presented Resolution No. 24-31 and stated that an Assistant Treasurer provides additional flexibility and backup when the Treasurer (an Authority Board member) was unavailable to take certain actions, such as authorizing investments, if needed. This appointment was previously suggested by former Authority Chair Bob Wolff. The Authority would like to reappoint Controller Justin Noll as Assistant Treasurer for a term of two years to perform the duties and functions of the Treasurer at such times as may be necessary. It was noted that Mr. Noll has never acted as an Assistant Treasurer, but would do so, if needed. A motion was made to adopt Resolution 24-31.

Motion: Mike Fabbre
2nd: Eric Wilkinson
Vote: Motion carried

Appointment of Authority General Counsel, Resolution No. 24-32

Keith McLaughlin presented Resolution No. 24-32 and stated that the Authority is also required to annually review and appoint general counsel to allow the legal and efficient functioning and operation of the Authority. The Authority would like to appoint Carlson, Hammond & Paddock LLC, and specifically Karl Ohlsen as principal, to act as general counsel to the Authority Board. Authority staff appreciate Mr. Ohlsen's efforts and assistance, especially since he is always working in the best interests of the Authority according to Mr. McLaughlin, who then recommended his reappointment. Mr. McLaughlin also noted this appointment will continue to be held on an annual basis, as required. A motion was made to adopt Resolution 24-32.

Motion: Chris Treese
2nd: Karen Wogsland
Vote: Motion carried

Accounting Manager's Report

Controller Justin Noll noted that the ERP software implementation is in process in the Accounting department as staff is working through the transition. Staff is also in the process of evaluating additional software to improve efficiency for other processes in the office and named Gravity as one software currently under review. The Gravity software package will assist the Authority in the preparation of the Popular Annual Financial Report and integrate with the Authority's audit so there is less manual work necessary as the system is designed to streamline changes whenever necessary. Additionally, staff is evaluating the Human Resources add-on software to Inova, the Authority's payroll processing software. The additional software package will allow the Authority to improve its employee evaluation process and other HR functions. Mr. Noll confirmed that Inova is currently processing the Board's per diem payments and will administer year-end W-2's. Mr. Noll concluded his report with an announcement that the Accounting Department is fully staffed as the Authority hired Desiree Perea as the new Accounting Clerk/Technician at the end of August. Ms. Perea's formal introduction will be at the December Board meeting.

Finance Manager's Report

Finance Director Jim Griffiths announced that on September 13th, the City of Englewood invited Authority staff to its lead service line removal event. This event was attended by several dignitaries, including United States Senator John Hickenlooper, and provided Authority staff an opportunity to interact with the Senator. The event was also attended by several Englewood homeowners, who were very appreciative of the funding provided by the Authority. Mr. Griffiths also noted that the City of Englewood benefited greatly from Denver Water's experiences as Denver Water provided a good map for successful removal and the City utilized some of the same contractors that Denver Water used. Mr. Griffiths announced that Kevin Carpenter earned a promotion to Senior Financial Analyst I. Mr. Griffiths also announced that Giorgi Gazashvili earned a promotion to Financial Analyst II and congratulated both for all their hard work. The Board also congratulated both on the achieved advancements.

Office Manager's Report

Office Manager Sabrina Speed confirmed receipt of the 2025 health, dental and vision rates from PERACare, the Authority's benefits provider. The new premium rate changes are a less than 1% rate decrease in Kaiser Permanente rates for healthcare benefits, a slight increase of approximately 4% for Delta Dental rates, and no changes for both the Cigna Dental and VSP Vision Care programs. This information has been incorporated into the proposed 2025 budget, as previously mentioned during the Budget & Audit Committee conference call. Additionally, Ms. Speed reported that Authority staff continues to work on the website accessibility project and incorporated funding for remediation into the proposed 2025 budget to be fully compliant before the July 1, 2025, deadline. Ms. Speed also announced that the Colorado Water Congress Annual Convention will be held on January 29-31 at the Hyatt Regency Aurora-Denver Conference Center. A sign-up sheet was circulated for conference registration and lodging requests for Board members. Finally, Ms. Speed noted that a copy of the Zoom conference AI generated notes was emailed to the Board from the previous evening's Board Program Work Session. After reviewing the text,

Ms. Speed noted that the AI tool may be useful to aid in follow-up notes but wouldn't be a replacement for post-meeting minutes.

Report of Legal Counsel

General counsel Karl Ohlsen didn't have a formal report but thanked the Board for its support in renewing the appointment of general counsel by Resolution earlier in the meeting and expressed his appreciation for the opportunity. Mr. Ohlsen also noted that a majority of his time has been devoted to working on the intergovernmental agreement ("IGA") for the Arkansas Valley Conduit project and the Evergreen Lake Company's loan agreement. Once that loan agreement is executed, Mr. Ohlsen is hopeful that other private, not-for-profit entities will be able to use it as a template going forward. Wesley Williams thanked Mr. Ohlsen for his efforts working through the difficult issues with the Evergreen Lake Company as it has been a big undertaking.

Drinking Water Revolving Fund

City of Fort Lupton – Additional Bonds Test Waiver and Consent

Wesley Williams confirmed that the Authority entered into a loan agreement with the City of Fort Lupton on December 5, 2022, and the loan funds were used to pay for a tap fee to Metro Water Recovery (formerly known as Metro Denver Wastewater). The full funding package was outlined in the October 4, 2024, memorandum contained in the Board materials. Additional improvements to the City's wastewater system were necessary and the City applied for a loan from the United States Department of Agriculture ("USDA"), Rural Utility Service to finance the acquisition, construction and completion of the improvements. The USDA loan requires interim financing during construction, and then the City will enter into a long-term financing agreement upon completion. Under this structure, the City would have a large payment coming due in one year (commonly known as a "balloon" payment). The Authority's December 2022 loan includes an additional bond test ("ABT"), which requires any debt that is issued on the same revenue pledge to meet the loan covenant at or above 110% for twelve of eighteen months. The City will not be able to meet the ABT at the maturity of the balloon payment on the interim loan but expects to meet it when the long-term financing is in place. The City is thereby requesting an ABT waiver on the interim loan. Prior to issuing the long-term financing, the City will be required to certify that it has met the required ABT on the Authority's 2022 loan. The Authority has historically granted this type of routine waiver request on several occasions. Following the discussion, Director Whitehead asked about the 120% figure that was referenced in the Board memorandum and Mr. Williams acknowledged that was a typo and it should be 110%. This error will be corrected. Director Wilkinson also noted that the words "the net revenue" should be added to paragraph B, line 5, after the word "issued" of the waiver and consent agreement, and Mr. Williams agreed that it should be added and sent to bond counsel for approval. A motion was made to authorize staff to waive the additional bonds test, as outlined in the memorandum contained in the Board materials, with the suggested changes.

Motion: Eric Wilkinson
2nd: Bruce Whitehead
Vote: Motion carried

State Revolving Fund 2024 Series C Bond Resolution No. 24-34

Ian Loffert referred to the Bond Resolution provided in the Board materials and noted that it authorized the sale of the 2024 Series C State Revolving Fund bonds. This item was similar to the bond resolution brought forth to the Board in April. This bond issue will encompass three borrowers: Project 7 Water Authority (approximately \$24.7 million), Town of Kremmling (\$11.2 million) and Buffalo Mountain Metropolitan District (approximately \$4.3 million). These amounts include only the leveraged loan amounts for each entity, and all are Drinking Water projects and all three have additional BIL or Base funding to go along with these leveraged loan funds. The total estimated leveraged loan amount for these three borrowers is approximately \$40.2 million with an estimated \$22.1 in bond proceeds (representing 55% of the total requested leveraged loan amount). The remaining 45%, or approximately \$18.1 million,

will be comprised of Authority loan funds (Capitalization Grant and/or reloan funds). This bond resolution will place guardrails on the bond issue, also known as parameters. Mr. Loffert outlined the parameters for the principal amount, interest rate and term for the Bond Resolution that were set as follows: the bond principal amount is not to exceed \$27 million, Authority program funds not to exceed \$25 million, the net interest rate is not to exceed 6% and the final maturity date is not to exceed September 1, 2058. The Authority set the amounts higher than the estimated amounts previously mentioned in case the market shifts. Mr. Loffert explained that when interest rates increase, bond prices decrease, so the amounts were increased to allow flexibility for market volatility, especially in light of the upcoming Presidential election. Mr. Loffert also highlighted a section of the bond resolution that allows the Authority to sell bonds by either a competitive or negotiated sale process, as determined by the Authority and its financial advisors. This process is expected to be a competitive sale, but that may change, if necessary. The current sale date is expected to take place on Wednesday, November 13th with a tentative closing date on Friday, November 22nd. Mr. Loffert also noted that the Official Statement for the SRF Series C bond issue will be emailed to all Board members upon publication. This bond resolution comes with a favorable recommendation from staff. A motion was made to approve the State Revolving Fund 2024 Series C Bond Resolution 24-34.

Motion: Chris Treese
2nd: Karen Wogsland
Vote: Motion carried

Status of Projects

Kevin Carpenter reported that staff has attended six pre-qualification meetings since the last Board meeting with the Town of Swink, the Town of Saguache, the Evergreen Metropolitan District, and a handful of private, not-for-profit entities. The Authority anticipates three loan applications for the December Board meeting from the Town of Rico (approximately \$4,350,000, for replacement of a water storage tank and reactivation of old treatments plants), the Cucharas Sanitation and Water District (approximately \$1,548,000, for rehabilitation its existing surface water treatment plant and water treatment components) and the City of Trinidad (approximately \$2,000,000, for rehabilitation of three storage tanks). Since the last Board meeting, one Planning Grant in the amount of \$10,000, was issued to the Town of Swink for replacement of a storage tank. There is \$30,000 remaining for 2024 Drinking Water Planning Grants. No Design & Engineering Grants were awarded since the last Board meeting and approximately \$54,093 remaining in Design & Engineering Grants for 2024 due to a couple of project recissions. Mr. Carpenter noted that capacity for the Drinking Water Program remains strong, due to the previously mentioned deallocation, but staff is also anticipating a large number of borrowers for the January 5th application deadline, which is one of the two open cycles for funding and may possibly require a prioritization of projects.

Water Pollution Control Revolving Fund

Status of Projects

Kevin Carpenter reported that staff has attended one pre-qualification meeting since the last Board meeting, also with the Evergreen Metropolitan District on its wastewater project, so staff attended one combined meeting. The Authority anticipates two loan applications for the December Board meeting from the Town of Fowler (approximately \$677,124, for construction of a new lift station and force main) and the City of Pueblo (approximately \$35,000,000, for three new clarifiers and improvements to its water reclamation facility). This amount is above both the direct loan rate and the overall wastewater loan limit, so the City will need to wait for the spring bond issue. Since the last Board meeting, two Planning Grants in the amount of \$10,000, were issued to the Town of Paonia for replacement of existing pipes and to the Aspen Village Metropolitan District for construction of a new Sequencing Batch Reactor facility. There is \$120,000 remaining for 2024 Wastewater Planning Grants. No Design & Engineering Grants were awarded since the last Board meeting and there is approximately \$405,358 remaining in Design & Engineering Grants for 2024. Mr. Carpenter noted that staff is also anticipating a large number of borrowers in the wastewater program from the January 5th application deadline, which is one of the two open cycles for funding and may also require a prioritization of projects. Following the update, Director Whitehead asked if the

Planning Grant budget was adequate for the demand in both programs, and staff confirmed that the budget is sufficient and that staff reserves the ability to transfer funding between programs to account for shortfalls, if necessary.

Small Hydropower Loan Program

Status of Projects

Austin Reichel noted that, as Mr. Russell previously reported, staff recently spoke with the Rio Blanco Water Conservancy District about its turbine refurbishment project and coordinated funding through the CWCB. At this time, the District's project is not currently eligible for funding through the Authority's Small Hydropower Loan Program, but staff may recommend a policy change at the December Board meeting. No matching grants were awarded since the last Board meeting and the full \$150,000 of budgeted matching grants remain available for 2024. There are six outstanding loans in the Small Hydropower Loan Program with an approximate balance of \$6.2 million.

Water Revenue Bonds Program

Status of Projects

Austin Reichel noted there has been no activity in the Water Revenue Bonds Program since the last Board meeting. There are five loans outstanding with an approximate balance of \$51 million.

Project Finance Committee

Committee Chair Chris Treese noted that the Project Finance Committee met on Monday, September 30th and the minutes from that meeting were provided in the Board materials. Director Treese thanked the Committee and other Board members for their attendance and participation. The two SRF supplemental loan applications were successfully moved to the consent agenda after the Committee's full review. It was also noted that a formatting issue in the footnotes between the two pages needed a correction in the provided PFC minutes. Staff agreed to make the necessary changes.

Board Program Work Session

Committee Chair Eric Wilkinson noted that the previous evening's Board Program Work Session included a comprehensive discussion about the Arkansas Valley Conduit funding concepts and intergovernmental agreement framework. Director Wilkinson complimented staff and legal counsel for the work they have completed thus far on the project. The discussion highlighted the enthusiasm of the Board to find a solution to help the communities in the area. The agenda also included a review of the Authority's recently conducted Stay Survey results. Director Wilkinson thanked Mr. McLaughlin for sharing the results with the Board. Director Wilkinson noted the Board's concern about the workload on staff and asked staff how the Board could better support them. Director Wilkinson also appreciated the economic update provided by Kevin Carpenter and Wesley Williams.

Budget & Audit Committee

Committee Chair Mike Fabbre noted that the Budget & Audit Committee met on September 30th to review the draft 2025 budget and the Forvis Mazars 2024 Audit Engagement Letter, as previously mentioned. The full Committee participated in the meeting, as well as several other Board members. The minutes from that meeting were contained in the Board's materials. Director Fabbre mentioned that the Authority has two years remaining on the current audit agreement with Forvis Mazars and several Board members have previously expressed an interest in possibly looking at other firms for audit services by way of a request for proposal ("RFP") or request for quote ("RFQ"). Director Fabbre invited Mr. Noll to continue the discussion.

Approval of Forvis Mazars 2024 Audit Engagement

Controller Justin Noll presented the 2024 audit engagement letter from Forvis Mazars that reviews the engagement guidelines, audit objectives and responsibilities that were included in the Board materials. Mr. Noll confirmed that the engagement fee is \$115,000 this year, which represents a 7% increase from the

previous year. This amount is a slight increase from previous increases, due in part to inflation and other costs. This fee is for the financial statement and single audit of one major program under Uniform Guidance. If a second major program is required to be audited under the Uniform Guidance, the fee for that program will be \$9,000. The fee for testing the ERP system is \$10,000. This testing will be conducted by an independent, third party and is a required component of the audit. Mr. Noll confirmed this is the 19th year the Authority has utilized the same auditor, and the Authority Board authorized a 5-year commitment with Forvis Mazars that will conclude with the 2025 audit. Treasurer Fabbre noted that the Budget & Audit Committee did not make a recommendation on the proposed 2024 audit engagement. A motion was made to approve the Forvis Mazars engagement letter to conduct the audit of the Authority's 2024 financial statements.

Motion: Mike Fabbre
2nd: Matthew Shuler
Vote: Motion carried

Presentation of the 2025 Budget

Controller Justin Noll noted that procedurally, this is the initial review of the proposed budget, and staff is seeking authorization to publish the Authority draft 2025 budget for public inspection at this time. Mr. Noll confirmed that he would be reviewing the five column documents that were contained in the Board materials and confirmed that the state requires the Authority's documents to be configured this way. The Authority's financial statements are segmented into three enterprise funds: Water Operations Fund ("WOF"), Water Pollution Control Revolving Fund ("WPCRF") and Drinking Water Revolving Fund ("DWRF"). The Water Operations Fund includes the Water Revenue Bonds Program, the general Authority and the Small Hydropower Loan Program. Mr. Noll then briefly reviewed key portions of the WOF, including a reduction of \$415,000 in investment interest income due to the Fed lowering interest rates, an increase of \$120,000 in staff salaries representing a 4% increase for raises and advancements and the potential for an additional FTE (if necessary). Mr. Noll alerted the Board that a budget adjustment may be necessary due to a new GASB rule for compensated absences. This change requires Mr. Noll to make some estimates, and those changes may require an adjustment to the 2024 budget so that may be forthcoming in December. Mr. Noll also reported budget increases for office rent, technical support activities, machines and software. A \$60,000 reduction in the budget for La Plata River Projects Expenses was noted as the Authority has fulfilled its financial obligation to that project. In the two SRF programs, Mr. Noll noted that similar changes will be in both programs, so he planned to only review the changes once for each. Reductions for lower net investment interest income were made in both SRF programs, as well as an increase in refunding bond proceeds as a direct result of lower interest rates. An increase in administrative expenses in both SRF programs was planned, based on the increased costs from each of the three partner agencies to administer the program, as well as replacement of the CEOS system and fire mitigation in the WPCRF program. An increase in arbitrage rebate payments was also accounted for, based on anticipated changes in interest rates. Mr. Noll clarified that today's motion would be to authorize publication of the Authority's budget for public inspection and allow the Authority Board to make changes on or before our December Board meeting, if necessary. A motion was made to authorize publication of the Colorado Water Resources & Power Development Authority's draft 2025 budget for public inspection.

Motion: Eric Wilkinson
2nd: Matt Shuler
Vote: Motion carried

Following the approval, Chair Vandiver expressed his concern about the selection process of the CEOS replacement software. Mark Henderson understood and shared Chair Vandiver's concerns and added that the CEOS system was initially selected as a permitting platform, not a funding platform, so the first step will be to seek a platform specifically designed for funding. Second, the process is starting early and allows for adequate time to make the right decision and involve all partners. CEOS is currently authorized for use until 2026, and Mr. Henderson has asked the purchasing department for an extension to 2027, or possibly 2028, to allow for adequate planning time for the replacement system. Mr. Henderson identified the selection process as first utilizing the ½ FTE (included in the WQCD's budget request) to manage the

planning process to help identify needs and ensure that all three partner agencies have adequate input. Second, the WQCD would like to use the \$300,000 (also included in the WQCD's budget request) to complete initial preliminary work to extract data from the current CEOS system to ensure more efficient data sharing. Mr. Henderson envisions utilizing 2025 to lay out the entire planning process. Director Wogsland expressed concern about the extended period for the planning process and noted that a year allows for a number of unexpected changes and loss of consistency. Mr. Henderson agreed and stated it is a challenge to find the right amount of planning time for this large project.

Nominating Committee

Chair Vandiver reported that the Nominating Committee met on September 17th and those in attendance joining him at the meeting included: Vice Chair Chris Treese, Secretary/Treasurer Mike Fabbre, Director Wogsland, and Executive Director, Keith McLaughlin. Minutes from that meeting were included in the Board materials. The Committee met to discuss a new slate of officers for 2025, as the two-year term for Chair Vandiver is expiring. The Committee made a motion to recommend to the full Board that Chris Treese serve as Chair, Mike Fabbre serve as Vice Chair and Karen Wogsland serve as Secretary/Treasurer, effective following the conclusion of the October Board meeting. All three Directors expressed their willingness to serve in the respective officer roles, if appointed by the full Board. A motion was made to accept the Nominating Committee's recommendation.

Motion: Eric Wilkinson, by acclamation

2nd: Matt Shuler

Vote: Motion carried, by acclamation

Following the vote, Mr. McLaughlin stated the Nominating Committee also discussed officer terms and the issue that due to the Governor's imposed current two-term limit, most officers won't complete a full-term as Chair. Mr. McLaughlin would like to have a review of the current language in the Authority's bylaws and statutes to see if changes are necessary. No recommendations will be considered today, but Mr. McLaughlin wanted to note that staff will be reviewing the officer terms in the near future. The current Authority bylaws state that officers are elected in odd years, not even years, and over time, that practice has changed due to the Governor's two-term limit for Board members.

Legislative Issues and Other Business

Mr. McLaughlin reported that the government is operating under a continuing resolution ("CR") that currently expires December 20th. This shouldn't have an impact on the Authority's upcoming bond sale, but it would if the sale date were closer to the expiration date of the CR, especially if there were a government shutdown. Mr. McLaughlin spoke with the Authority's lobbyist, Christine Arbogast, about the 2025 Capitalization Grants for the SRF programs and discussions between the House and Senate continue. The Senate has offered to fund the SRF programs at the same levels as 2024, and the House has offered 30% cuts to the SRF programs, and negotiations continue to work on reconciling the differences. Ms. Arbogast seems to believe the Senate will prevail, but an agreement hasn't been reached. As previously reported, the Intended Use Plans ("IUPs") will be reviewed and approved at the WQCC's October meeting and then returned to the Authority to prepare the joint resolution for submission to legislative services. Mr. McLaughlin will also be seeking sponsorship for the joint resolution in the coming weeks. Finally, Mr. McLaughlin thanked Director Wells and Director Wilkinson for agreeing to serve another term on the Authority Board. It was noted that the Governor's office made the reappointments in record time. Both reappointments must now complete the Senate confirmation process and Mr. McLaughlin will be working to get that scheduled. Director Wilkinson thanked Mr. McLaughlin for asking him to reapply and stated he thoroughly enjoys serving on the Board. The report concluded with an announcement that the Arkansas Valley Newsletter is available to all Board members, upon request. The current edition contains pictures and a report from the Authority August Board meeting.

Arrangements for Future Meetings

Chair Vandiver noted the next few Board meetings were outlined in the meeting Agenda as follows: December 6th in Denver, January 29th at the Hyatt Regency Aurora/Denver Conference Center and March 7th in Denver. Mr. McLaughlin noted that the December Board meeting will be busy, with several associated Committee meetings.

Adjournment

Chair Vandiver adjourned the meeting at 12:01 p.m.

Respectfully submitted,

Sabrina Speed, Assistant Secretary

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



Board Report - Colorado Water Resources & Power Development Authority December 6, 2024

REPORT INDEX

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

1. WQCC actions (current and future)

Past WQCC actions include:

- The WQCC met on October 15, 2024 and held rulemaking hearings for updates to the following regulations: Regulation #82: 401 Certification Regulations, Regulation #61: Colorado Discharge Permit System Regulations, and Regulation #101: Water Quality Civil Inflation Adjustment Regulation. The WQCC held their annual public comment informational hearing and town hall. The WQCC also held an administrative action hearing for the FY 2025 Intended Use Plans.
- The WQCC met on November 12, 2024 and hold an administrative action hearing for Policy 98-1: Guidance for Implementation of Colorado's Narrative Sediment Standard, Regulation #31, Section 31.11(1)(a)(i). They held an issues scoping and formulation hearing for the June 2025 rulemaking hearing and future hearings.

Upcoming rulemaking hearings and briefings include:

- At this time, no WQCC meetings are scheduled for December 2024 or January 2025.
- For the most up-to-date information on the Water Quality Control Commission schedule, [the Long Range Schedule](#) is updated each month.

2. WQCD highlights

2.1. Emerging issues/status updates/success stories

- Drinking water system initial Lead Service Line Inventories were due October 16th. 96% of systems required to submit the inventory met the deadline. This compliance rate met or exceeded many other states' reported compliance rate. WQCD utilized funding from the BIL lead service line set-aside to provide technical assistance to help meet this inventory requirement and of the systems that met the deadline, the WQCD program had assisted 295 drinking water systems to meet this requirement.
- The division's Test and Fix Water for Kids program is continuing to implement HB22-1358. Remediation is progressing for grade school and childcare facilities, and the middle school testing phase is nearing completion. All middle school testing must be completed by November 30th. The program's lead results [dashboard](#) provides the latest up-to-date information.

2.2. Clean Water Program Update

- Clean Water Program Priorities for 2025 and Long Term
 - Permit updates and backlog
 - Roadmap & feasibility





- Update on Nutrient regs
- Regulation 85 in 2030

2.3 Budget

- The Division submitted its 2025 Budget on August 21st and attended the 9/30 Budget & Audit committee meeting.

2.4 Legislative

- The 2025 legislative session opens on January 8th, 2025.

2.5. Grants and Loans Unit Updates

- The 2025 Intended Use Plans were approved by the Water Quality Control Commission on October 15, 2024.
- The Grants and Loans Unit plans to backfill the vacant project manager position with a 3-year term-limited position starting towards the end of the year or early 2025.

Pre-qualification Meetings 09/18/2024 - 11/14/2024			
Entity	Date	Estimated Project Cost	Program
Evergreen Metropolitan District	9/23/24	\$4,400,000	DWRF
Evergreen Metropolitan District	9/23/24	\$2,200,000	WPCRF
Camelot Property Owner's Association	9/24/24	\$800,000	DWRF
Sage Pointe HOA	10/29/24	\$100,000	WPCRF

3. Safe Drinking Water Program

3.1. Project Reporting

- Nothing new to report

3.2. Source water protection

- The following source water protection grants were awarded during the current reporting period:
 - Homestead WC for \$5,000
 - Town of Cragmont for \$5,000
 - Ft Collins/Poudre collaboration project for \$50,000 (includes Development and Implementation Grants for the following systems:
 - Northern Water
 - Soldier Canyon
 - City of Fort Collins
 - Thornton
 - City of Greeley
 - Lookout Mountain WSD
- Colorado Rural Water Association (CRWA) continues to work on source water protection planning and Wildland Fire Decision Support (WFDSS) projects. The Division is working on contract negotiations with CRWA for the next calendar year. The current contract amount is \$263,410 per year and will be increased to \$300,000 starting on January 1, 2025. The CWRPDA contribution will remain at \$150,000 and the Wellhead Set Aside contribution will be increased to fund the other \$150,000.





3.3. Coaching and training

- The team provided the following group training events:

Training Title	Date of Delivery	Location	Water Professionals in Attendance	Public Water Systems represented
MORC	9/4/24	Web	13	7
SSP	9/18/24	Grand Junction	12	3
MORC	10/2/24	Steamboat Springs	11	8
SSP	10/16/24	Web	14	14
Total year to date	Calendar year 2024	Colorado	485	477

Please note the above acronyms are representative of the following training titles:

MORC - Monitoring and Operating for Regulatory Compliance (includes mandatory regulatory training)

LCRR - Lead and Copper Rule Revision

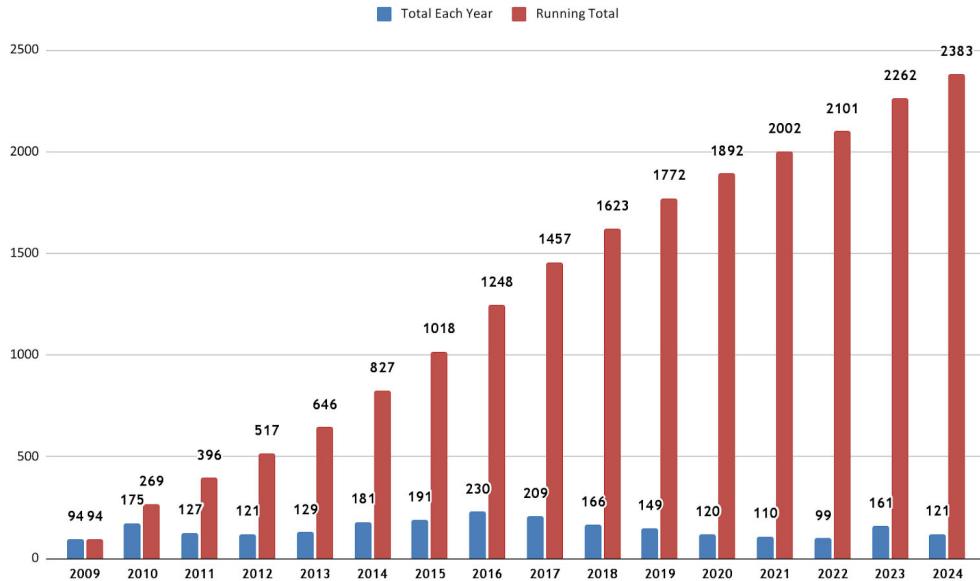
SSP - Sanitary Survey Preparation

ORC - ORC training to develop Monitoring Plan

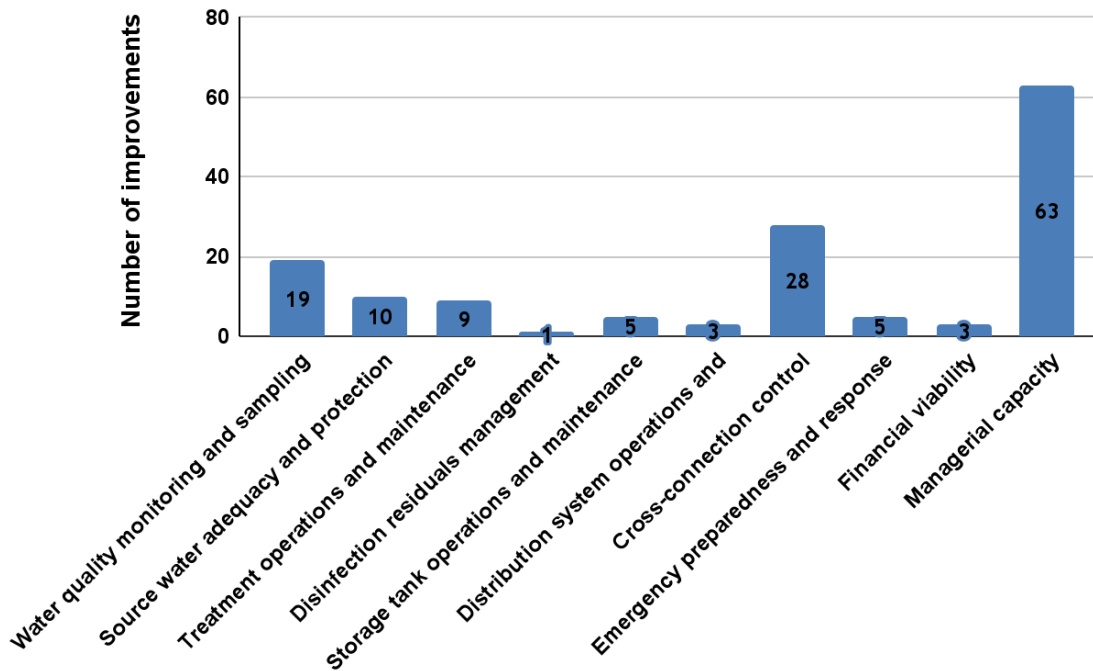
GWUDI - Ground Water Under the Direct Influence of Surface Water Data/Sampling

- Unit staff worked with EPA, CISA, and CoWARN to host a virtual cybersecurity tabletop exercise on October 16, 2024 for Colorado water and wastewater providers.
- Unit staff drafted an Aqua Talk article published on October 30, 2024, advising operators on preparing for operator examinations.
- Unit staff received and started a grant under the EPA's Government 2 Government Environmental Justice program. Staff will partner with RCAC to deliver leadership training and grant funding to work towards regionalization projects for Colorado Public Water Systems.
- As for operator misconduct investigations and disciplinary actions, one new investigation was opened at the end of October.
- The 2024 annual running monthly average is 83% of all systems that received one-on-one assistance are making at least one improvement.
- Total coaching and training events:





- 2024 improved performance as a result of assistance (the following displays success of coaching visits as measured by the number of systems improving performance as a result of coaching assistance across 10 different areas):





4. Clean Water Program
 4.1. 2024 WPCRF Projects Budget

Project	Contract Amount	Balance
CRWA - Source Water Protection	\$150,000.00	\$51,303.67
Lab - Measurable Results Program	\$76,053.02	\$66,866.14
CSU E-rams	\$103,000.00	\$4,697.64
USGS trend study	\$25,000.00	\$14,598.75
North Front Guidance for Implementation of Colorado's Narrative Sediment Standards, Regulation #31. They will RWQPA	\$25,000.00	\$12,500.00
Northwest CO COG	\$25,000.00	\$19,900.00
Pikes Peak ACOG	\$25,000.00	\$15,832.65
Pueblo ACOG	\$40,000.00	\$18,460.87
ERG contract- Macroinvertebrate Sampling	\$30,000.00	\$10,922.36
ERG contract - Field Sampling	\$116,600.00	\$60,991.32
ERG contract- Temperature	\$60,000.00	\$21,406.74
Hydros	\$45,000.00	\$18,273.60
Groundwater Monitoring (Eurofins)	\$55,325.50	\$55,325.50
Aquatics Associates	\$15,000.00	\$15,000.00
DSV Support	\$103,000.00	\$33,768.40
CSU Arkansas Valley Conduit Research Center	\$8,000.00	\$5,154.33
CSU Statewide Water Quality Management Plan	\$150,000.00	\$64,822.63
Colorado School of Mines - Colorado Geological Survey	\$44,674.50	\$44,674.50
Tetra Tech #1	\$7,500.00	\$7,500.00
Tetra Tech #2	\$50,000.00	\$25,000.00
CSU LARK	\$50,000.00	\$50,000.00
Left Hand Watershed Center	\$100,000.00	\$18,921.00
Big Thompson	\$35,000.00	\$35,000.00
Total	\$1,339,153.02	\$670,920.10





To: Colorado Water Resources and Power Development Authority Board
From: Cynthia Thayer and Desi Santerre, DLG
Date: November 22, 2024
Re: DOLA Agency Update

Energy and Mineral Impact Assistance (EIAF) Program

Below are the awards for the August 1, 2024, EIAF application cycle.

Tier I				
Type	SRF	Project Name	Requested	Awarded
Water	Yes	Dolores Water Distribution Replacement Phase II - Final Design	\$200,000	\$200,000
Water	No	East Valley Metropolitan District Water Main Loop	\$200,000	\$200,000
Water	No	Rifle 5th St. and Ute Ave. Waterline Replacement	\$200,000	\$200,000
Water	No	Gilpin County Rollinsville Plan & Infrastructure Feasibility Study	\$125,000	\$125,000
Water	No	Pagosa Area WSD Snowball WTP Centrifuge	\$200,000	\$200,000
Sewer	No	Clear Creek Stanley Road Sewer & Broadband Installation	\$200,000	\$200,000
Total:			\$1,125,000	\$1,125,000

Tier II				
Type	SRF	Project Name	Requested	Awarded
Water	Yes	Pinewood Springs WD Water Main Infrastructure Replacement	\$1,000,000	\$1,000,000
Water	Yes	Granby North Service Area Water Treatment Plant Construction	\$1,000,000	\$1,000,000
Water	Yes	Fort Lupton Elevated Water Storage Tank Construction	\$1,000,000	\$1,000,000
Water	No	Craig Mariana Way & Circle Drive Water Line Replacement	\$369,930	\$369,930
Water	No	Meeker Garfield St. Water Line Replacement	\$1,000,000	\$1,000,000





Water	No	Collbran Plateau Valley School Water Extension	\$1,000,000	\$1,000,000
Water	Yes	Limon Wastewater System Improvements	\$1,000,000	\$1,000,000
Water	Yes	Kremmling Water System Improvements	\$1,000,000	\$1,000,000
Water	Yes	Boulder Spring Valley Estates Annexation and Water System Replacement	\$1,000,000	\$1,000,000
Water	No	Idaho Springs Montane Water Storage Tank Replacement	\$1,000,000	\$1,000,000
Water	No	Beulah Water Works Dist. Raw Water Tank Improvements	\$1,000,000	\$1,000,000
Water	Yes	Hugo Water System Improvements	\$1,000,000	\$1,000,000
Sewer	No	Yampa Wastewater Treatment Plant Improvements	\$1,000,000	\$1,000,000
Sewer	No	Creede Wastewater Collection System Rehabilitation - Phase 4	\$863,000	\$863,000
Total:			\$13,232,930	\$13,232,930

The next application deadline is December 2. Tier I and Tier II applications will be accepted and \$25,000,000 will be available.

Small and Rural Communities Technical Services Program:

DOLA’s contractor recently started work with a new community.

Owner	Type	Recommendation / Analysis	Project Status
Town of Romeo	Wastewater	Pending	pending

Through the end of October, a total of \$43,076 has been spent on technical services projects, including \$35,965 on drinking water projects and \$7,111 on wastewater projects.

Staffing

State Demographer for twenty years, Elizabeth Garner retired at the end of November. Kate Watkins has been hired as the new State Demographer. Watkins comes to DOLA with nearly two decades of experience in applied economic and socioeconomic analysis, including serving as the Chief Economist for Colorado’s General Assembly, and most recently, as President and Chief Economist at Bright Fox Analytics.



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

CHECKS				
Date	Check#	Payee	Description	Amount
10/2/2024	26801	Automated Business Products	Monthly Copier Contract	\$ 218.53
10/2/2024	26802	Burning Mountain Pizza & Subs, LLC	BPWS Lunch Catering	\$ 550.85
10/2/2024	26803	Lincoln County	Planning Grant No. 1 for Karval WA	\$ 10,000.00
10/2/2024	26804	MyTech Partners, Inc.	Server Upgrade and Laptops	\$ 11,622.46
10/10/2024	26805	About Time Awards	Award for Kevin Carpenter	\$ 86.00
10/10/2024	26806	MyTech Partners, Inc.	Monthly Software & Tech Support	\$ 5,400.00
10/10/2024	26807	Wells Fargo	Speed, Noll, Williams, & McLaughlin Credit Card Expenses	\$ 6,730.18
10/29/2024	26808	Automated Business Products	Monthly Copier Contract	\$ 207.44
10/29/2024	26809	Carlson, Hammond, & Paddock	Legal Services for September 2024	\$ 6,443.10
10/29/2024	26810	Town of Cheraw	DWRF Planning Grant No. 1 and WPCRF Planning Grant No. 1	\$ 19,200.00
10/29/2024	26811	Interlynk	Monthly Phone	\$ 75.00
10/29/2024	26812	Iron Mountain	Monthly Document Retention and Storage	\$ 155.06
10/29/2024	26813	Lincoln National Life Insurance	Monthly Life Insurance	\$ 1,043.99
10/29/2024	26814	MyTech Partners, Inc.	SmartBusiness Suite SSL Renewal	\$ 14.00
10/29/2024	26815	U.S. Bank	Trustee Fees	\$ 449.40
10/29/2024	26816	Eric Wilkinson	Board Meeting Travel and Expenses	\$ 242.54

TOTAL CHECKS \$ 62,438.55

WIRE TRANSFERS INCOMING/(OUTGOING)				
Date	Payee	Description	Amount	
10/03/24	Authority Checking	Colorado Water Congress Sub-Lease Income - October 2024	5,729.50	

TOTAL WIRE TRANSFERS \$ 5,729.50

ACH TRANSFERS INCOMING/(OUTGOING)				
Date	Payee	Description	Amount	
10/2/2024	Kogovsek & Associates	Monthly Consulting Services	(2,000.00)	
10/9/2024	Clearfly	Monthly Phone Services	(183.86)	
10/10/2024	Mike Fabbre	Board Meeting Travel	(147.40)	
10/10/2024	Chris Treese	Board Meeting Travel	(56.28)	
10/10/2024	Steve Vandiver	Board Meeting Travel and Meals	(378.50)	
10/10/2024	Karen Wogsland	Board Meeting Travel	(178.22)	
10/10/2024	PERA	Authority Staff PERA & 401k Contributions	(25,594.20)	
10/11/2024	Authority Staff	Payroll	(35,812.29)	
10/11/2024	IRS and Colorado Department of Revenue	Federal and State Payroll Withholdings	(10,270.07)	
10/11/2024	Inova	Payroll Processing Fee	(159.86)	
10/15/2024	US Bank	Monthly Service Charge	(610.97)	
10/29/2024	Kevin Carpenter	GFOA Bond Class	(150.00)	
10/29/2024	Century Link (Lumen)	Monthly Internet Payment for October 2024	(334.47)	
10/29/2024	Kogovsek & Associates	Monthly Consulting Services	(2,000.00)	
10/29/2024	PBV-1580 Logan St.	Monthly Lease Payment - October 2024	(24,089.23)	
10/29/2024	Austin Reichel	Masters Class Reimbursement	(2,294.00)	
10/29/2024	Bruce Whitehead	Board Meeting Travel	(377.52)	
10/30/2024	PERA	Authority Staff PERA & 401k Contributions	(24,606.69)	
10/30/2024	Authority Staff	Payroll	(36,048.03)	
10/30/2024	IRS and Colorado Department of Revenue	Federal and State Payroll Withholdings	(10,245.41)	
10/31/2024	PERA	PERACare Insurance Payment	(21,854.32)	

SUBTOTAL \$ (197,391.32)

TOTAL ACH TRANSFERS \$ (197,391.32)

TOTAL CASH TRANSACTIONS for the MONTH ENDING OCTOBER 31, 2024 \$ (129,223.27)

**Colorado Water Resources and Power Development Authority
October Credit Card Detail
Statement Ending on October 7, 2024**

Cardholder	Transaction Date	Transaction Amount	Payee	Description
Keith McLaughlin	10/3/2024	\$ 1,031.88	Miner's Claim Restaurant	Board Lunch
		\$ 1,031.88		
Justin Noll	9/10/2024	\$ 276.58	Adobe	Monthly Subscription
Justin Noll	9/11/2024	\$ 303.09	Comcast	Monthly Subscription
Justin Noll	9/15/2024	\$ 17.99	Network Solutions	Domain Privacy+ Protection Renewal
Justin Noll	9/24/2024	\$ 70.00	GFOA	Class Registrations for Valerie Lovato
Justin Noll	9/25/2024	\$ 163.44	Ruth's Roses	Flowers for Valerie Lovato
Justin Noll	10/1/2024	\$ 106.98	Flower Shop Network	Flowers for Desiree Perea
Justin Noll	10/4/2024	\$ 34.86	A-B Petroleum	Gas for Rental Car for October Board Meeting
		\$ 972.94		
Sabrina Speed	9/11/2024	\$ 741.21	Keystone Resort	SDA Conference Lodging
Sabrina Speed	9/11/2024	\$ 741.21	Keystone Resort	SDA Conference Lodging
Sabrina Speed	9/12/2024	\$ 59.00	King Soopers	Boost Membership for Grocery Delivery
Sabrina Speed	9/13/2024	\$ 27.36	Amazon	2025 Planner
Sabrina Speed	9/17/2024	\$ 145.24	King Soopers	Groceries for Office
Sabrina Speed	9/19/2024	\$ (51.78)	Keystone Resort	Refund - SDA Conference Lodging
Sabrina Speed	9/19/2024	\$ (51.78)	Keystone Resort	Refund - SDA Conference Lodging
Sabrina Speed	10/4/2024	\$ 144.42	Avis	Rental Car for October Board Meeting
Sabrina Speed	10/4/2024	\$ 163.56	Avis	Rental Car for October Board Meeting
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 107.00	Holiday Inn Express	October Board Meeting Lodging
Sabrina Speed	10/4/2024	\$ 489.20	Dickey's Barbecue	October Board Meeting Lunch
		\$ 4,333.64		
Wesley Williams	9/18/2024	\$ 59.00	Audioeye	Monthly Subscription
Wesley Williams	9/24/2024	\$ 76.86	Jibble	Monthly Subscription
Wesley Williams	9/28/2024	\$ 70.00	Wall Street Journal	Monthly Subscription
Wesley Williams	10/2/2024	\$ 149.44	Park & Co	Staff Meal
Wesley Williams	10/4/2024	\$ 36.42	Conoco	Gas for October Board Meeting Travel
		\$ 391.72		
Jim Griffiths		\$ -		
Total		\$ 6,730.18		

Colorado Water Resources and Power Development Authority
November Credit Card Detail
Statement Ending on November 7, 2024

Cardholder	Transaction Date	Transaction Amount	Payee	Description
Keith McLaughlin		\$ -		
Justin Noll	10/10/2024	\$ 276.58	Adobe	Monthly Subscription
Justin Noll	10/11/2024	\$ 303.09	Comcast	Monthly Subscription
		\$ 579.67		
Sabrina Speed	10/9/2024	\$ 162.42	Owl Labs	Tripod for Meetings
Sabrina Speed	10/10/2024	\$ 59.06	Cheryl's Cookies	Thank you gift for Jim Mann at Town of Silt
Sabrina Speed	10/24/2024	\$ 15.98	Safeway	Meal for Staff Meeting
Sabrina Speed	10/24/2024	\$ 330.03	Illegal Petes	Meal for Staff Meeting
Sabrina Speed	10/25/2024	\$ 30.66	Amazon	Tea Kettle for Office
Sabrina Speed	11/4/2024	\$ 125.00	Colorado Water Congress	2025 Annual Convention Registration for Chris Treese
Sabrina Speed	11/4/2024	\$ 125.00	Colorado Water Congress	2025 Annual Convention Registration for Eric Wilkinson
Sabrina Speed	11/4/2024	\$ 125.00	Colorado Water Congress	2025 Annual Convention Registration for Patti Wells
		\$ 973.15		
Wesley Williams	10/19/2024	\$ 59.00	Audioeye	Monthly Subscription
Wesley Williams	10/21/2024	\$ 252.96	Southwest	Travel for CIFA Conference for Gio Gazashvili
Wesley Williams	10/2/2024	\$ 25.00	Southwest	Travel for CIFA Conference
Wesley Williams	10/21/2024	\$ 25.00	Southwest	Travel for CIFA Conference
Wesley Williams	10/21/2024	\$ 25.00	Southwest	Travel for CIFA Conference
Wesley Williams	10/21/2024	\$ 252.96	Southwest	Travel for CIFA Conference for Wes Williams
Wesley Williams	10/21/2024	\$ 25.00	Southwest	Travel for CIFA Conference
Wesley Williams	10/23/2024	\$ 184.17	Slice Works	Lunch for Meeting with WQCD
Wesley Williams	10/24/2024	\$ 76.86	Jibble	Monthly Subscription
Wesley Williams	10/26/2024	\$ 70.00	Wall Street Journal	Monthly Subscription
		\$ 995.95		
Jim Griffiths	10/8/2024	\$ 50.00	Amazon	Gift card for Austin Reiche's 5-year Anniversary
		\$ 50.00		
Total		\$ 2,598.77		

Colorado Water Resources and Power Development Authority

COMPARATIVE BALANCE SHEET

	<u>As of 7/31/2024</u>	<u>As of 7/31/2023</u>
ASSETS:		
Cash and Cash Equivalents:		
Cash - US Bank (Checking Account)	\$ 255,751.43	\$ 182,677.46
State Treasurers Cash Pool	1,542,926.28	964,750.04
COLOTRUST Checking Investment Account	26,011,642.82	23,517,635.65
State Treasurers Cash Pool-Self Insurance Fund	1,537,916.00	1,527,934.00
State Treasurers Cash Pool-La Plata River Escrow	130,173.73	154,776.76
COLOTRUST - Authority Project Accounts	254,024.71	303,428.00
COLOTRUST - Authority (Vilas) Project Account	-	-
COLOTRUST - SHLP Project Accounts	3,657,908.01	2,916,691.47
COLOTRUST - Interim Loan Projects	-	6,092,983.97
Total Cash and Cash Equivalents	<u>33,390,342.98</u>	<u>35,660,877.35</u>
Interest Receivable on Investments	-	-
Interest Receivable on Loans:		
Interim Loans (I-Loans)	71,951.75	27,461.26
Small Hydro Loan Program (SHLP)	6,655.67	7,324.61
Authority Loans	-	-
ALP Water Rights Purchase Loan	-	-
Interest Receivable-Leases	1,162.68	1,297.41
Accounts Receivable - Misc	-	-
Reimbursement Receivable - WPCRF	865,141.57	586,658.65
Reimbursement Receivable - DWRF	828,945.16	562,069.07
Loans Receivable:		
Interim Loans (I-Loans)	4,965,631.94	907,016.03
Small Hydro Loan Program (SHLP)	6,384,616.98	6,802,006.79
Authority Loans	196,874.59	205,429.34
ALP Water Rights Purchase Loan	2,023,784.27	2,227,600.18
Loan Receivable - WPCRF State Match	-	-
Loan Receivable - DWRF State Match	3,418,557.69	4,648,357.69
Leases Receivable	279,042.07	311,378.41
Prepaid Expenses	3,090.34	6,180.67
Deposits	21,592.16	21,592.16
Depreciable Assets	102,809.74	86,888.98
Less: Accumulated Depreciation	(87,605.99)	(81,380.03)
Lease Assets	1,127,359.84	1,317,899.53
TOTAL ASSETS	<u>\$ 53,599,953.44</u>	<u>\$ 53,298,658.10</u>
Deferred Outflows:		
Pension Contributions	\$ 283,775.23	\$ 250,355.24
Investment Earnings Difference	384,584.29	-
Experience Difference	-	16,559.07
Proportional Share Change	-	1,347.74
Change in Assumptions	-	86,767.57
HCTF Contributions	14,085.45	12,622.67
HCTF Investment Earnings Difference	6,082.28	-
HCTF Experience Difference	12.94	167.69
HCTF Proportional Share Change	2,671.71	3,508.71
HCTF Change in Assumptions	1,600.56	2,278.22
LIABILITIES and EQUITY:		
Accounts Payable Trade	\$ 1,050.45	\$ 306.18
Lease Liability	1,368,294.28	1,530,196.58
Interest Payable-Leases	5,701.23	6,375.82
Prepayment Payable	-	-
Other Accrued Expenses	334.91	512.64
Flexplan Spending Withheld	1,632.69	3,079.22
Due to Authority	-	-
Project Costs Payable - Long Term	-	-
Accrued Vacation and Sick Leave	351,430.20	307,090.56
Pension Liability	3,025,042.36	2,433,615.37
HCTF Liability	99,581.91	110,038.27
Total Liabilities	<u>4,853,068.03</u>	<u>4,391,214.64</u>
Deferred Inflows:		
Proportional Share Change	\$ 360,863.51	\$ 135,843.89
Experience Difference	\$ 40,557.95	\$ 3,385.59
Change in Assumptions	-	-
Investment Earnings Difference	-	837,472.16
HCTF Experience Difference	24,082.25	26,091.42
HCTF Proportional Share Change	17,083.37	15,739.31
HCTF Change in Assumptions	10,990.76	5,968.93
HCTF Investment Earnings Difference	-	6,811.41
Leases	229,193.64	267,930.60
Net Assets:	48,389,525.93	47,630,076.64
Net Income / (Loss)	367,400.46	351,730.42
TOTAL LIABILITIES and EQUITY	<u>\$ 53,609,994.42</u>	<u>\$ 52,373,021.70</u>

Colorado Water Resources and Power Development Authority
Financial Highlights
July 31, 2024

Account Balances:	YIELD:	BALANCE:
Unrestricted:		
Cash - US Bank (Checking Account)	0.00%	\$ 255,751.43
State Treasurers Cash Pool	3.71%	\$ 1,542,926.28
COLOTRUST Checking Investment Account (Average Daily Yield)	5.42%	\$ 26,011,642.82
COLOTRUST Authority Loan Account (Average Daily Yield)	5.42%	\$ 254,024.71
Board Designated:		
State Treasurers Cash Pool - La Plata River Escrow	3.71%	\$ 130,173.73
State Treasurers Cash Pool - Self Insurance Fund	3.71%	\$ 1,537,916.00
Restricted:		
COLOTRUST - I Loan Projects (Average Daily Yield)	5.42%	\$ -
SHLP Loan Program	5.42%	\$ 3,657,908.01
SHLP Project Accounts	5.42%	\$ -

WPCRF State Match Receivable	Budget	Balance
Loans Receivable - WPCRF State Match 1/1/2024		1,200,000.00
State Match Transferred to Holding Account	3,000,000.00	-
Repayment from WPCRF Administrative Fees	(1,200,000.00)	(1,200,000.00)
Loans Receivable - WPCRF State Match YTD Balance		<u>\$ -</u>

DWRF State Match Receivable	Budget	Balance
Loans Receivable - DWRF State Match 1/1/2024		6,418,557.69
State Match Transferred to Holding Account	6,000,000.00	-
Repayment from DWRF Administrative Fees	(3,000,000.00)	(3,000,000.00)
Loans Receivable - DWRF State Match YTD Balance		<u>\$ 3,418,557.69</u>

Interim Loans Receivable	Budget	Balance
I Loans Receivable 1/1/2024		2,632,022.78
I Loan Funds Drawn	5,000,000.00	2,333,609.16
I Loan Repayments	(5,000,000.00)	-
I Loans Receivable YTD Balance		<u>\$ 4,965,631.94</u>

Admin Fee Accounts	1/1/2024 Balance	Misc Additions/ Subtractions	Admin Draws	St Match Loan Payment	7/31/2024 Balance
WPCRF - COLOTRUST	\$ 16,863,939.85	6,596,730.15	(2,987,659.73)	(1,200,000.00)	\$ 19,273,010.27
DWRF - COLOTRUST	\$ 15,559,823.87	4,790,229.63	(1,211,413.49)	(3,000,000.00)	\$ 16,138,640.01

SRF Reloan Accounts	7/31/2024 Reloan Balance	Project Grant Funds Available	Bond Proceeds Available	Project Costs Payable (obligated)	7/31/2024 Unobligated Funds
WPCRF - COLOTRUST	\$ 65,604,967.81	26,315,327.34	44,078,439.52	(144,576,240.52)	\$ (8,577,505.85)
DWRF - COLOTRUST	\$ 97,612,224.01	121,462,105.61	32,957,350.66	(223,795,738.49)	\$ 28,235,941.79

Colorado Water Resources & Power Development Authority
Drinking Water Rev Fund
Statement of Net Position
As of July 31, 2024

Current Assets:	
Cash and Equivalents	113,992,552
Federal Grants Receivable	0
Investment Income Receivable	0
Loans Receivable	0
Leases Receivable	
Due From Other Funds	
Accounts Receivable-Borrowers	0
Interest Receivable-Leases	
Other Assets	
Restricted Assets:	
Cash and cash equivalents	0
Investments	0
Investment income receivable	0
Total Current Assets	113,992,552
Noncurrent Assets:	
Restricted Assets:	
Cash and Equivalents	83,585,221
Investments	9,426,725
Advance Receivable	
Loans Receivable	446,906,063
Leases Receivable	
Water Depletion Rights-ALP	
Capital Assets-Equipment, Net of Accumulated Depreciation	
Lease Assets	
Other Assets	
Total Noncurrent Assets	539,918,009
Total Assets	653,910,561
Deferred Outflows-Refundings	97,938
Deferred Outflows-Pension	
Deferred Outflows-OPEB	
Current Liabilities:	
Project Costs Payable - Current	0
Bonds Payable	0
Unearned Revenue	
Lease Liability	
Accrued Interest Payable	0
Accounts Payable-Borrowers	1,624,590
Interest Payable-Leases	
Due to Other Funds	0
Accounts Payable-Other	241,125
Other Liabilities	
Total Current Liabilities	1,865,715
Noncurrent Liabilities:	
Project Costs Payable - Long Term	139,835,887
Advance Payable	3,418,558
Bonds Payable, net	86,900,000
Unearned Revenue	
Lease Liability	
Pension Liability	
HCTF Liability	
Debt Service Reserve Deposit	
Other Liabilities	998,714
Total Noncurrent Liabilities	231,153,160
Total Liabilities	233,018,875
Deferred Inflows-Refundings	
Deferred Inflows-Pension	
Deferred Inflows-OPEB	
Deferred Inflows-Leases	
Fund Net Position:	
Invested in Capital Assets	
Restricted	420,989,624
Unrestricted	
Total Fund Net Position	420,989,624

Colorado Water Resources and Power Development Authority
Drinking Water Rev Fund
Statement of Changes in Net Position
July 31, 2024

Operating Revenues:	
Interest on Loans	1,279,069
Interest on Investments	4,075,382
Administrative Fee	2,495,868
EPA Grants	1,361,399
Total Operating Revenues	9,211,718
Operating Expenses:	
Interest on Bonds	399,224
EPA Set Asides	1,361,399
Principal Forgiven	19,325,100
Total Operating Expenses	21,085,723
Operating Income	(11,874,005)
EPA Capitalization Grants	29,951,525
Grants From The State	13,776,174
Operating Transfers In/(Out)	24,846
Change in Net Position	31,878,540
Fund Net Position-Beginning of Year	389,111,084
Fund Net Position-End of Year	420,989,624

Colorado Water Resources & Power Development Authority
Water Pollution Ctrl Rev Fund
Statement of Net Position
As of July 31, 2024

Current Assets:	
Cash and Equivalents	85,023,997
Federal Grants Receivable	0
Investment Income Receivable	0
Loans Receivable	0
Leases Receivable	
Due From Other Funds	
Accounts Receivable-Borrowers	0
Interest Receivable-Leases	
Other Assets	
Restricted Assets:	
Cash and cash equivalents	0
Investments	
Investment income receivable	0
Total Current Assets	<u>85,023,997</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and Equivalents	125,610,203
Investments	
Advance Receivable	
Loans Receivable	637,438,227
Leases Receivable	
Water Depletion Rights-ALP	
Capital Assets-Equipment, Net of Accumulated Depreciation	
Lease Assets	
Other Assets	
Total Noncurrent Assets	<u>763,048,431</u>
Total Assets	<u>848,072,428</u>
Deferred Outflows-Refundings	363,603
Deferred Outflows-Pension	
Deferred Outflows-OPEB	
Current Liabilities:	
Project Costs Payable - Current	0
Bonds Payable	0
Unearned Revenue	0
Lease Liability	
Accrued Interest Payable	0
Accounts Payable-Borrowers	4,668,593
Interest Payable-Leases	
Due to Other Funds	0
Accounts Payable-Other	146,534
Other Liabilities	
Total Current Liabilities	<u>4,815,127</u>
Noncurrent Liabilities:	
Project Costs Payable - Long Term	133,474,243
Advance Payable	0
Bonds Payable, net	170,415,000
Unearned Revenue	
Lease Liability	
Pension Liability	
HCTF Liability	
Debt Service Reserve Deposit	
Other Liabilities	4,693,780
Total Noncurrent Liabilities	<u>308,583,022</u>
Total Liabilities	<u>313,398,149</u>
Deferred Inflows-Refundings	
Deferred Inflows-Pension	
Deferred Inflows-OPEB	
Deferred Inflows-Leases	
Fund Net Position:	
Invested in Capital Assets	
Restricted	535,037,882
Unrestricted	
Total Fund Net Position	<u>535,037,882</u>

0

10/25/2024

Colorado Water Resources and Power Development Authority
Water Pollution Ctrl Rev Fund
Statement of Changes in Net Position
As of July 31, 2024

Operating Revenues:	
Interest on Loans	1,985,372
Interest on Investments	4,091,549
Administrative Fee	3,404,290
Total Operating Revenues	<u>9,481,211</u>
Operating Expenses:	
Interest on Bonds	1,132,580
Principal Forgiven	1,488,577
Total Operating Expenses	<u>2,621,157</u>
Operating Income	6,860,054
EPA Capitalization Grants	284,573
Grants From The State	6,223,826
Operating Transfers In/(Out)	<u>(24,846)</u>
Change in Net Position	13,343,608
Fund Net Position-Beginning of Year	<u>521,694,274</u>
Fund Net Position-End of Year	<u><u>535,037,882</u></u>

Colorado Water Resources & Power Development Authority
Water Revenue Bonds Pgm
Statement of Net Position
As of July 31, 2024

Current Assets:	
Cash and Equivalents	
Federal Grants Receivable	
Investment Income Receivable	0
Loans Receivable	0
Leases Receivable	
Due From Other Funds	
Accounts Receivable-Borrowers	0
Interest Receivable-Leases	
Other Assets	
Restricted Assets:	
Cash and cash equivalents	0
Investments	
Investment income receivable	0
Total Current Assets	<u>0</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and Equivalents	35,316,838
Investments	
Advance Receivable	
Loans Receivable	51,130,000
Leases Receivable	
Water Depletion Rights-ALP	
Capital Assets-Equipment, Net of Accumulated Depreciation	
Lease Assets	
Other Assets	142,970
Total Noncurrent Assets	<u>86,589,808</u>
Total Assets	<u>86,589,808</u>
Deferred Outflows-Refundings	171,767
Deferred Outflows-Pension	
Deferred Outflows-OPEB	
Current Liabilities:	
Project Costs Payable - Current	0
Bonds Payable	0
Unearned Revenue	
Lease Liability	
Accrued Interest Payable	0
Accounts Payable-Borrowers	1,565,134
Interest Payable-Leases	
Due to Other Funds	
Accounts Payable-Other	0
Other Liabilities	
Total Current Liabilities	<u>1,565,134</u>
Noncurrent Liabilities:	
Project Costs Payable - Long Term	31,013,364
Advance Payable	
Bonds Payable, net	51,930,000
Unearned Revenue	
Lease Liability	
Pension Liability	
HCTF Liability	
Debt Service Reserve Deposit	1,135,781
Other Liabilities	
Total Noncurrent Liabilities	<u>84,079,145</u>
Total Liabilities	<u>85,644,279</u>
Deferred Inflows-Refundings	
Deferred Inflows-Pension	
Deferred Inflows-OPEB	
Deferred Inflows-Leases	
Fund Net Position:	
Invested in Capital Assets	
Restricted	1,117,296
Unrestricted	
Total Fund Net Position	<u>1,117,296</u>

Colorado Water Resources and Power Development Authority
Water Revenue Bonds Pgm
Statement of Changes in Net Position
July 31, 2024

Operating Revenues:	
Interest on Loans	1,080,702
Interest on Investments	935
Total Operating Revenues	<u>1,081,638</u>
Operating Expenses:	
Interest on Bonds	<u>426,646</u>
Total Operating Expenses	<u>426,646</u>
Operating Income	654,992
Operating Transfers In/(Out)	<u>(2,332)</u>
Change in Net Position	652,659
Fund Net Position-Beginning of Year	<u>464,636</u>
Fund Net Position-End of Year	<u><u>1,117,296</u></u>



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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

MEMORANDUM

December 6, 2024

TO: Board of Directors and Karl Ohlsen

FROM: Keith McLaughlin, Executive Director
Jim Griffiths, Finance Director

RE: Review of Authority Bylaws and
Recommended Changes

The Authority was created and empowered by statute in 1981. After creation, a governor appointed Authority Board of Directors adopted bylaws. Periodically, the bylaws are reviewed and revised by the Authority Board. The last revision occurred in December 2018.

The attached bylaws include staff, general counsel, and a board member's (Director Treese) suggestions and recommended revisions – all highlighted in yellow. The focus of the recommended revisions is cleanup, clarity and telecommunication updates.

Board Action Requested: **Discussion and possible adoption.**

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

BYLAWS (Revised and Adopted December 7, 2018)

Commented [JG1]: Date will change, if proposed changes are adopted.

ARTICLE I - THE AUTHORITY

SECTION 1. Name of Authority. The name of the Authority shall be "Colorado Water Resources and Power Development Authority" (the "Authority").

SECTION 2. Board of Directors. The governing body of the Authority shall be the Board of Directors (the "Board"). C.R.S. Title 37, Article 95, Sections 103(3) and 104(2)(a).

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SECTION 3. Seal of the Authority. The seal of the Authority shall bear the name of the Authority and be in such form as shall be determined by resolution of the Board.

SECTION 4. Office of the Authority. The office of the Authority shall be located in Denver, Colorado. The Authority may also have offices at such other place or places within the State of Colorado as it may from time to time designate by resolution of the Board and as allowed per C.R.S. Title 37, Article 95, Section 106(1)(e).

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ARTICLE II - OFFICERS

SECTION 1. Officers. The officers of the Authority shall be a Chair, Vice-Chair, Secretary, Treasurer, Executive Director, Assistant Secretary, Assistant Treasurer and such other officers as may from time to time be elected or appointed by the Board.

The Chair, Vice-Chair, Secretary and Treasurer shall be elected at the annual meeting of the Board in October or as soon as practical thereafter, of odd-numbered years. Each elected officer shall take office at the December meeting of the Board (following the annual meeting) and hold office during the next two years (two years is one term) or until his or her successor shall have been elected and qualified for office.

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Such elected officers shall be members of the Board. The Chair may not serve as such for more than one term unless the Board determines otherwise.

The Executive Director shall be appointed by resolution of the Board and shall serve at the pleasure of the Board.

SECTION 2. Chair. The Chair of the Board shall preside at all meetings of the Board; shall appoint Board members to committees; shall appoint additional committees or working groups as necessary; and shall have such other duties as the Board may direct. The Chair is an ex-officio member of all committees with all voting privileges.

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SECTION 3. Vice-Chair.

The Vice-Chair shall preside over all meetings of the Board in the absence of the Chair and shall perform the duties of the Chair in the event the office of the Chair is vacant or in the event the Chair advises the Vice-Chair that he or she is unable to perform the duties of Chair. The Chair shall resume his or her duties upon notification to the Vice-Chair.

SECTION 4. Secretary.

The Secretary shall act as secretary of the meetings of the Board and cause to be recorded all votes and proceedings ~~in a journal~~; and cause to be maintained a record of all resolutions presented to the Board therein. The Secretary may also serve as Treasurer, if elected to that position by the Board. The Secretary shall preside over all meetings of the Board in the absence of the Chair and Vice Chair and shall perform the duties of the Chair in the event the offices of the Chair and Vice Chair are vacant or in the event the Chair and Vice Chair advise the Secretary that they are unable to perform the duties of Chair. The Chair or Vice Chair shall resume the duties upon notification to the Secretary. The Board may appoint Authority staff as Assistant Secretaries by resolution annually, to perform such duties as the Board shall determine. Such duties of Assistant Secretaries may include, but not be limited to, serving as an officer of the Authority for approval of checks and electronic funds transfers as stated in Article II, Section 7 of the Bylaws.

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SECTION 5. Treasurer.

The Treasurer shall ~~provide oversight of~~ ~~supervise~~ the financial records of the Authority and, in coordination with Authority staff, direct the investments of the funds of the Authority. The Treasurer shall preside over all meetings of the Board in the absence of the Chair, Vice Chair, and Secretary and shall perform the duties of the Chair in the event that the Chair, Vice Chair and Secretary advise the Treasurer that they are all unable to perform the duties of Chair. The Chair, Vice Chair, or Secretary shall resume the duties of Chair upon notification to the Treasurer. As Treasurer, he or she shall serve as Chair of the Budget & Audit Committee. The Board may appoint Authority staff as Assistant Treasurer by resolution annually, to perform such duties as the Board shall determine. Such duties of Assistant Treasurer may include, but not be limited to, ~~serving as an officer of the Authority for~~ approval of checks and electronic funds transfers as stated in Article II, Section 7 of the Bylaws.

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SECTION 6. Executive Director.

The Executive Director, under the direction of the Board, shall be the chief executive officer of the Authority, and shall have general supervision over and be in administrative charge of all the activities of the Authority; and shall perform all the duties incident to his or her position and office. The Executive Director may enter into agreements relating to the general function and activities of the Authority that do not involve expenditures exceeding \$50,000 and may sign and issue checks and authorize electronic funds transfers not in excess of \$500,000. The Executive Director and other Authority staff shall be empowered to execute documents on behalf of the Authority as authorized by resolution of the Board.

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Commented [KM2]: Karl noted that the amounts are a board decision. The amounts have been the same since 2018.

SECTION 7. Checks and Electronic Funds Transfers.

All checks and electronic funds transfers to be made from the Authority of \$500,000 or less shall require the approval of the Executive Director, or, in the absence of the Executive Director, any two of the following officers: Chair, Vice Chair, Secretary, Treasurer, Assistant Secretary or Assistant Treasurer. All Checks and electronic funds transfers to be made from the Authority in excess of \$500,000 shall require the approval of any two of the following officers: Chair, Vice Chair, Secretary, Treasurer, Executive Director, Assistant Secretary or Assistant Treasurer.

SECTION 8. Additional Duties.

The officers of the Authority shall perform such other duties and functions as may from time to time be required or delegated by resolution of the Board, these Bylaws, or policies adopted by the Board.

SECTION 9. Vacancies.

Should the office of Chair, Vice-Chair, Secretary, or Treasurer become vacant, then the next officer in line shall move into that position, as follows: the Vice-Chair will fill a vacancy for Chair, the Secretary will fill a vacancy for Vice-Chair, and the Treasurer will fill a vacancy for Secretary. ~~Subsequently,~~ The Board shall elect a successor from its membership at the next regular meeting to fill the vacancy at Treasurer and such election or appointment shall be for the unexpired term of said office. Should the office of Executive Director become vacant, the Board shall appoint a successor or an interim Executive Director, by resolution, who shall serve at the pleasure of the Board.

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ARTICLE III - BOARD COMMITTEES/WORKING GROUPS

SECTION 1. Committees.

The Board has authorized the following committees and assigned duties to each committee as set forth below. Notice of each committee meeting will be provided to the Board and to the public as required by applicable Colorado law.

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SECTION 2. Budget and Audit Committee:

meets as needed to discuss the Authority's annual budget and audited financial statements. The committee participates in the selection process for independent auditors. The committee is responsible for analyzing the Authority's income and expenditures and making budget recommendations to the Board.

SECTION 3. Personnel Committee:

meets annually and as needed to discuss personnel issues and review draft salary personnel recommendations made by the Executive Director. The committee is responsible for determining salary ranges for staff and recommending the annual salary for the Executive Director for consideration of the full Board at the December Board meeting.

SECTION 4. Board Program Work Session:

meets as needed prior to Board meetings to discuss programmatic issues involving loans, subsidies, and other program-related matters. The Board Program Work Session is responsible for making recommendations to the Board on policy matters involving the WPCRF, DWRF, **Forest HealthSWRP**, WRBP, **Interim Loan** and SHLP programs. All Board members present at a Board Program Work Session may participate and vote on any **actions properly considered at the Board Program Work Session.** ~~recommendations made to the Board.~~

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SECTION 5. Government/Public Affairs Committee:

meets as needed to review and discuss legislation **and/or rules and regulations, including which may include proposed legislation, and rules and regulations, potentially** affecting the Authority or its operations. The committee is responsible for making recommendations to the full Board on such legislative matters.

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SECTION 6. Project Finance Committee:

meets as necessary prior to Board meetings to discuss **credit reports and** loan applications. The committee is responsible for evaluating **loan applications and** credit reports **and loan applications** and making recommendations to the full Board with regard thereto.

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SECTION 7. Investment Committee:

the Authority's Treasurer or **Assistant Treasurer** and Executive Director meet as needed to make investment decisions concerning Authority funds. Bond proceeds are invested as authorized by each bond resolution.

Commented [K03]: The Assistant Treasurer is often a non-Director? If so, this could allow the committee to not include a director at all, in absence of the Treasurer. Further, unlike other committees, this language appears to allow the committee to make final decisions, rather than make recommendations for full Board consideration. If that is the Board's pleasure, I suggest moving this language to fit under the powers of the Executive Director, in collaboration with the Treasurer/Assistant Treasurer.

~~SECTION 8. Animas-La Plata Committee:~~

~~meets as needed to discuss the Animas-La Plata Project. The committee is responsible for evaluating construction, marketing and operating issues regarding the Project, and making recommendations to the full Board thereon.~~

Commented [JG4]: KSM - do we need to keep due to loan repayments.

Commented [K05R4]: I think this could be handled under general BPWS matters, and is no longer necessary, at the discretion of the Board.

SECTION 9. Other Committees and Working Groups:

The Board may authorize the establishment of other committees or working groups, ~~to which may~~ include **non-voting members like** Authority staff or others designated by the Board and assign duties to them.

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ARTICLE IV - PERSONNEL

SECTION 1. General Counsel.

General Counsel shall be appointed by resolution of the Board annually and shall serve at the pleasure of and under the direction of the Board. Special counsel may be retained by appointment of the Board whenever deemed appropriate for such purposes and terms as the Board may direct.

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SECTION 2. Additional Personnel.

The Board, through the Executive Director, may from time to time employ such personnel as deemed necessary to exercise the powers, duties and functions of the Authority as prescribed by law. Persons so appointed shall serve at the pleasure of the Executive Director in accordance with the personnel policies established by the Board.

Compensation of such personnel shall be determined by the Executive Director in consultation with the Board's Personnel Committee, subject to the salary ranges approved by the Board and within the adopted Authority budget.

ARTICLE V- MEETINGS

SECTION 1. Annual Meeting.

The annual meeting of the Board shall be held on the first Friday of October of each year. Each member shall be notified of the time and place in accordance with Article V, Section 5 of these Bylaws. The Chair may fix a different date, hour, or place during the month of October for such annual meeting and, if he or she does, each member shall be notified in accordance with Article V, Section ~~5-6~~ of these Bylaws.

SECTION 2. Regular Meetings.

Regular meetings of the Board shall be held at the places and times designated by the Board for each ensuing year at its December meeting, provided that a meeting shall be held each April to coincide with the completion of the annual report and audit.

The Chair or a quorum of members may fix a different date, time or location for any particular regular meeting, and each member shall be notified in accordance with the provisions of Article V, Section ~~56~~.

SECTION 3. Special Meetings.

The Chair may call a special meeting of the Board to be conducted in person or by ~~electronic-telephonic~~ conference call when he or she deems it necessary or expedient ~~and shall do so upon request of any two members~~. Members shall be contacted by telephone, mail or email as to the time and place of, and the agenda for, such a meeting in accordance with the provisions of Article V, Section ~~56~~.

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~~Section 4. One or more members of the board may participate in any meeting and may vote through the use of telecommunications devices, including, but not limited to, a conference telephone or similar communications equipment. Such participation through telecommunications devices shall constitute presence in person at such meeting. Such use of telecommunications shall not supersede any requirements for public hearing otherwise provided by law. C.R.S. § 37-95-105 (2).~~

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SECTION ~~4~~⁵. Meetings Public.

All meetings of the Board, and all meetings of three or more members of the Board at which any public business is discussed or formal action may be taken, shall be public meetings and open to the public at all times. The Board may retire into executive session in accordance with the provisions of the Colorado Open Meetings Law, C.R.S. §24-6-401 et seq. applicable to local public bodies, which provides, as applicable to the Authority, that upon the announcement to the public of the topic to be discussed, and citation of the provision of the statute allowing it to be discussed in Executive

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Session and the affirmative vote of 2/3 of the members present, the members may retire into executive session for consideration of the following (and any other matters that are allowed under the law):

- (1) The purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest, but no executive session shall be held for the purpose of concealing the fact that a member of the Board has a personal interest in such transaction (§24-6-402(4)(a));
- (2) Conferences with an attorney of the Authority to receive legal advice on specific legal questions (§24-6-402(4)(b));
- (3) Matters required to be kept confidential by federal or state law or rules and regulations (§24-6-402(4)(c));
- (4) Specialized details of security arrangements or investigations (§24-6-402(4)(d));
- (5) Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators (§24-6-402(4)(e));
- (6) Personnel matters, except if the employee or employees who are the subject of the session requests an open meeting (§24-6-402(4)(f));
- (7) Consideration of documents subject to the mandatory nondisclosure provisions of the Colorado open records act (except that documents that are work product or subject to the governmental or deliberative process privilege must occur in public unless an executive session is otherwise allowed) (§24-6-402(4)(g)).

No adoption of any proposed policy, position, resolution, rule, regulation or formal action shall occur at any executive session not open to the public.

In addition, unless it constitutes, in the opinion of Counsel to the Authority, a privileged attorney-client communication (in which case a recording or signed statement of counsel shall reflect that no record was kept of attorney-client privileged discussion), discussions that occur in an executive session shall be electronically recorded; the recording shall recite the provision of the Open Meetings Law allowing the executive session, and the actual contents of the discussion.

SECTION 56. Notice.

Regular and Special meetings of the Board shall be held only after full and timely notice to the public, which shall be posted in at the public place designated for the purpose by the Board no later than 24 hours prior to the meeting. When possible, the posted notice shall include specific agenda information. In addition, notification shall be provided by first class mail, postage prepaid, to each Board member at his or her last known address as shown by the records of the Authority, deposited in the United States mails at least five calendar days prior to the date of the meeting, or by email, facsimile notice,

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~~telegram,~~ or by telephone call made at least 24 hours prior to the meeting.

Further, as required by the Open Meetings Law, the Authority shall maintain a list of any persons who have, within the previous two years, requested notification of Board meetings at which specified policies will be discussed, and shall provide reasonable advance notice to such persons of such meetings, ~~provided, however, that unintentional failure to provide such advance notice will not nullify actions taken at an otherwise properly published meeting.~~

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SECTION ~~67.~~ 67. Quorum.

At Regular and Special meetings of the Board five of the members of the Board shall constitute a quorum for the purpose of transacting business; action may be taken and motions and resolutions adopted by the Board at any meeting thereof only upon ~~the~~ affirmative vote of at least five members of the Board; provided that a smaller number may meet and adjourn to some other time and place or until a quorum shall be present. No vacancy in the membership of the Board shall impair the right of a quorum of the members to exercise all the powers and perform all the duties of the Board.

SECTION ~~78.~~ 78. Business at Meetings.

At any meeting of the Board, any business shall be in order, whether or not, stated in any notice sent with respect to such meeting, except as otherwise specifically provided herein.

SECTION ~~89.~~ 89. Voting.

The Secretary shall ~~cause to be maintained~~ a record of all votes taken by the Board, identifying all nay votes and those Board members that recuse themselves or abstain from such vote. All members of the Board are entitled to vote, including the Chair.

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SECTION ~~910.~~ 910. ~~Conflict of Interest.~~

The law regarding conflicts of interest applicable to the Authority is set forth in various statutes of the State of Colorado. As contemplated by the law, it is the responsibility of individual Board members to determine, on a case by case basis, whether particular circumstances or situations in which they are involved present conflicts of interest with regard to action as Board members. Further, recognizing that a range of actions (including, without limitation, disclosure; self-recusal from participation in Board action (e.g. voting); self-recusal from Board discussion and action) may be appropriate, individual board members will determine, again on a case by case basis, what specific action, if any, to take in response to circumstances or situations that may present potential conflicts of interest. ~~Board Members should consult the applicable conflicts of interest policy as approved or amended by the Board and available from the Secretary, and Board members are encouraged to consult with General Counsel and their personal counsel for guidance.~~

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At each annual meeting of the Board (or other meeting as determined by the Board), the Board will discuss conflicts of interest and related issues. It is expected that such discussion will make use of

written materials that both describe applicable law regarding conflicts of interest and provide guidance in identifying, evaluating, and avoiding or responding to, potential conflicts of interest and/or the appearance of impropriety.

SECTION 10.11. Resolutions.

All resolutions and orders shall be in writing, recorded and authenticated by the signature of the Chair (or other Board member serving as Chair) and the Secretary or Assistant Secretary, and shall be contained in the minute book of the Authority which shall be maintained by the Authority. Resolutions shall become effective on the day of passage upon adjournment of the meeting unless otherwise stated in the resolution.

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SECTION 11.12. Minutes of Meetings.

The minutes of any meeting of the Board, Regular or Special, shall be deemed to be in draft form and not official until approved by the Board.

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SECTION 12.13. Public Records

All resolutions, the minute book, all orders, and other corporate acts of the Board shall be public records pursuant to C.R.S. § 37-95-105. In addition, the Colorado Open Records Law, C.R.S. § 24-72-101 et seq. applies to all other Authority records.

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ARTICLE VI - FISCAL YEAR

The fiscal year of the Authority will be the same as the calendar year.

ARTICLE VII - FISCAL MATTERS

SECTION 1. Annual Report.

On or before April 30 of each year the Authority shall make an annual report of its activities for the preceding fiscal year to the Governor, the Colorado Water Conservation Board and the General Assembly. The annual report shall contain a complete operating and financial statement of the operations of the Authority during that year, including but not limited to detailed financial data concerning the disposition of previously appropriated or allocated State funds.

SECTION 2. Audits.

An annual audit shall be made each year as soon after the close of the fiscal year as possible by ~~one or more~~ certified public accountants selected by the Board, and a copy thereof shall be filed with the State Treasurer.

Such audits shall conform to the "Colorado Local Government Audit Law", being Part 6 of Article 1 of Title 29, Colorado Revised Statutes 1973, as amended.

SECTION 3. Annual Budget.

The Board shall adopt an annual budget for the ensuing fiscal year, pursuant to the "Local Government Budget Law of Colorado", being Part 1 of Article 1 of Title 29, Colorado Revised Statutes 1973.

SECTION 4. Fiscal Policies, Resolutions.

The Board may adopt such fiscal policies or resolution(s) as the Board deems necessary for the payment of operating and capital expenditures for the Authority. In addition, such further fiscal policies or resolutions may likewise be adopted regulating the receipt and disposition of funds received from the state, bond proceeds, debt service funds, project receipts and disbursements, and receipts and disbursements involving district, governmental or other entities participating in projects.

SECTION 5. Requests for State Funds.

No later than November 30 of each year, the Authority shall report to the Governor and the General Assembly any requests for State funds for the upcoming State fiscal year, detailing the purposes for which said funds are to be utilized.

SECTION 6. Request For Funds To Restore Debt Service Reserve Fund.

On or before January 1 of each year, the Chair of the Board shall make and deliver to the Governor a certificate, stating the sum, if any, required to restore each Debt Service Reserve Fund established pursuant to §37-95-112.5 to the Debt Service Reserve Fund requirement. The Governor may transmit to the General Assembly a request for the amount, if any, required to restore each Debt Service Reserve Fund to the Debt Service Reserve Fund requirement. The General Assembly may, but shall not be required to, make any such appropriations so requested. All sums appropriated by the General Assembly for such restoration and paid shall be deposited by the Authority in each such Debt Service Reserve Fund. Nothing provided in this section shall create or constitute a debt or liability of the State.

ARTICLE VIII - AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board at any regular meeting or at any special meeting of the Board. Written notice of a meeting at which it is intended that these Bylaws may be altered, amended or repealed, or new Bylaws adopted, shall be provided as set forth in Article V, Section 5 of the Bylaws

ARTICLE IX- SUSPENSION OF BYLAWS

Any and all of the provisions of the se Bylaws, not in conflict with Colorado statutes, may be suspended by unanimous consent of the Board constituting a quorum present at any meeting of the Board, but any such suspension shall not affect the obligation of the Board to comply with all applicable statutory requirements.

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CARLSON, HAMMOND & PADDOCK, L.L.C.
ATTORNEYS AT LAW

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JOHN UNDEM CARLSON
(1940-1992)

WILLIAM A. PADDOCK
OF COUNSEL

MARY MEAD HAMMOND
RETIRED

kohlse@chp-law.com

October 23, 2023

Colorado Water Resources &
Power Development Authority

NOV 2 2023

Mr. Keith McLaughlin, Executive Director
Colorado Water Resources &
Power Development Authority
1580 Logan Street, Suite 620
Denver, Colorado 80203

Re: Rates for Legal Services

Dear Keith:

I am writing regarding the hourly rates charged by our firm to the Colorado Water Resources & Power Development Authority for the upcoming calendar year. I met recently with my partners to review our rates and to make adjustments as necessary to reflect our increased costs of business and the increased skills and ability of our attorneys. The rate schedule we propose to implement for all work for the Authority effective January 1, 2024, is as follows:

William A. Paddock	\$305.00 per hour
Lee H. Johnson	\$305.00 per hour
Karl D. Ohlsen	\$285.00 per hour
Mason H. Brown	\$275.00 per hour
Katrina B. Fiscella	\$255.00 per hour
Sarah B. Wiedemann	\$240.00 per hour
Matthew L. Navarrette	\$230.00 per hour

As in the past, these rates include a discount from our firm's ordinary rates to reflect the firm's continued appreciation of the long-term relationship we have had with the Authority. We think that these rates are fair and remain very competitive for our area of practice.

Further, at the request of the Board, I am taking this opportunity to identify the key personnel from the firm that will be doing the largest portion of the Authority's work: Karl Ohlsen and Mason Brown. I anticipate incorporating our newest associate, Matthew Navarrette, into some of the work where it is efficient to do so.

If you have any questions about this rate change, the key personnel, or any other matters, please feel free to call me. We also want to thank you for allowing us to work for Colorado Water Resources & Power Development Authority; we as a firm very much appreciate the opportunity to do so, and I greatly enjoy working with you and staff.

CARLSON, HAMMOND & PADDOCK, L.L.C.
ATTORNEYS AT LAW

Mr. Keith McLaughlin, Executive Director

October 23, 2023

Page 2

Yours very truly,



Karl D. Ohlsen

Copy: Michelle Parsons

Colorado Water Resources &
Power Development Authority
CARLSON, HAMMOND & PADDOCK, L.L.C.
ATTORNEYS AT LAW

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OCT 29 2024

JOHN UNDEM CARLSON
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WILLIAM A. PADDOCK
OF COUNSEL

MARY MEAD HAMMOND
RETIRED

LEE H. JOHNSON
KARL D. OHLSEN
MASON H. BROWN
KATRINA B. FISCELLA
SARAH B. WIEDEMANN
MATTHEW L. NAVARRETTE

kohlsen@chp-law.com

October 25, 2024

Mr. Keith McLaughlin, Executive Director
Colorado Water Resources &
Power Development Authority
1580 N. Logan Street, Suite 820
Denver, Colorado 80203

Re: Rates for Legal Services

Dear Keith:

I am writing regarding the hourly rates charged by our firm to the Colorado Water Resources & Power Development Authority for the upcoming calendar year. I met recently with my partners to review our rates and to make adjustments as necessary to reflect our increased costs of business and the increased skills and ability of our attorneys. The rate schedule we propose to implement for all work for the Authority effective January 1, 2025, is as follows:

William A. Paddock	\$310.00 per hour
Lee H. Johnson	\$310.00 per hour
Karl D. Ohlsen	\$290.00 per hour
Mason H. Brown	\$280.00 per hour
Katrina B. Fiscella	\$260.00 per hour
Sarah B. Wiedemann	\$245.00 per hour
Matthew L. Navarrette	\$235.00 per hour

As in the past, these rates include a discount from our firm's ordinary rates to reflect the firm's continued appreciation of the long-term relationship we have had with the Authority. We think that these rates are fair and remain very competitive for our area of practice.

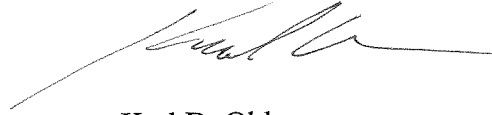
As requested by the Board in 2023, I am identifying the key personnel from the firm that will be doing the largest portion of the Authority's work: Karl Ohlsen and Mason Brown. I anticipate incorporating our newest associate, Matthew Navarrette, into some of the work where it is efficient to do so.

If you have any questions about this rate change, the key personnel, or any other matters, please feel free to call me. We also want to thank you for allowing us to work for Colorado Water Resources & Power Development Authority; we as a firm very much appreciate the opportunity to do so, and I greatly enjoy working with you and staff.

CARLSON, HAMMOND & PADDOCK, L.L.C.
ATTORNEYS AT LAW

Mr. Keith McLaughlin, Executive Director
October 25, 2024
Page 2

Yours very truly,

A handwritten signature in black ink, appearing to read 'Karl D. Ohlsen', with a long horizontal flourish extending to the right.

Karl D. Ohlsen

Copy: Michelle Parsons



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

December 2, 2024

TO: Project Finance Committee and Karl Ohlsen

FROM: Jim Griffiths, Finance Director
Kevin Carpenter, Senior Financial Analyst I
Giorgi Gazashvili, Financial Analyst II

RE: Review of the Cucharas Sanitation and Water District and the City of Trinidad
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 ("Authority")'s Project Finance Committee with the following recommendations:

Cucharas Sanitation and Water District

The Cucharas Sanitation and Water District (the "District"), located in Huerfano County, is seeking a Bipartisan Infrastructure Law ("BIL") General Supplemental Disadvantaged Communities ("DAC") direct loan through the DWRF loan program in the total amount of \$1,259,300 (comprised of a *\$447,789 BIL Loan and a *\$811,511 BIL Principal Forgiveness ("PF") loan). The project consists of rehabilitating the existing Baker Creek Resort water treatment facility, replacing water treatment components, and constructing a water intake line. The District's project was authorized by HJR 13-1007.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DWRF BIL General Supplemental DAC direct loan with the District in the total amount of \$1,259,300 (comprised of a *\$447,789 BIL Loan and a *\$811,511 BIL PF loan). The loan will be for a term of 20 years, at an interest rate of 2.50%. The Board will consider this request on December 6, 2024.

City of Trinidad

The City of Trinidad (the "City"), located in Las Animas County, is seeking a BIL General Supplemental DAC direct loan through the DWRF loan program in the total amount of \$3,450,000 (comprised of a *\$1,226,771 BIL Loan and a *\$2,223,229 BIL PF loan). The project consists of either replacing or rehabilitating four water storage tanks and improvements to the distribution system. The City's project was authorized by SB 05-011.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DWRF BIL General Supplemental DAC direct loan with the City in the total amount of \$3,450,000 (comprised of a *\$1,226,771 BIL Loan and a *\$2,223,229 BIL PF loan). The loan will be for a term of 20 years, at an interest rate of 2.50%. The Board will consider this request on December 6, 2024.

* - 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 **Monday, 9:00 a.m. December 2, 2024**. The link to join via online is: <https://us06web.zoom.us/j/84727090473?pwd=X8SbywtpdnOXtEmbuboBJY0Lc2ZSfz.1>. If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **847 2709 0473**. The passcode is: **378788**.

Attachments: Cucharas Sanitation and Water District 2024 DWRF Credit Report
City of Trinidad 2024 DWRF Credit Report

DWRF LOAN CREDIT REPORT

Cucharas Sanitation and Water District (“The District”), Huerfano County

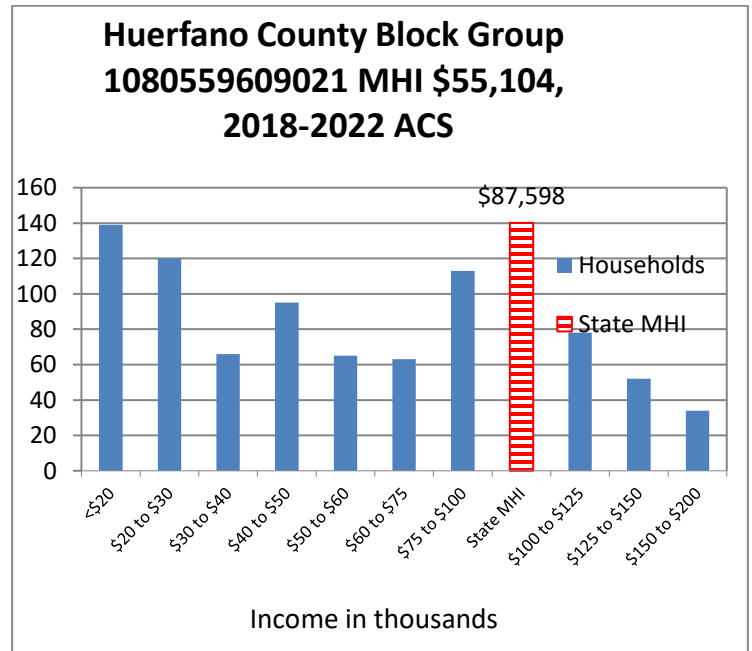
Recommendation:	APPROVAL
Total Request:	\$1,259,300
Interest Rate & Term:	2.50%, 20 years
Annual Debt Service:	\$28,588
Pledge:	Water and sewer revenue
Current Rate (W&S):	\$90.00
Estimated Rate Increase:	\$0.00

<u>Project Budget</u>	
DWRF BIL Loan:	\$447,789
DWRF BIL Principal Forgiveness	\$811,511
2022 Planning Grant:	\$10,000
2023 D&E Grant:	\$211,700
Total:	\$1,481,000

PROJECT DESCRIPTION: This project consists of rehabilitating the existing Baker Creek Resort water treatment facility, replacing water treatment components, and constructing a water intake line.

Cucharas Sanitation and Water District	2018	2019	2020	2021	2022	2023	2024	Avg. Annual Change
District Population			1,633	1,653	1,658	1,663	1,668	0.53%
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			653	661	663	665	667	0.43%
Number of Sewer Taps			647	649	651	653	655	0.25%
Assessed Value (\$000)			11,456	11,468	12,666	12,492	12,153	1.49%
Actual Value (\$000)			128,102	129,530	142,558	144,743	146,411	3.40%

BORROWER BRIEF: The District is located at the feet of the Spanish Peaks in southwest Huerfano County, approximately 27 miles southwest of the City of Walsenburg on State Highway 12, and 11 miles south of the Town of La Veta.



RECOMMENDATION: The District serves a rural mountain community in Huerfano County. This proposed loan is necessary to make water treatment and intake improvements. This project would cause some debt burden. However, the District is in good financial condition with healthy revenues and is in a good position to take on the proposed debt. We therefore recommend that the DWRF Committee approve a \$447,789 disadvantaged community direct loan and \$811,511 in principal forgiveness under the Bipartisan Infrastructure Law to the Cucharas Sanitation and Water District

PROJECT SUMMARY:

System summary: The District was established in 1974 to provide water and sewer services. It serves approximately 1,668 people in Huerfano County, Colorado. The water system includes one actively used water treatment plant, two inactive water treatment plants, four storage tanks and three booster pump stations serving eight pressure zones.

Reason/need: In 2007, the Baker Creek Resort Water Treatment Plant was placed on emergency standby treatment facility status. The District is currently dependent on the Spanish Peaks Water Treatment Plant which is in need of numerous upgrades. System reliability and resiliency will be increased by reinstating Baker Creek Resort Water Treatment Plant. This will enable either water treatment plant to be taken off-line for maintenance or other operational issues.

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

Project Delivery Method: Design/Bid/Build.

Contingency: 14.4% of total project cost included as contingency.

CURRENT INDICATORS:	2021	2022	2023	Weak	Average	Strong
Total Debt per Capita (\$):	763	904	860	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			1,130	>\$2,000	X \$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	1,908	2,261	2,143	>\$5,000	\$2,500 - 5,000	X <\$2,500
Total Debt + New Debt/Tap (\$):			2,817	>\$5,000	X \$2,500 - 5,000	<\$2,500
Current W&S Debt/Tap (\$):	1,908	2,261	2,143	X >\$2,000	\$1,000 - 2,000	<\$1,000
Current W&S + New W&S Debt/Tap (\$):			2,817	X >2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:	11%	12%	11%	>50%	25-50%	X <25%
Total Debt + New W&S Debt/Assessed Value:			15%	>50%	25-50%	X <25%
Total Debt/Actual Value:	0.97%	1.05%	0.98%	>10%	5-10%	X <5%
Total Debt + New W&S Debt/Actual Value:			1.29%	>10%	5-10%	X <5%
Curr. W&S Debt + New Debt/Tap/MHI:			5.11%	>20%	10-20%	X <10%
W&S Fund Current Ratio (CA/CL):	483%	436%	431%	<100%	100-200%	X >200%
W&S Fund Reserves/Current Expense:	119%	109%	123%	<50%	50-100%	X >100%
W&S Operating Ratio (OR/OE):	100%	104%	110%	<100%	X 100-120%	>120%
Coverage Ratio (TR-OE)/DS:	65%	143%	230%	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	65%	177%	216%	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			183%	<110%	110-125%	X >125%
Coverage Ratio with New Loan Excluding Tap Fees:			172%	<110%	110-125%	X >125%
Current Annual W&S Rates/MHI:			1.30%	>3.0%	1.5-3.0%	X <1.5%
Current W&S Rates + New W&S Debt Service/MHI:			1.38%	>3.0%	1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:			143%	<25%	25-50%	X >50%
			Total:	2	3	16

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, 16 are rated strong, three are average, and two are considered weak. Overall, the indicators illustrate a system in good financial condition to take on the proposed debt. The strong indicators show high capacity to service debt, healthy reserves, and an ability to cover expenses. The weak indicators reflect some degree of debt burden for the community. However rates and other debt indicators appear affordable.

- Operating revenues generally cover operating expenses; the operating ratio averaged 110% over the past five years. The District also uses property tax revenues to cover expenses.
- Based on 2023 financial information, coverage with the proposed loan is 183% with tap fee revenue and 172% without tap fee revenue. No additional revenue is projected to be needed to meet the 110% coverage ratio requirement.
- Projections submitted by the District show expenses generally increasing 3% annually with rates generally increasing 5% every one to three years.
- Without principal forgiveness, the coverage ratio moves to 133% with tap fee revenue and 125% without tap fee revenue.

DESCRIPTION OF THE LOAN:

An estimated \$447,789 loan with a twenty-year term with two payments annually at an interest rate of 2.50% will cost the District approximately \$28,588 in debt service annually. The District also qualifies for \$811,511 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	>=	\$55,104	Y	S1: County MHI	\$70,078	>=	\$49,631	Y
P2: MHV	\$465,900	>=	\$331,600	Y	S2: Population Loss	0.00%	>=	N/A	N/A
P3: County Unemployment	5.38%	<=	5.94%	Y	S3: Assessed Value per Housing unit	\$24,963	>=	\$19,104	Y
County Job Change	0.00%	>=	0.30%	N	S4b: Curr. and Proj. System Debt	0.67%	<	1.22%	Y
					S4b: 80th Percentile	2.15%	<	1.22%	N
					S5b: Proj. System Cost Per Tap to MHI	1.94%	<	2.43%	Y
					S5b: 80th Percentile	2.90%	<	2.43%	N

Based on 2018-2022 American Community Survey data, the District met the requirements of a DAC, qualifying under scenario #1.

Due to its projected rates to MHI and MHV not exceeding the 80th percentile, the District qualifies as a Category 1 DAC, and will receive a 2.50% interest rate.

BIL Principal Forgiveness Eligibility:

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. As a DAC, the District automatically qualifies for BIL principal forgiveness and scores 7.5 points as shown below.

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.71%	>	0.38%	1
2a: County Job Change	0.00%	>	0.30%	0.5
2b: County Unemployment	5.38%	<	5.94%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$87,598	>	\$55,104	1
	\$109,498	<		
4: Rates to MHI	1.38%	<	2.17%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	17.74%	0
7: % Households Housing Burdened	50.00%	<	25.37%	0
8: % Population under 200% Poverty Level	40.00%	<	33.09%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	85.78%	1
10: Meets DAC criteria	Yes		Yes	3
Total Points Scored:				7.5

The District qualifies for BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 64.441% the District qualifies for approximately \$811,511 in principal forgiveness, leaving an estimated loan of \$447,789.

ECONOMIC ANALYSIS: Based on the State Demographer’s estimate of 2.5 people per tap, the District’s 2022 population is estimated at 1,658 and has grown at an average annual rate of 0.53% since 2019. Huerfano County has experienced an increase of 1.26% in population since 2018. The state population increased at an average annual rate estimated at 0.71%.

The region’s economy is dominated by government, retail, agriculture, hospitality, and health services. Historically, mining and extraction played a significant role in the economy, but they have declined. Retirees make up a large portion of economic activity.

The District’s largest employers consist of La Veta School District, with 44 employees; Dog Bar, with 20 employees; Yellow Pine Guest House, with five employees; and the District itself, with five employees.

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

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

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

Organizational Structure

The District is a water and sanitation district governed by a five-member board of directors form of government and was organized in 1974. The District provides water and wastewater services. Approximately five full-time employees staff the water utility. The water utility is overseen by the General Manager, who reports to the board of directors.

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

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 a capital improvement schedule extending through 2045. This schedule projects a capital investment of \$2,280,000 for upgrades to the water treatment plant, pump replacements, tank painting, and improvements to the water system. The funding is expected to come from loans and reserves. Additionally, upgrades to the wastewater treatment facility will be necessary to comply with nutrient regulations. While the total cost for these upgrades has not been fully determined, they are anticipated to be significant.

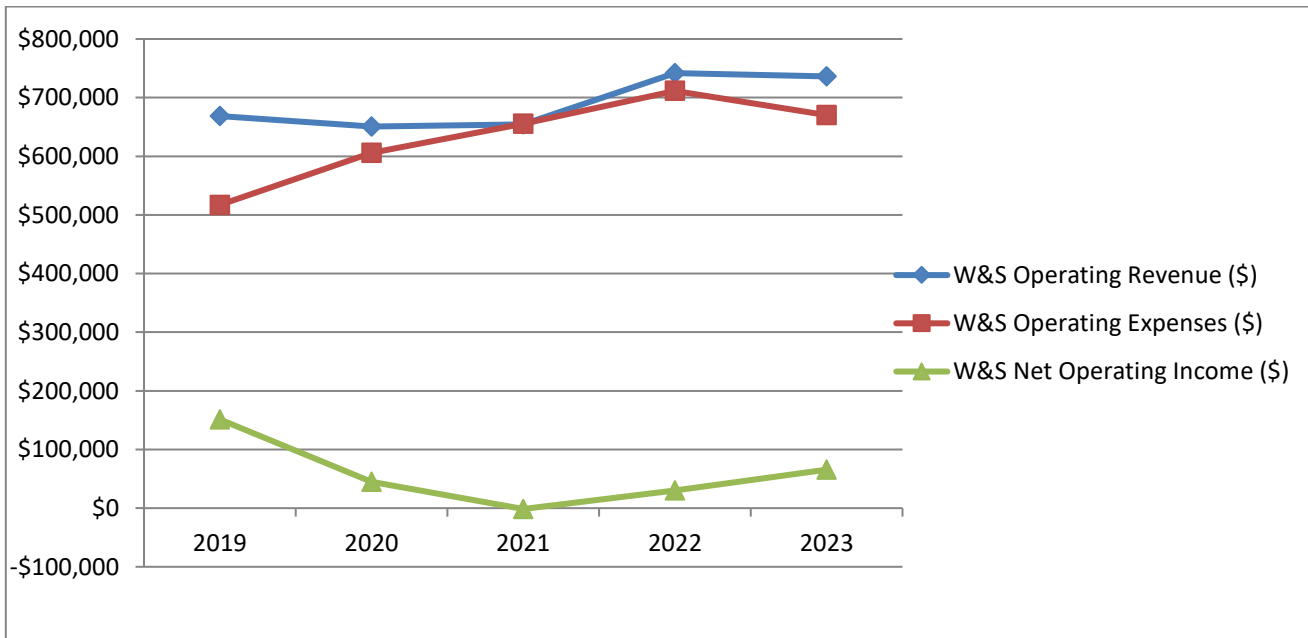
REVENUE ANALYSIS:

The District’s operating revenues from charges/fees generally covers operating expenses and has trended upwards. Personnel costs led to increases in operating expenses in 2021 and 2022. However, net operating income has increased for the past two years. The District also levies property taxes as a revenue source.

TRENDS	2019	2020	2021	2022	2023	2024
Monthly Water Rate (\$)		45.00	45.00	50.00	50.00	50.00
Monthly Sewer Rate (\$)		35.00	35.00	40.00	40.00	40.00
Residential Water Tap Fee (\$)		7,500	7,500	7,500	7,500	7,500
Residential Sewer Tap Fee (\$)		7,500	7,500	7,500	7,500	7,500
Mill Levy	8.094	8.094	8.094	8.094	8.094	8.094
Total W&S Revenue (\$)	835,885	776,547	868,859	921,166	923,821	
Tap/Development Fees (\$)	0	0	93,000	15,000	15,000	
Property Tax Revenue (\$)	92,826	102,605	103,804	114,351	111,795	

S.O. Tax Revenue (\$)	12,087	0	0	0	0
W&S Operating Revenue (\$)	668,404	650,783	654,257	741,830	736,025
W&S Operating Expenses (\$)	517,078	605,746	655,687	711,433	670,361
W&S Net Operating Income (\$)	151,326	45,037	-1,430	30,397	65,664
W&S Debt (\$)	2,242,164	1,714,962	1,260,896	1,498,968	1,425,290
Total Debt (\$)	2,242,164	1,714,962	1,260,896	1,498,968	1,425,290
W&S Debt Service (\$)	80,713.00	560,318	184,733	110,154	110,162
W&S Debt Service/Tap/Month (\$)	10.30	71.51	23.29	13.85	13.80
W&S Fund Reserves (\$)	2,232,325	987,489	999,638	898,457	958,446

Ratios	2019	2020	2021	2022	2023	Average
Operating Revenue as % of Total Revenue	80%	84%	75%	81%	80%	80%
Operating Revenue as % of Expenses	129%	107%	100%	104%	110%	110%
Tap Fee Revenue as % of Total Revenue	0.00%	0.00%	11%	1.63%	1.62%	2.79%



Recent Rate Increases

The District's most recent rate increase of \$5.00 for water and \$5.00 for sewer was implemented on January 1, 2022.

User Charges

The District's current monthly water rate is estimated at \$50.00 compared to the 2022 estimated state median of \$59.19. The District's average monthly water rate is based on typical residential consumption of 5,500 gallons per month. Residential users pay a flat \$50.00 base rate up to 80,000 gallons and a volume charge of \$1.75 per 1,000 gallons for consumption over 80,000 gallons. The District's current estimated average monthly residential sewer rate is \$40.00 compared to the 2022 estimated state median of \$41.23.

Commercial users pay a flat rate for both water and sewer usage of \$65.00 for a ¾" tap, \$100 for a 1" tap, \$250 for a 2" tap, and \$300 for a 3" tap and a volume charge of \$4.000 per 1,000 gallons of consumption.

Contributed Capital

Revenue from tap fees has ranged from \$0 to \$93,000 and has averaged 2.79% of total water revenue during the last five years. The District has not recently increased the water tap fee.

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

- Residential sewer tap fees are \$7,500.
- Commercial tap fees are determined by the District based on an EQR schedule.

Current System Utilization		
	Usage	Revenue
Residential	90%	89%
Non-residential (per EQR)	10%	11%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾"	\$50.00/\$7,500	\$40.00/\$7,500
¾"	\$65.00/EQR determines tap fees	

DEBT as of December 31, 2023

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2012	CWPRDA	2033	Water and sewer revenues	\$1,379,647	2.00%	\$5,299
2019	CWPRDA	2039	Water and sewer revenues	\$45,643	2.50%	\$105,151

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 loans dated 2012 and 2019 with the Authority. The District has also had no debt service payment issues.

Prepared by: Victor Chen
Date: November 12, 2024

Project # 140622D-F Cost Categories: Construction – Treatment 95% Construction – Source 5%

November 15, 2024

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

Estimated Population - 2022	1,658
Number of Water Taps/Customers - 2023	665
Total Assessed Valuation (in thousands) - 2023	\$12,492,000
Actual Value of All Real Property (in thousands) - 2023	\$144,743,000
Median Household Income (MHI) - 2023	\$55,104
Monthly Water Rate - 2023	\$50.00
Water Operating Revenue - 2023	\$736,025
Water Total Revenue - 2023 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$923,821
Water Tap and System Development Fee Revenue - 2023	\$15,000
Water Operating Expense - 2023	\$670,361
Water Current Expense - 2023	\$780,523
Water Debt - 2023	\$1,425,290
Total Debt - 2023	\$1,425,290
Water Fund Reserves - 2023	\$958,446
Water Debt Service - 2023	\$110,162
New Water Debt [Requested DWRF loan amount.]	\$447,789
Requested DWRF Loan Term	20
Requested DWRF Loan Interest Rate	2.50%
New Loan's Annual Water Debt Service (two payments annually)	\$28,588

Current Indicators (2023)
Cucharas Sanitation and Water District
(Water)

1	Total Debt	\$1,425,290	÷ Population	1,658	=	\$860
	New Debt	\$447,789	÷ Population	1,658	=	\$270
	Total Debt + New Debt	\$1,873,079	÷ Population	1,658	=	\$1,130
2	Total Debt	\$1,425,290	÷ Number of Taps	665	=	\$2,143
	New Debt	\$447,789	÷ Number of Taps	665	=	\$673
	Total Debt + New Debt	\$1,873,079	÷ Number of Taps	665	=	\$2,817
3	Total Debt	\$1,425,290	÷ Assessed Value	\$12,492,000	=	11.41%
	New Debt	\$447,789	÷ Assessed Value	\$12,492,000	=	3.58%
	Total Debt + New Debt	\$1,873,079	÷ Assessed Value	\$12,492,000	=	14.99%
4	Total Debt	\$1,425,290	÷ Actual Value	\$144,743,000	=	0.98%
	New Debt	\$447,789	÷ Actual Value	\$144,743,000	=	0.31%
	Total Debt + New Debt	\$1,873,079	÷ Actual Value	\$144,743,000	=	1.29%
5	Current Water Debt	\$1,425,290	÷ Number of Taps	665	=	\$2,143
	(Current Water Debt + New Water Debt) / Number of Taps	\$2,817	÷ MHI	\$55,104	=	5.11%
6	Current Ratio (CA / CL)					
	Current Assets	\$1,248,061	÷ Current Liabilities	\$289,615	=	431%
7	Reserve/Expense Ratio					
	Reserves	\$958,446	÷ Current Expenses	\$780,523	=	123%
8	Operating Ratio (OR / OE)					
	Operating Revenues	\$736,025	÷ Operating Expenses	\$670,361	=	110%
9	Coverage Ratio [(TR - OE) / DS]					
	Total Revenues	\$923,821	-			
	Minus Operating Expenses	\$670,361				
	=	\$253,460	÷ Current Debt Service	\$110,162	=	230%
	Coverage Ratio Excluding Tap and					
10	Development Fee Revenue	\$253,460				
	Minus Tap and Development Fee Revenue	\$15,000				
	=	\$238,460	÷ Current Debt Service	\$110,162	=	216%
11	Projected Coverage Ratio					
	Total Revenues	\$923,821				
	Minus Operating Expenses	\$670,361				
	=	\$253,460	Total Debt Service (with new loan)	\$138,750	=	183%
	Projected Coverage Excluding Tap and					
12	Development Fee Revenue	\$253,460				
	Minus Tap and Development Fee Revenue	\$15,000				
	=	\$238,460	÷ new loan)	\$138,750	=	172%
13	Current Debt Service	\$110,162	÷ Number of Taps	665	=	\$165.66
	Annual New Water Debt Service	\$28,588	÷ Number of Taps	665	=	\$42.99
	2023 Annual Water Rate (Monthly Rate					
14	x 12)	\$600.00	÷ MHI	\$55,104	=	1.09%
	2023 Annual Water Rate + New Annual Debt Service Per Tap	\$642.99	÷ MHI	\$55,104	=	1.17%
15	Current 2023 Monthly User Charge					\$50.00
	(Debt Service on DWRF Loan / 2023 Taps / Month)					\$3.58
	Total					\$53.58
16	Operation and Maintenance Reserve					
	Reserves	\$958,446	÷ Operating Expenses	\$670,361	=	143%

2024 SRF Disadvantaged Community Criteria

Loan Terms

Amount of Loan:	\$ 1,259,300
Interest Rate:	3.25%
Term (years):	20
Annual Payment:	\$ 86,123

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

	Benchmark	Applicant	Result	Notes on Data Used
Current Population (2022)	<= 10,000	1,658	Y	
Population 5 years ago (2018)		1,633		
Population 10 years ago (2013)				

Primary Factors

P1	MHI (Place)	<= \$ 70,078	55,104	Y	BG used. Unreliable but OK at top of band.
	Margin of Error (MOE)	±	13,521	OK	
	Reliability (CV)	<= 18.00%	14.92%	Y	
P2	MHV (Place)	<= \$ 465,900	331,600	Y	
	Margin of Error (MOE)	±	34,623		
	Reliability (CV)	<= 18.00%	6.35%	Y	
P3	24 Month Unemployment (County) or 10 Year % Chng. Jobs (County)	>= 5.38%	5.94%	Y	
	Jobs (2022)	<= 0.00%	0.30%	N	
	Jobs (2013)		2,662		
			2,654		

Priority Factor Count	3
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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%	N/A	N/A		
S3	Assessed Value / Housing Unit	<= \$ 24,963	\$19,104	Y		
	Assessed Value		12,665,960			
	Total Housing Units		663			
S4	Current Debt / Tap / MHV	> 0.67%	0.65%	N	If MHV CV > 18%, calculate result at top of band	Result
WS	Current + Projected Debt/Tap/MHV	> 0.67%	1.22%	Y		
	S4b 80th percentile	> 2.15%	1.22%	N		
S5	System Full Cost / Tap / MHI	> 2.14%	3.04%	Y	If MHI CV > 18%, calculate result at top of band	Result
	Projected Rate @ 110% Coverage	> 1.94%	2.43%	Y		
	S5b 80th percentile	> 2.90%	2.43%	N		

Secondary Factor Count	3
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System Data for S4 and S5: To be completed by DLG

Taps or EQR's	663
Total Debt	1,425,290
Principal & Interest	110,162
Operating Expenses (including operating transfers out)	670,361
Depreciation	439,180

DWRF Only

		<u>Benchmark</u>	<u>Applicant</u>	<u>Points</u>	<u>Notes on Data Used</u>
Eligibility Criteria					
1	Population loss or growth is slower than the state's over 5 years	<= 0.71%	0.38%	1.0	
	Current Population (2021)		1,658		
	Population five years ago (2017)		1,633		
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	55,104	1.0	If MHI CV > 40%, calculate result at top of band
	Reliability (CV)	>= \$ 109,498	14.92%	0.0	Result
		<= 40.00%	Y		
4	Rates compared to MHI	> 1.38%	2.17%	1.0	If MHI CV > 40%, calculate result at top of band
WS	Monthly Residential Rate	>	99.63		Result
<i>based on 2022 confirmed water rates</i>					
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%	17.74%	0.0	
7	% Population that are housing burdened is greater than 50%	> 50.00%	25.37%	0.0	
8	% Population under 200% Poverty Level is greater than 40%	> 40.00%	33.09%	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%	85.78%	1.0	
	% Population over 65 years old		52.69%		
10	Meets base program DAC criteria?		Yes	3.0	
BIL Eligibility Points				7.5	

DWRF LOAN CREDIT REPORT

City of Trinidad ("The City"), Las Animas County

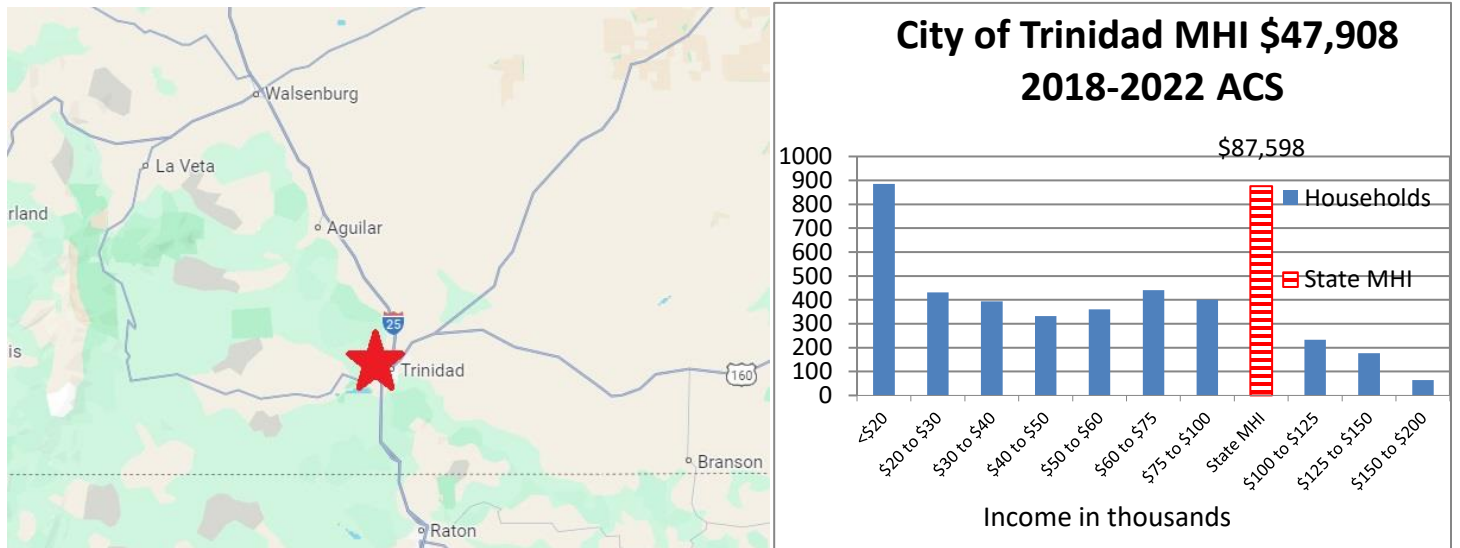
Recommendation:	APPROVAL	Project Budget	
Loan Request:	\$3,450,000	DWRF BIL Loan:	\$1,226,771
Interest Rate & Term:	2.50%, 20 years	DWRF BIL Principal Forgiveness:	\$2,223,229
Annual Debt Service:	\$78,321	2024 EIAF Grant:	\$1,000,000
Pledge:	Water Revenue	2023 ARPA:	\$1,000,000
Current Rate:	\$24.75	Water Fund Reserves	\$798,556
Estimated Rate Increase:	\$0.00	Total:	\$6,248,556

PROJECT DESCRIPTION: This project consists of either replacing or rehabilitating four water storage tanks and improvements to the distribution system.

COMMUNITY PROFILE:

City of Trinidad	2019	2020	2021	2022	2023	2024	Avg. Annual Change
City Population	8,442	8,332	8,342	8,289	8,251		-0.57%
Las Animas County Population	14,644	14,479	14,330	14,297	14,373		-0.47%
Las Animas County Jobs	6,946	6,740	6,772	6,901	6,774		-0.62%
Number of Water Taps		4,389	4,416	4,422	4,422	4,421	0.18%
Number of Sewer Taps		3,646	3,660	3,661	3,655	3,633	-0.09%
Assessed Value (\$000)		74,135	74,434	76,882	77,654	80,067	1.94%
Actual Value (\$000)		482,984	517,341	620,694	581,991	680,825	8.96%

BORROWER BRIEF: The City is located in southeastern Colorado about 76 miles south of Pueblo and about 12 miles north of the Colorado/New Mexico state line along the I-25 corridor in Las Animas County.



RECOMMENDATION: The City serves small urban community in Las Animas County just north of the New Mexico border. This proposed loan is necessary for the City to continue to meet state standards for providing safe drinking water and mitigate the worsening condition of the four aging storage tanks. The City is in a very strong position to take on the proposed debt and has also received significant financial support for this project totaling \$2,000,000. We therefore recommend the DWRF Committee approve a \$1,226,771 disadvantaged community BIL Supplemental direct loan, and \$2,223,229 in BIL principal forgiveness to the City of Trinidad.

PROJECT SUMMARY:

System summary: The City is located in Las Animas County, Colorado. The City’s water system provides for the treatment, storage, and distribution of water throughout the City and a substantial part of the developed rural area outside the City.

Reason/need: Diver Inspection Reports from November 2020 showed that four water storage tanks are in poor to fair condition. The recommendations include immediate rehabilitation for three tanks, North, South, and Allendale, and the replacement of the Monument Lake Reservoir in order to continue to meet state standards for providing safe drinking water. The improvements to the distribution system are required to ensure water supply to residents is not interrupted as individual tanks are taken out of service to be repaired.

System Compliance: The City 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 total project cost included as contingency.

CURRENT INDICATORS:	2021	2022	2023	Weak	Average	Strong
Total Debt per Capita (\$):	534	525	510	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			658	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total Debt/Tap (\$):	1,008	983	951	>\$5,000	\$2,500-5,000	X <\$2,500
Total Debt + New Debt/Tap (\$):			1,228	>\$5,000	\$2,500-5,000	X <\$2,500
Current Water Debt/Tap (\$):	419	392	364	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current Water + New Water Debt/Tap (\$):			641	>2,000	\$1,000 - 2,000	X <\$1,000
Total Debt/Assessed Value:	5.98%	5.66%	5.41%	>50%	25-50%	X <25%
Total Debt + New Water Debt/Assessed Value:			6.99%	>50%	25-50%	X <25%
Total Debt/Actual Value:	0.86%	0.70%	0.72%	>10%	5-10%	X <5%
Total Debt + New Water Debt/Actual Value:			0.93%	>10%	5-10%	X <5%
Curr. Water Debt + New Debt/Tap/MHI:			1.34%	>20%	10-20%	X <10%
Water Fund Current Ratio (CA/CL):	924%	966%	414%	<100%	100-200%	X >200%
Water Fund Reserves/Current Expense:	120%	144%	139%	<50%	50-100%	X >100%
Water Operating Ratio (OR/OE):	109%	117%	117%	<100%	X 100-120%	>120%
Coverage Ratio (TR-OE)/DS:	324%	277%	369%	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	324%	277%	369%	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			261%	<110%	110-125%	X >125%
Coverage Ratio with New Loan Excluding Tap Fees:			261%	<110%	110-125%	X >125%
Current Annual Water Rates/MHI:			0.62%	>3.0%	1.5-3.0%	X <1.5%
Curr. Water Rates + New Water Debt Service/MHI:			0.66%	>3.0%	1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:			147%	<25%	25-50%	X >50%
Total:			0		1	20

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, twenty are rated strong, one is average and zero are considered weak. Overall, the indicators illustrate a system in strong financial condition and well-positioned to take on the proposed loan, which indicators show to be affordable despite an increased debt burden.

- Based on 2023 financial information, coverage with the proposed loan is 261% without tap fee revenue. No additional annual revenue is projected to be necessary to meet the 110% coverage ratio requirement.
- Operating revenue has remained average over the past five years but has consistently covered expenses. Reserves, current ratio, and projected coverage ratio are all rated strong.
- The City’s water rates are comparatively low, however they remain sufficient to cover expenses and future debt. Rate increases of 3% are planned for 2025.
- Without principal forgiveness, the coverage ratio decreases to 171% without tap fee revenue. No additional annual revenue is projected to be necessary to meet the 110% coverage ratio requirement.

Additional Project Financing

In July 2024 the City was awarded an EIAF grant request of \$1,000,000. Additionally, the City received American Rescue Plan Act (ARPA) funds in 2023 and will use \$1,000,000 for this project. The City has also pledged \$798,556 in its water fund reserves for this project.

DESCRIPTION OF THE LOAN:

An estimated \$1,226,771 loan with a twenty-year term with two payments annually at an interest rate of 2.50% will cost the City approximately \$78,321 in debt service annually. The City also qualifies for \$2,223,229 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	>=	\$47,908	Yes	S1: County MHI	\$70,078	>=	\$48,965	Yes
P2: MHV	\$465,900	>=	\$185,000	Yes	S2: Ten Year % Change in Population	0.00%	>=	-5.68%	Yes
P3: County Unemployment	5.38%	<=	4.80%	No	S3: Assessed Value per Housing unit	\$24,963	>=	\$17,553	Yes
County Job Change	0.00%	>=	-0.82%	Yes	S4b: Current and Projected System Debt	0.30%	<	0.62%	Yes
					S4b: 80th Percentile	1.05%	<	0.62%	No
					S5b: Projected System Cost Per Tap to MHI	1.08%	<	1.66%	Yes
					S5b: 80th Percentile	1.63%	<	1.66%	Yes

Based on 2018-2022 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 not exceeding the 80th percentile, the City qualifies as a Category 1 DAC, and will receive a 2.50% interest rate.

BIL Principal Forgiveness Eligibility:

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The City scores 8.5 points as shown below.

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.71%	>	-0.57%	1
2a: County Job Change	0.00%	>	-0.82%	0.5
2b: County Unemployment	5.38%	<	4.80%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$87,598	>	\$47,908	1
	\$109,498	<		
4: Rates to MHI	0.81%	<	0.62%	0
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	52.83%	1
7: % Households Housing Burdened	50.00%	<	30.94%	0
8: % Population under 200% Poverty Level	40.00%	<	41.87%	1
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	64.19%	1
10: Meets DAC criteria	Yes		Yes	3
Total Points Scored:				8.5

The City 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 64.441%, the City qualifies for approximately \$2,223,229 in principal forgiveness, leaving an estimated loan of \$1,226,771.

ECONOMIC ANALYSIS: The City has a 2023 population estimated at 8,251 and has lost population at an average annual rate of 0.57% since 2019. Las Animas County has experienced a decrease of 0.47% in population since 2019. The state population increased at an average annual rate estimated 0.71%.

The region's economy is dominated by retirees, regional services, agriculture, government, and tourism. The region's largest job sectors reflect the region's economy and are government, retail, health services, agriculture, and accommodation and food services. The region is the site of Colorado's newest state park; Fisher's Peak State Park opened in late 2020.

The area's largest employers consist of the Trinidad Correctional Facility with 500 employees, Mt. San Rafael Hospital with 256 employees, City of Trinidad with 189 employees, Las Animas County with 150 employees, and Trinidad State Junior College with 148 employees.

Four customers account for more than 3% utilization: Colorado Department of Corrections-Trinidad Correctional Facility at 4.00% of total water usage and 5.80% of system revenues, El Moro-Hoehne Pipeline Association with 3.78% of system revenues, Santa Fe Trail Property Owners Association with 3.62% of system revenues, and Sunflower Valley Pipeline Association with 3.17% of system revenues.

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.

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

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

Organizational Structure

The City is a home rule municipality governed by a council/mayor form of government and was incorporated in 1876. The City provides services including police and fire protection, water and wastewater services, public works services, cemetery, and parks and recreation services. Approximately 14 full-time employees staff the water utility, excluding the billing office. The water utility is overseen by the Water Utilities Director, who reports to the City Manager, who reports to the City Council.

- The City has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The City maintains general liability insurance coverage through the Colorado Intergovernmental Risk Sharing Agency (CIRSA).
- There are currently 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 financial requirements needing follow up by the City.

Capital Improvement Plan

The City does not currently have a Capital Improvement Plan (CIP), however, one is planned by 2026. The City identified a capital outlay budget of about \$300,000 annually for various future operations & maintenance projects to be funded from water fund revenues through 2046 following the replacement or rehabilitation of the four water storage tanks. Other projects identified after 2026 include several water infrastructure improvements including the Old Soprs Road Transmission Line and Stonewall Street Water Line. These projects have not yet been funded and the City plans to rely on reserves, grants, or possibly loans.

Intergovernmental

The City maintains a total of seven agreements with municipalities, water associations, and public non-profits (PNPs):

- The City has a 1980 water purchase contract with the Town of Starkville (the "Town"), and signed a new agreement on May 3, 2022. Under this agreement, the Town serves as a consecutive system, purchasing treated water from the City and conveying it to Town customers. Taps served by the Town are limited to 80. The Town is responsible for the maintenance of its own system and pays a master meter rate set by City ordinances. The IGA continues in perpetuity, unless the City ceases to own the water main that serves the Town.

- The City has a 2023 master meter contract with the Sunflower Valley Pipeline Association (“SVPA”). Under this agreement, the City agrees to deliver water to SVPA for domestic, livestock, and fire protection uses only for the 203 single family residences. The IGA continues in perpetuity.
- The City has a 1998 water purchase contract with the Santa Fe Trail Ranch Metropolitan District (“SFTRMD”), and signed a modified agreement in 2008. Under this agreement, the City agrees to furnish potable treated water meeting applicable purity standards of the Colorado Department of Health and to reserve sufficient water taps to accommodate the maximum build out of homes (449 tracts). The IGA was renewed in 2023 and continues in perpetuity.
- The City has a 1981 water purchase contract with the Pinon Water and Sanitation District (“PWSD”), and signed the seventh amendment in to the agreement in 2018. Under this agreement, the City agrees to furnish water from its water supply distribution system and to reserve sufficient water taps. The contract’s amendments have revised that number with new development. Through the seventh amendment, the City agrees to reserve future purchases of four additional ¾” residential water taps within the Pinon Ridge No. 1 Subdivision, possibly extending the total from 25 to 29. All residential water taps reserved are subject to the provisions in Chapter 12, Article 5, of the City’s code. This contract may be renewed or extended for three subsequent periods of ten years; each such period of ten years being referred to as an extended term. While it expired in 2021, the City continues to provide services and receives payment from PWSD.
- The City has a 1981 water purchase contract with the Colorado Canyon Water Association (the “CCWA”). Under this agreement, the City agrees to furnish the CCWA potable treated water meeting applicable purity standards of the State of Colorado in such quantity as may be required by the CCWA and limited to four household service lines. The number of service lines may be increased only by written consent of the City. The IGA’s initial term of 10 years was renewed several times, most recently in 2023 and continues in perpetuity.
- The City has a 1978 water purchase agreement with the Chicosa Water Users Association (the “CWUA”). Under this agreement, the City agreed to furnish CWUA potable treated water meeting CDPHE standards in a quantity not to exceed 20 residential taps with a maximum meter size of ¾”. The IGA was renewed in 2018 and continues in perpetuity.
- The City has a 1977 water purchase contract with the Greetville-Carbondale Water Association (“GCWA”), and signed a modified agreement in 1991. Under this agreement, the City agrees to furnish potable treated water meeting applicable purity standards of the Colorado Department of Health in such quantity as may be required by GCWA limited to the use of 66 domestic service lines and taps. While it expired in 2017, the City continues to provide services and receives payment from GCWA.

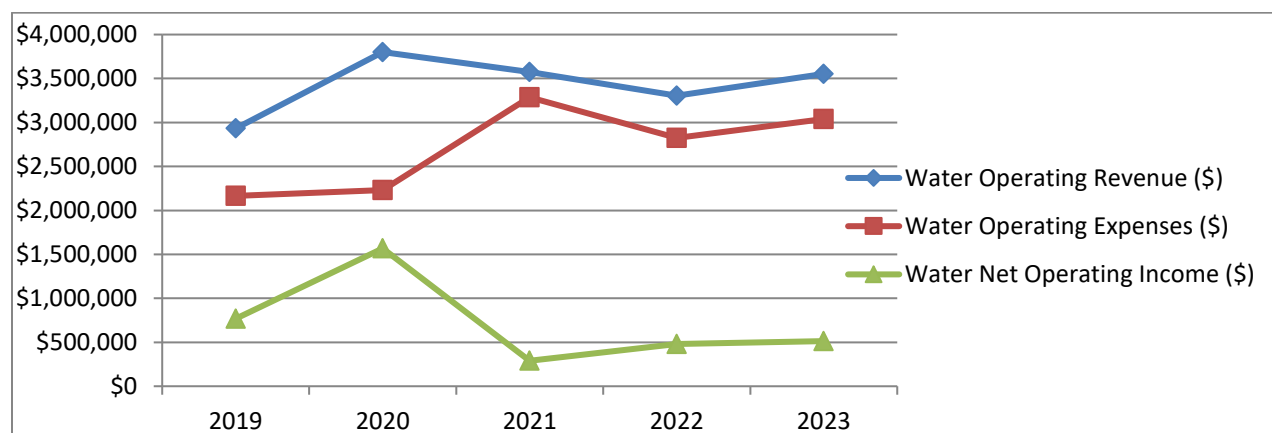
REVENUE ANALYSIS:

Operating revenue peaked in 2020, then decreased slightly the next two years before increasing again in 2023. While charges for service have remained relatively consistent, “Other” revenue experienced fluctuations correlating with the City’s revenue trends, in particular marijuana cultivation fees. Additional “Other” revenue includes: miscellaneous jobbing, water resale, and water leases, among other items. From 2020-2023, the marijuana cultivation fee specifically accounted for about 35% of the operating revenue, but is expected to decline after City Council reduced the assessment fees in 2023. Overall, the operating ratio has averaged a strong 130%.

Water operating expenses have followed a similar pattern as operating revenues, with the exception of 2020, where expenses remained similar to 2019 but revenue rose considerably. Operating expenses have fluctuated by transfers out of the water fund to the City’s general fund and other business funds for infrastructure improvements, in part to the marijuana cultivation fees collected. In 2021, operating expenses peaked along with the total amount transferred out, thus explaining the significant increase experienced that year. Moving forward operating and expense ratios are expected to remain consistent.

TRENDS	2019	2020	2021	2022	2023	2024
Monthly Water Rate (\$)		16.50	16.50	16.50	24.75	24.75
Monthly Sewer Rate (\$)		48.02	48.02	48.02	53.17	53.17
Residential Water Tap Fee (\$)		1,200	1,200	1,200	3,000	3,000
Residential Sewer Tap Fee (\$)		1,500	1,500	1,500	2,000	2,000
Total Water Revenue (\$)	2,992,742	3,845,150	3,591,751	3,343,716	3,741,278	
Tap/Development Fees (\$)	0	0	0	0	0	
Water Operating Revenue (\$)	2,932,544	3,800,660	3,575,849	3,303,110	3,552,185	
Water Operating Expenses (\$)	2,165,203	2,232,942	3,285,955	2,824,023	3,039,000	
Water Net Operating Income (\$)	767,341	1,567,718	289,894	479,087	513,185	
Water Debt (\$)	1,937,352	1,874,090	1,851,785	1,733,829	2,015,620	
Total Debt (\$)	5,148,873	4,559,671	4,452,005	4,348,623	4,204,416	
Water Debt Service (\$)	161,542	137,049	94,269	187,932	190,501	
Water Debt Service/Tap/Month (\$)		2.60	1.78	3.54	3.59	
Water Fund Reserves (\$)	5,709,842	4,609,993	4,071,648	4,334,007	4,477,210	

Ratios	2019	2020	2021	2022	2023	Average
Operating Revenue as % of Total Revenue	98%	99%	100%	99%	95%	98%
Operating Revenue as % of Expenses	135%	170%	109%	117%	117%	130%
Tap Fee Revenue as % of Total Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



Recent Rate Increases

The City's most recent rate increases of \$8.25 for water and \$5.15 for sewer were both implemented in May 2023.

User Charges

The City's current monthly water rate is estimated at \$24.75 compared to the 2022 estimated state median of \$59.19. The City's average monthly water rate is based on typical residential/small commercial consumption of 6,264 gallons per month. Residential users pay a \$24.75 base rate up to 7,500 gallons and a volume charge of \$3.30 per 1,000 gallons for consumption above 7,500 gallons. Residents outside the City pay a \$41.25 base rate up to 7,500 gallons and a volume charge of \$5.50 per 1,000 gallons above 7,500 gallons.

Large commercial and large residential customers in the City are charged increasing base rates size and a volume charge of \$3.30 per 1,000 gallons above varying minimum consumption thresholds. Base rates and minimum consumption amounts range from \$43.32/13,125 gallons (1 1/2" meter) to \$1,237.50/375,000 gallons (8" meter).

Large commercial, industrial, and water associations outside the City are charged increasing base rates size and a volume charge of \$3.30 per 1,000 gallons above varying minimum consumption thresholds. Base rates and minimum consumption amounts range from \$86.63/13,125 gallons (1 1/2" meter) to \$2,475/375,000 gallons (8" meter).

The City's current estimated average monthly residential sewer rate is \$53.17 compared to the 2022 estimated state median of \$41.23. The City's average monthly water rate is based on typical residential consumption of 6,297 gallons per month. Residential users pay a

\$38.50 base rate plus a volume charge of \$2.33 per 1,000 gallons up to a maximum of 7,500 gallons. Residents outside the City pay a \$52.50 base rate plus a volume charge of \$2.33 per 1,000 gallons up to a maximum of 7,500 gallons.

Non-residential customers in the City pay monthly minimum sewer charge by water meter size up to a minimum consumption amount. A monthly incremental charge of \$3.84 per 1,000 gallons is assessed based upon 85% of the same month's metered water usage, above the minimum amount. Base rates and minimum consumption amounts range from \$38.50/7,500 gallons (5/8"-1" meter) to \$1,461.25/375,000 gallons (8" meter).

Commercial, industrial, and water associations outside the City pay monthly minimum sewer charge by water meter size up to a minimum consumption amount. The per month charge shall be the greater of the monthly minimum charge by water meter size or 85% of the same month's metered use calculated \$6.80 per 1,000 gallons. Base rates and minimum consumption amounts range from \$52.50/7,500 gallons (3/4"-1" meter) to \$2,905/375,000 gallons (8" meter).

Contributed Capital

The City has not collected tap fee revenue during the years examined and the tap fee has remained the same during these same years. The City's most recent water tap fee rate increase occurred in May 2023. Tap fees for both residential and commercial water and sewer are based on water meter size:

- Residential water tap fees range from (inside/outside City): \$3,000/\$4,500 (3/4" or smaller) to \$63,000/\$94,500 (4")
- Residential sewer tap fees range from (inside/outside City): \$2,000/\$3,000 (3/4" or smaller) to \$42,000/\$63,000 (4")

Current System Utilization		
	Usage	Revenue
Residential	45%	48%
Non-residential (per EQR)	55%	52%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
3/4"	\$24.75/\$3,000	\$53.17/\$2,000
3/4"	\$34.75/\$3,000	\$38.50/\$2,000

DEBT as of December 31, 2023

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2018	Equipment Lease Purchase Agreement	2033	Water Fund Revenues	\$2,015,620	3.84%	\$191,702

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

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

Prepared by: Peter Dieterich
Date: November 12, 2024

Project #: 142751D-S Cost Categories: 96% Construction – Storage 4% Construction – Transmission and distribution

November 15, 2024

DWRF Credit Report
City of Trinidad, Las Animas County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2023	8,251
Number of Water Taps/Customers - 2023	4,422
Total Assessed Valuation (in thousands) - 2023	\$77,654,000
Actual Value of All Real Property (in thousands) - 2023	\$581,991,000
Median Household Income (MHI) - 2023	\$47,908
Monthly Water Rate - 2023	\$24.75
Water Operating Revenue - 2023	\$3,552,185
Water Total Revenue - 2023 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$3,741,278
Water Tap and System Development Fee Revenue - 2023	\$0
Water Operating Expense - 2023	\$3,039,000
Water Current Expense - 2023	\$3,229,501
Water Debt - 2023	\$1,608,706
Total Debt - 2023	\$4,204,416
Water Fund Reserves - 2023	\$4,477,210
Water Debt Service - 2023	\$190,501
New Water Debt [Requested DWRF loan amount.]	\$1,226,771
Requested DWRF Loan Term	20
Requested DWRF Loan Interest Rate	2.50%
New Loan's Annual Water Debt Service (two payments annually)	\$78,321

Current Indicators (2023)

City of Trinidad

(Water)

1	Total Debt	\$4,204,416	÷	Population	8,251	=	\$510
	New Debt	\$1,226,771	÷	Population	8,251	=	\$149
	Total Debt + New Debt	\$5,431,187	÷	Population	8,251	=	\$658
2	Total Debt	\$4,204,416	÷	Number of Taps	4,422	=	\$951
	New Debt	\$1,226,771	÷	Number of Taps	4,422	=	\$277
	Total Debt + New Debt	\$5,431,187	÷	Number of Taps	4,422	=	\$1,228
3	Total Debt	\$4,204,416	÷	Assessed Value	\$77,654,000	=	5.41%
	New Debt	\$1,226,771	÷	Assessed Value	\$77,654,000	=	1.58%
	Total Debt + New Debt	\$5,431,187	÷	Assessed Value	\$77,654,000	=	6.99%
4	Total Debt	\$4,204,416	÷	Actual Value	\$581,991,000	=	0.72%
	New Debt	\$1,226,771	÷	Actual Value	\$581,991,000	=	0.21%
	Total Debt + New Debt	\$5,431,187	÷	Actual Value	\$581,991,000	=	0.93%
5	Current Water Debt	\$1,608,706	÷	Number of Taps	4,422	=	\$364
	(Current Water Debt + New Water Debt) / Number of Taps	\$641	÷	MHI	\$47,908	=	1.34%
6	Current Ratio (CA / CL)						
	Current Assets	\$5,904,525	÷	Current Liabilities	\$1,427,315	=	414%
7	Reserve/Expense Ratio						
	Reserves	\$4,477,210	÷	Current Expenses	\$3,229,501	=	139%
8	Operating Ratio (OR / OE)						
	Operating Revenues	\$3,552,185	÷	Operating Expenses	\$3,039,000	=	117%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	\$3,741,278	-				
	Minus Operating Expenses	\$3,039,000					
	=	\$702,278	÷	Current Debt Service	\$190,501	=	369%
	Coverage Ratio Excluding Tap and Development Fee Revenue						
10	Development Fee Revenue	\$702,278					
	Minus Tap and Development Fee Revenue	\$0					
	=	\$702,278	÷	Current Debt Service	\$190,501	=	369%
11	Projected Coverage Ratio						
	Total Revenues	\$3,741,278					
	Minus Operating Expenses	\$3,039,000					
	=	\$702,278		Total Debt Service (with new loan)	\$268,822	=	261%
	Projected Coverage Excluding Tap and Development Fee Revenue						
12	Development Fee Revenue	\$702,278					
	Minus Tap and Development Fee Revenue	\$0					
	=	\$702,278	÷	Total Debt Service (with new loan)	\$268,822	=	261%
13	Current Debt Service	\$190,501	÷	Number of Taps	4422	=	\$43.08
	Annual New Water Debt Service	\$78,321	÷	Number of Taps	4422	=	\$17.71
14	2023 Annual Water Rate (Monthly Rate x 12)	\$297.00	÷	MHI	\$47,908	=	0.62%
	2023 Annual Water Rate + New Annual Debt Service Per Tap	\$314.71	÷	MHI	\$47,908	=	0.66%
15	Current 2023 Monthly User Charge (Debt Service on DWRF Loan / 2023 Taps / Month)						\$24.75
	Total						\$1.48
	Total						\$26.23
16	Operation and Maintenance Reserve						
	Reserves	\$4,477,210	÷	Operating Expenses	\$3,039,000	=	147%

2024 SRF Disadvantaged Community Criteria

Loan Terms

Amount of Loan:	\$ 3,450,000
Interest Rate:	3.25%
Term (years):	20
Annual Payment:	\$ 235,944

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

	Benchmark	Applicant	Result	Notes on Data Used
Current Population (2022)	<= 10,000	8,251	Y	2023, 2019, and 2014 data
Population 5 years ago (2018)		8,442		
Population 10 years ago (2013)		8,748		
Primary Factors				
MHI (Place)	<= \$ 70,078	47,908	Y	
Margin of Error (MOE)	±	5,635	OK	
Reliability (CV)	<= 18.00%	7.15%	Y	
MHV (Place)	<= \$ 465,900	185,000	Y	
Margin of Error (MOE)	±	11,541		
Reliability (CV)	<= 18.00%	3.79%	Y	
24 Month Unemployment (County)	>= 5.38%	4.80%	N	
or 10 Year % Chng. Jobs (County)	<= 0.00%	-0.82%	Y	
Jobs (2022)		6,901		
Jobs (2013)		6,958		

Priority Factor Count 2

Secondary Factors

MHI (County)	<= \$ 70,078	48,965	Y	
Margin of Error (MOE)	±	3,893		
Reliability (CV)	<= 18.00%	4.83%	Y	
10 Year % Chng. Population	<= 0.00%	-5.68%	Y	
Assessed Value / Housing Unit	<= \$ 24,963	\$17,553	Y	
Assessed Value		77,654,089		
Total Housing Units		4424		
Current Debt / Tap / MHV	> 0.30%	0.20%	N	If MHV CV > 18%, calculate result at top of band Result
Current + Projected Debt/Tap/MHV	> 0.30%	0.62%	Y	
S4b 80th percentile	1.05%	0.62%	N	
System Full Cost / Tap / MHI	> 1.23%	1.80%	Y	If MHI CV > 18%, calculate result at top of band Result
Projected Rate @ 110% Coverage	> 1.08%	1.66%	Y	
S5b 80th percentile	1.63%	1.66%	Y	

Secondary Factor Count 4

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

Taps or EQR's	4,422
Total Debt	1,608,706
Principal & Interest	190,501
Operating Expenses (including operating transfers out)	3,039,000
Depreciation	779,919

DWRF Only

		Benchmark	Applicant	Points	Notes on Data Used		
Eligibility Criteria							
1		Population loss or growth is slower than the state's over 5 years	<=	0.71%	-0.57%	1.0	
		Current Population (2021)			8,251		
		Population five years ago (2017)			8,442		
2a		10 Year % County Job Change	>=	0	-0.82%	0.5	
2b		County 24 Month unemployment rate exceeds the state's plus 1%	>=	5.38%	4.80%	0.0	
3		Median Household Income	<=	\$ 87,598	47,908	1.0	If MHI CV > 40%, calculate result at top of band
		Reliability (CV)	>=	\$ 109,498		0.0	Result
			<=	40.00%	7.15%	Y	
4		Rates compared to MHI	>	0.81%	0.62%	0.0	If MHI CV > 40%, calculate result at top of band
W		Monthly Residential Rate	>		24.75		Result
<i>based on application only, needs to be confirmed</i>							
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%	52.83%	1.0	
7		% Population that are housing burdened is greater than 50%	>	50.00%	30.94%	0.0	
8		% Population under 200% Poverty Level is greater than 40%	>	40.00%	41.87%	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%	64.19%	1.0	
		% Population over 65 years old			22.32%		
10		Meets base program DAC criteria?			Yes	3.0	
BIL Eligibility Points						8.5	

2024 IUP DWRP Priority Point Calculations

Entity Name:	City of Trinidad
Date of Scoring	11/15/2024
SRF Phase:	Loan app
DOLA Score:	115
DAC:	DAC

Benchmarks

\$87,598 2018-2022 State MHI estimate

		Points	Entity Value	
P1	MHI		\$47,908	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)		1.656%	
	Rates are > 1.63%	45		
	Rates are between 1.08% and 1.63%	25		
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		0.62%	
	Debt is > 1.05%	45		
	Debt is between 0.30% and 1.05%	25		
S4b	Projected water & sewer debt (for combined systems)			
	Debt is > 2.15%	45		
	Debt is between 0.67% and 2.15%	25		
	Population served		8,251	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Between 5,000 and 10,000	5		
	>10,000	0		
S3	Assessed Value/Household		17,553	
	AV per household is < \$11,959	35		
	AV per household is between \$11,959 and \$24,963	20		
	AV per household is between \$24,963 and \$43,240	10		
	AV per household is greater than \$43,240	0		



Principal Forgiveness and Priority Point Scoring

Applicant:

DWRF or WPCRf: DWRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 64.441%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): \$2,223,229

Base DWRF Principal Forgiveness Scoring

DWRF

Water Quality & Public Health + CPDWR Compliance:	10
DOLA Affordability Score:	115
Total Score	125

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:	65
DOLA Affordability Score:	115
Total Score:	180



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 December 2, 2024

TO: Project Finance Committee and Karl Ohlsen

FROM: Jim Griffiths, Finance Director
 Austin Reichel, Financial Analyst II

RE: Review of the City of Fort Lupton Disadvantaged Community (“DAC”) Business Case
 Drinking Water Revolving Fund (“DWRF”)

The Division of Local Government has forwarded to the Authority its analysis of the above-listed project. 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:

City of Fort Lupton DAC Business Case

The City of Fort Lupton (the “City”), located in Weld County, is seeking approval of a DAC Business Case to allow for potential access to additional DWRF Bipartisan Infrastructure Law (“BIL”) Supplemental Principal Forgiveness (“PF”), and a reduced interest rate for the first \$3 million of repayable loan. The City intends to pursue a loan to construct an elevated storage tank, pump station, and distribution and transmission piping. The City narrowly missed qualifying for DAC status due to an MHI that was only slightly above the benchmark. Historically, the City’s MHI data has consistently been above the DAC threshold of 80% of state MHI; however, it is growing at a rate slower than that of the state and has been getting closer to the 80% benchmark over time. Furthermore, the impact of the proposed debt will pose a burden to this community that reports a recent record number of utility bill delinquencies and job loss.

<u>Factor</u>	<u>Entity Figures</u>	<u>Benchmark</u>	<u>Qualify?</u>	<u>Notes</u>
P1: MHI	\$71,293	<=\$70,078	N	+/- \$10,654; The City’s MHI exceeds the benchmarks with a reliable 9.08% CV.
P2: MHV	\$346,800	<=\$465,900	Y	
P3: County Unemployment or County Jobs	3.27% 24.24%	>=5.38% <=0%	N	
S1: County MHI	\$89,182	<=\$70,078	N	
S2: Population change	18.07%	<=0%	N	
S3: AV/Households	\$97,385	<=\$24,963	N	
S4a: Current system debt	2.83%	>0.30%	Y	
S5a: Current system cost	1.80%	>1.23%	Y	

Recommendation

Based on the attached Business Case for the City, staff provides no recommendation (neutral) to the Project Finance Committee for the City’s request for Category 1 DAC status and the corresponding potential access to additional BIL PF and a reduced interest rate, subject to limits, caps, maxes, and availability of funds in place at the time of loan approval.

Note: A Zoom conference call has been scheduled for **Monday, 9:00 a.m. December 2, 2024**. The link to join via online is: <https://us06web.zoom.us/j/84727090473?pwd=X8SbywtpdnOXtEmbuboBJY0Lc2ZSfz.1>. If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **847 2709 0473**. The passcode is: **378788**.

Attachments: City of Fort Lupton DWRF 2024 DAC Business Case and Request Letter

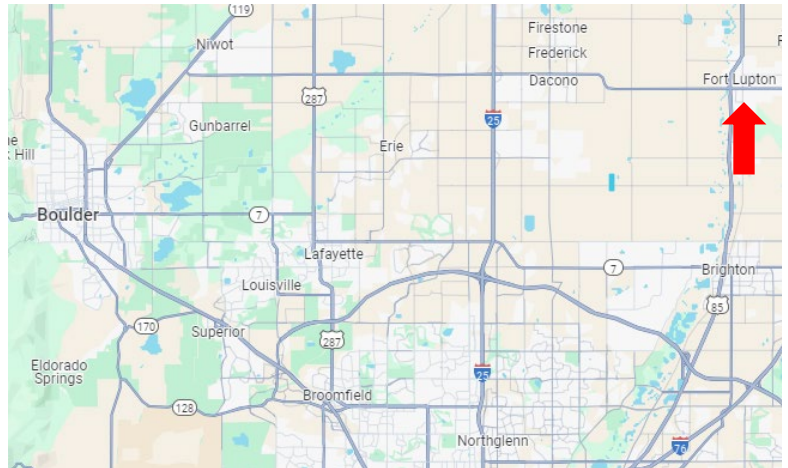
BUSINESS CASE REQUEST

City of Fort Lupton (the “City”), Weld County

Recommendation:	No Recommendation	<u>Project Budget</u>	
Est. Project Total:	\$13,990,000	DWRF Loan:	\$11,000,000
Est. Loan Request:	\$11,000,000	EIAF (Pending):	\$1,000,000
Pledge:	Water Revenue	Reserves:	\$1,990,000
Current Rate:	\$71.00	Total:	\$13,990,000

Project Description: The proposed project consists of constructing an elevated storage tank, pump station, and distribution and transmission piping.

Recommendation: The City narrowly missed qualifying for Disadvantaged Community (DAC) status due to an MHI that was only slightly above the benchmark. Historically, the City’s MHI data has consistently been above the DAC threshold of 80% of state MHI, but the City’s MHI is growing at a rate slower than that of the state and has been getting closer to the 80% benchmark over time. For these reasons, the City requested a business case for DAC status, which we forward to the CWRPDA board for consideration.



The City already qualifies for DWRF BIL supplemental funding, which includes a current principal forgiveness cap of \$1.5 million for non-DACs. If approved, the City will have access to additional DWRF BIL supplemental principal forgiveness, with a total cap of \$3 million for DACs, and a reduced interest rate for the first \$3 million of repayable loan.

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

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

<u>Factor</u>	<u>Entity Figures</u>	<u>Benchmark</u>	<u>Qualify?</u>	<u>Notes</u>
P1: MHI	\$71,293	<=\$70,078	No	+/- \$10,654; The City’s MHI exceeds the benchmarks with a reliable 9.08% CV.
P2: MHV	\$346,800	<=\$465,900	Yes	
P3: County Unemployment or County Jobs	3.27% 24.24%	>=5.38% <= 0%	No	
S1: County MHI	\$89,182	<=\$70,078	No	

BUSINESS CASE REQUEST
City of Fort Lupton (the “City”), Weld County

S2: Population change	18.07%	<=0%	No
S3: AV/Households	\$97,385	<=\$24,963	No
S4: Current system debt	2.83%	>0.30%	Yes
S5: Current system cost	1.80%	>1.23%	Yes

The City is currently eligible for BIL PF. The City’s funding package will ultimately depend on the amount of the loan request and availability of funds. However, based on current funding levels and PF caps/maxes, there are a few potential funding scenarios:

Scenario 1: \$11 million loan (no BIL or DAC PF; no funds available or ineligible).

Scenario 2: \$9.5 million loan; \$1.5 million BIL PF (BIL eligible, DAC business case rejected).

Scenario 3: \$8 million loan; \$3 million BIL PF; (business case approved; DAC eligible).

It should be noted that the requested loan amount is expected to change as the City moves through the design process, and the above scenarios are for illustration only.

At this time, it appears the City may not need to raise rates to meet the 110% coverage ratio requirement for the full \$11 million estimated loan amount.

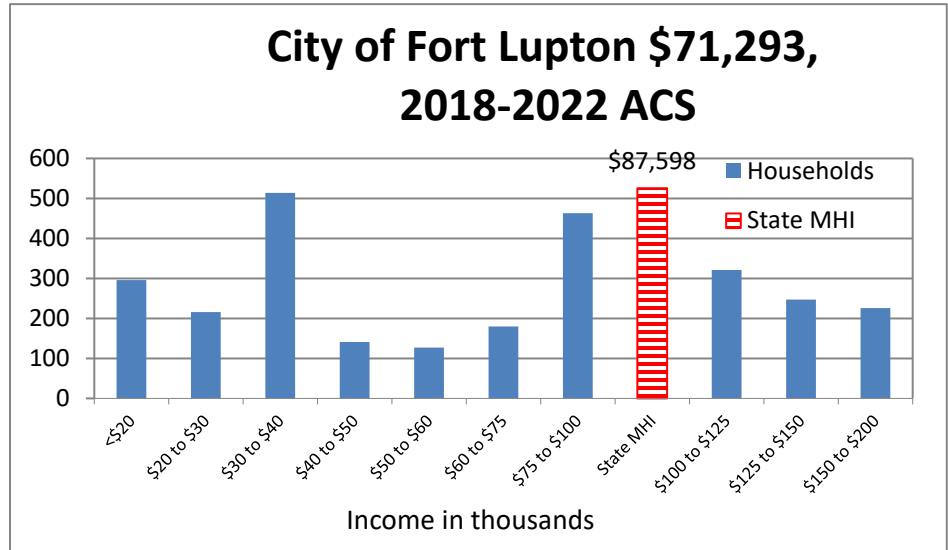
Explanation of Factors

Existing water debt as of December 31, 2023:

Executed	Lender	DAC?	Term End	Pledge	Outstanding	Interest Rate	Annual Payment
1997	Colorado Water Conservation Board	n/a	2037	Water Revenues	\$1,549,539	2%	\$124,688
2005	Colorado Water Resources and Power Development Authority Water Revenue Bond Program	n/a	2025	Water Revenues	\$325,000	4.625%	\$145,000
2017	Revenue Bond Issue	n/a	2047	Water Revenues	\$24,860,000	2 to 5%	\$110,000
2018	Bank of Colorado	n/a	2038	Water Revenues (CBT Shares)	\$4,591,591	4.95%	\$191,478

BUSINESS CASE REQUEST
City of Fort Lupton (the “City”), Weld County

P1: The City’s MHI exceeded the benchmark by \$1,215 and is considered highly reliable with a coefficient of variation (CV) of 9.08%. The full band of the City’s possible MHI is \$60,639 to \$81,947. This means that the Census Bureau has determined at the 90% statistical confidence level that the City’s actual MHI may fall anywhere in that band.



Looking at the City’s MHI trend, it appears the City’s MHI growth lags behind that of the state; the ratio of the City’s MHI relative to that of the state has decreased from 92% to 81% over the five most recent data sets. If this trend continues, the City’s MHI might be below the DAC benchmark in the ACS 19-23 dataset.

MHI History

ACS	MHI	MOE	CV	CO MHI	% of CO MHI
14-18	\$63,548	± \$6,072	5.81%	\$68,811	92%
15-19	\$63,646	± \$5,170	4.94%	\$72,331	88%
16-20	\$66,056	± \$8,656	7.97%	\$75,231	88%
17-21	\$68,295	± \$8,079	7.19%	\$80,184	85%
18-22	\$71,293	± \$10,654	9.08%	\$87,598	81%

P2: The City’s MHV has consistently been well below the benchmark, ranging from 67%-77% of the state MHV. While home values are increasing, the City is not experiencing the same boom in housing prices seen across the state.

MHV History

ACS	MHV	MOE	CV	CO MHV	% of CO MHV
14-18	\$210,800	± \$17,288	4.99%	\$313,600	67%
15-19	\$240,500	± \$18,471	4.67%	\$343,300	70%
16-20	\$284,100	± \$21,723	4.65%	\$369,900	77%
17-21	\$306,100	± \$16,376	3.25%	\$397,500	77%
18-22	\$346,800	± \$14,321	2.51%	\$465,900	74%

P3: Weld County (the “County”) has experienced job growth over the last 10-years and the 24-month unemployment rate was lower than the benchmark.

BUSINESS CASE REQUEST

City of Fort Lupton (the “City”), Weld County

The County’s largest job sectors are construction, manufacturing, retail trade, government, and health services. Correspondingly the base industries are commuters, agriculture, regional services, and retirees.

Commuters are defined as residents who commute to jobs outside the county. The high percentage of commuters combined with growth of jobs in the county and a low unemployment rate could indicate people are unable to find work closer to home, or it could reflect the low cost of living in the area.

The City provided additional information about their local economy. According to the City, Halliburton is the City’s largest employer and has slashed its local workforce by 56%, or about 677 jobs since 2020. Smaller employers have similarly reduced their workforces and the City’s Economic Development Office notes there was a reduction of about 930 jobs within the City between 2020 and 2024. These are crucial details that illustrate a declining local economy within a County that is not thriving based on job and unemployment data.

S1: The County MHI exceeded the benchmark.

S2: The City experienced approximately 18% population growth over the last 10-years.

S3: The City’s assessed value per housing unit exceeded the benchmark. This benchmark is typically expected to be met when a community has a lower MHV. In the City’s case, residential property comprises only about 22% of the total assessed valuation. The following categories drive the high assessed value:

- Oil & Gas 32%
- Commercial 17%
- Industrial 14%
- State assessed 14%

S4: With a score of 2.83%, the City meets this benchmark, which measures current debt per tap relative to MHV.

As the City looks to complete the drinking water project, it anticipates approximately \$11,000,000 in additional debt according to the project needs assessment. The loan request may increase or decrease depending on how project costs change prior to loan application. Using an estimated loan of \$11,000,000, the City will meet/exceed the S4b benchmark (0.30%) for this criterion at 3.83%.

S5: The City’s ratio of current system cost per tap compared to MHI, 1.80%, meets the benchmark, which measures system cost compared to MHI.

When including the projected debt of \$11,000,000, the City will meet/exceed the S5b benchmark (1.08%) for this criterion at 2.57%.

BUSINESS CASE REQUEST
City of Fort Lupton (the “City”), Weld County

Other Data: In the letter requesting this business case, the City noted several additional indicators of economic distress in the community.

- Record utility shut offs or delinquent accounts. As of October, approximately 9% of customers had bills delinquent from July or longer.
- Rising food insecurity as measured by use of the Fort Lupton Food and Clothing Bank. The food bank reported a 39% increase in demand for services between last year and this year.
- The CDC’s social vulnerability index score for the City, which is higher than 67% of Census tracts nationwide.

For more information, please see the City’s request letter and supporting document.

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

The City was deemed eligible for BIL principal forgiveness during the August 2, 2023 pre-qualification meeting and meets current criteria as well. 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. Additionally, a community with DAC status is automatically eligible for BIL principal forgiveness. The City scores 5 points using the following criteria:

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.71%	>	2.89%	0
2a: County Job Change	0.00%	>	24.24%	0
2b: County Unemployment	5.38%	<	3.27%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$87,598	>	\$71,293	1
	\$109,498	<		
4: Rates to MHI	0.81%	<	1.12%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	62.44%	1
7: % Households Housing Burdened	50.00%	<	32.13%	0
8: % Population under 200% Poverty Level	40.00%	<	41.01%	1
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	55.35%	1
10: Meets DAC criteria	Yes		No	0
Total Points Scored:				5

2024 SRF Disadvantaged Community Criteria

Loan Terms

Amount of Loan:	\$ 11,000,000
Interest Rate:	3.25%
Term (years):	20
Annual Payment:	\$ 752,284

Applicant:	
Test Result	N
	N
	N

	Benchmark	Applicant	Result
Current Population (2022)	<= 10,000	8,862	Y
Population 5 years ago (2018)		7,907	
Population 10 years ago (2013)		7,506	

Primary Factors

P1	MHI (Place)	<= \$ 70,078	71,293	N
	Margin of Error (MOE)	±	10,654	Sub
	Reliability (CV)	<= 18.00%	9.08%	Y
P2	MHV (Place)	<= \$ 465,900	346,800	Y
	Margin of Error (MOE)	±	14,321	
	Reliability (CV)	<= 18.00%	2.51%	Y
P3	24 Month Unemployment (County)	>= 5.38%	3.27%	N
	or 10 Year % Chng. Jobs (County)	<= 0.00%	24.24%	N
	Jobs (2022)		146,584	
	Jobs (2013)		117,983	

Priority Factor Count

1

Secondary Factors

S1	MHI (County)	<= \$ 70,078	89,182	N
	Margin of Error (MOE)	±	1,677	
	Reliability (CV)	<= 18.00%	1.14%	Y
S2	10 Year % Chng. Population	<= 0.00%	18.07%	N
S3	Assessed Value / Housing Unit	<= \$ 24,963	\$97,385	N
	Assessed Value		286,798,380	
	Total Housing Units		2945	
S4	Current Debt / Tap / MHV	> 0.30%	2.83%	Y
W	Current + Projected Debt/Tap/MHV	> 0.30%	3.83%	Y
	S4b 80th percentile	> 1.05%	3.83%	Y
S5	System Full Cost / Tap / MHI	> 1.23%	1.80%	Y
	Projected Rate @ 110% Coverage	> 1.08%	2.57%	Y
	S5b 80th percentile	> 1.63%	2.57%	Y

Secondary Factor Count

2

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

Taps or EQR's	3,189
Total Debt	31,326,130
Principal & Interest	2,101,906
Operating Expenses (including operating transfers out)	2,714,557
Depreciation	1,369,984



City Administrator
130 S. McKinley Avenue Phone: 720.466.6103
Fort Lupton, CO 80621 Fax: 303.857.0351
www.fortluptonco.gov

October 30, 2024

RE: Business Case for Requesting Determination of Disadvantaged Community status

Dear Members of the CWRPDA Board:

The City of Fort Lupton respectfully requests determination as a Disadvantaged Community. The demographics of our community have shifted dramatically in the last decade, creating many opportunities but also new challenges in meeting community needs.

MEDIAN HOUSEHOLD INCOME – PRIMARY FACTOR 1

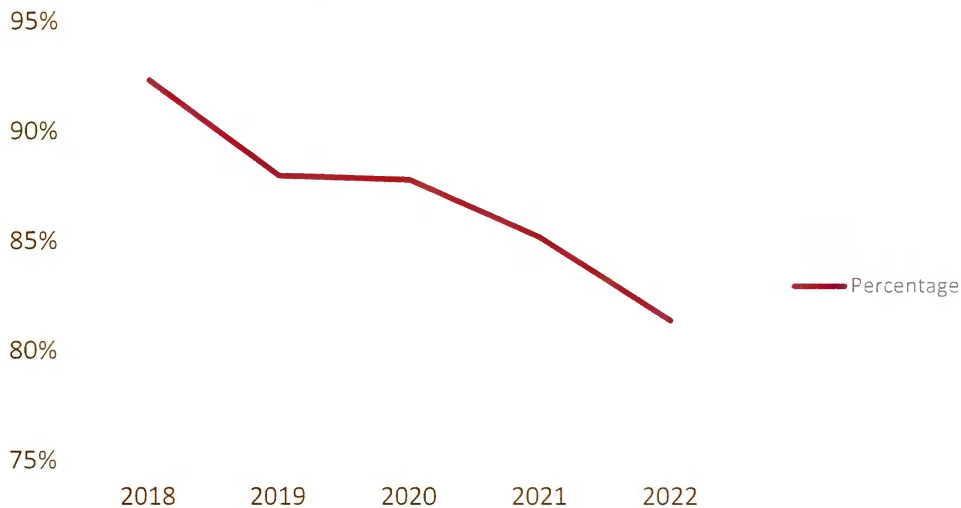
Currently, the City’s status as a Disadvantaged Community (DAC), hinges on one primary criterion: median household income (MHI). We are just on the cusp of meeting eligibility on this factor, and once we do, we fully meet the benchmarks used by DOLA to make the DAC determination.

Our business case to you is disadvantaged because the Census Bureau will not release 2023 ACS 5-year data until December 12, 2024 – one week after meeting at which you will be reviewing this letter.

We are confident that once 2023 data are available Fort Lupton will fully meet the MHI criterion for DAC status.

Over the last five years, Fort Lupton’s MHI as a percentage of the state’s MHI has been steadily declining. It’s now within 1.4 percentage points of meeting the threshold of 80% (see chart below). Since 2018, MHI in Fort Lupton has declined from 92.4% of the state MHI to 81.4%—a drop of 11 percentage points over four years.

Fort Lupton Median Household Income
As a Percentage of Colorado MHI



Source: U.S. Census Bureau, American Community Survey, 5-Year Averages

OTHER DATA AS EVIDENCE OF ECONOMIC CHALLENGES FACING OUR COMMUNITY

Job Losses

As a small community, a shift in just one major employer can ripple through the entire town. For years, Halliburton has been Fort Lupton's largest employer. Prior to the pandemic, their employment outstripped the next largest employer by more than 850 employees—or more than 10% of the City's population at the time. However, by 2024, Halliburton had slashed its workforce by more than half (56%), resulting in a loss of 677 jobs since 2020. We've seen smaller employers cut employment by 69% to 94%. In total, the City's Economic Development Office has documented more than 930 job losses in Fort Lupton from 2020 to 2024.

Burdensome Utility Bills

The City of Fort Lupton provides water and sewer to its residents. Because of state-mandated improvements to its water and wastewater systems, Fort Lupton residents are already burdened by some of the highest water and sewer rates—the median of \$127 monthly per household. This is greater than the State median of \$100 for the same utilities.

Record Shut-Offs

The burdensome high rates created a storm of people unable to pay their bills and record numbers of customers whose service was terminated due to non-payment. Service would be shut off once bills were 60 days past due, following several notices. In 2023, the City averaged more than 100 shut-offs—every single month! The process became so burdensome to Finance and Public Works staff, that it ceased shut-offs. Instead, all delinquent accounts are sent to the county where they appear as a special assessment on property tax bills. While this reduced the load on City staff and temporarily ensures that residents are able to keep their vital water and sewer service, it only postpones the economic burden for homeowners, who now must be able to pay their delinquent bills with their property tax. As of October this year, at least 277 customers had bills delinquent from July or older.

Increasing Numbers of Electric Customers Needing Assistance

Similarly, our colleagues at United Power have shared with us data on their customers who need LEAP or other assistance with their utility bills. These numbers more than doubled from 2021 to 2023. (Data for 2024 are not yet available.)

Food Insecurity on the Rise

Similarly, the Fort Lupton Food and Clothing Bank reports a significant increase in demand for services. For example, the number of food boxes distributed through October 24, 2024 is 57% higher than the number distributed through the entire month of October last year. The Food Bank served than 18,000 individuals in all 12 months of 2023, with almost 17,700 served already this year.* Year-to-date comparisons reveal that almost 5,000 more people have been served through October 24, 2024 versus through October 31, 2023, an increase of 39%. This aligns with data reported by the Weld County Food Bank, which has also reported a 40% increase in demand for food assistance.

Social Vulnerability Index

These factors help explain why Fort Lupton is categorized as experiencing a higher than average level of social vulnerability, according to the CDC/ATSDR Social Vulnerability Index.† The SVI index examines data at the Census tract level and on various factors. Overall, Fort Lupton's index is .67, which means that its

*Numbers are not unduplicated; they represent the number of persons per household served by each distribution.

†All information in this section is drawn from "Is the Fort Lupton Community Underserved?" produced for Weld County Department of Public Health and Environment, Oct, 2023; included with this request as an attachment. We are grateful for the Weld County Department of Public Health and Environment for sharing this research document with us.

vulnerability is higher than 67% of Census tracts nationwide. Broken down by certain household characteristics and racial & ethnic minority status, the indices average .74 and .79, respectively. The maps included in the Appendix illustrate how Fort Lupton and its surrounding areas experience the highest levels of social vulnerability in all of Weld County and other communities adjacent to Weld County.

Conclusion

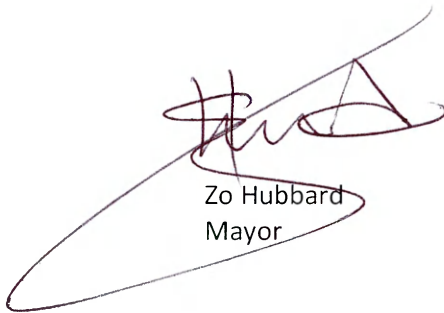
Not being recognized as a DAC means Fort Lupton’s pending SRF loan for essential water infrastructure projects would increase by at least \$1 million. This result would require the City to raise water rates even higher on its residents, requiring each to pay an additional \$330 over the life of the loan excluding the interest cost. In summary, not receiving \$1 million in loan forgiveness would result in additional hardship to Fort Lupton’s residents and small businesses at a time when they are still recovering financially from the pandemic and crippling inflation.

Based on these factors, we ask the CWRPDA Board to proactively assign Fort Lupton Disadvantaged Community status.

Sincerely,



Chris Cross
City Administrator



Zo Hubbard
Mayor

Is the Fort Lupton Community Underserved?

Payton Pohlman, MPH(c)
Weld County Department of Public Health and Environment
October 17, 2023

CDC/ATSDR Social Vulnerability Index

The CDC/ATSDR SVI utilizes U.S. Census information to establish social vulnerability by census tract. This measurement tool/database was created to quantify community needs to aid preparation and response efforts in the case of a public health emergency. The CDC/ATSDR SVI primarily measures variables related to socioeconomic status, household characteristics, racial and ethnic minority status, and housing type and transportation.

The CDC describes the SVI as the following, “A percentile ranking represents the proportion of tracts (or counties) that are equal to or lower than a tract (or county) of interest in terms of social vulnerability” (CDC, 2022). What this means in lay terms is that the closer the index is to 0, the less socially vulnerable it is; and the closer the index is to 1, the more socially vulnerable it is.

The mean social vulnerability index for Fort Lupton, as determined by individual census tracts that comprise the city, is **0.6739**. Weld County’s SVI is similarly 0.6667. Both Fort Lupton and Weld County are categorized as experiencing a **medium to high levels of vulnerability**. Though highly dependent on census tract, Fort Lupton is more prone to vulnerabilities related to household characteristics and racial & ethnic minority status as indicated by SVI averages 0.7441 and 0.7916, respectively.

HRSA Medically Underserved Area and Medically Underserved Population (MUA/P) & Health Professional Shortage Area (HPSA) Designations

The Health Resources & Services Administration (HRSA) is an agency of the U.S. Department of Health and Human Services that integrates data with external sources, like the U.S. Census Bureau, to provide data, maps, and reports about HRSA’s health care programs to the public (HRSA, 2023).

Medically Underserved Areas/Populations (MUA/P) categorize geographic areas and populations lacking access to primary care services (HRSA, 2023). Medically Underserved Areas (MUA) can include entire counties and groups of surrounding counties, civil or county divisions, and urban census tracts.

Medically Underserved Populations (MUP) entail a shortage of primary care services for an explicit population subgroup within a designated geographic area. An example of a MUP could include migrant farm workers in Weld County, Colorado.

A Health professional Shortage Area (HPSA) can be defined as a population, facility, or geographic area experiencing a shortage of primary, mental health, or dental providers (HRSA, 2023).

Fort Lupton is a **medically underserved community** as it is experiencing the following: **it is in a MUA/P and in a primary care, mental health, and dental health HPSA.**

**CENTERS FOR DISEASE CONTROL AND PREVENTION/AGENCY FOR TOXIC
SUBSTANCES AND DISEASE REGISTRY SOCIAL VULNERABILITY INDEX OF FORT
LUPTON, COLORADO**

Fort Lupton Census Tracts and CDC/ATSDR SVI Variables

Census Tract	Socioeconomic Status	Household Characteristics	Racial & Ethnic Minority Status	Housing type & Transportation	CDC/ATSDR SVI ranking variable for overall vulnerability
19.05	0.8052	0.5003	0.9074	0.8505	0.8274
19.06	0.7339	0.9197	0.865	0.4256	0.7568
19.09	0.2102	0.9951	0.8163	0.341	0.5863
19.10	0.8331	0.9853	0.7829	0.3843	0.8281
19.11	0.8785	0.7648	0.6959	0.4661	0.7736
19.12	0.2996	0.2994	0.682	0.2096	0.2711
AVERAGE	0.6266	0.7441	0.7916	0.4462	0.6739

CDC/ATSDR SVI Themes & Social Factors:

- Socioeconomic status (below 150% poverty, unemployed, housing cost burden, no high school diploma, no health insurance)
- Household characteristics (aged 65 or older, aged 17 or younger, civilian with a disability, single-parent households, English language proficiency)
- Racial and ethnic minority status (Hispanic or Latino (of any race); Black and African American, Not Hispanic or Latino; American Indian and Alaska Native, Not Hispanic or Latino; Asian, Not Hispanic or Latino; Native Hawaiian and Other Pacific Islander, Not Hispanic or Latino; Two or More Races, Not Hispanic or Latino; Other Races, Not Hispanic or Latino)
- Housing type & transportation (multi-unit structures, mobile homes, crowding, no vehicle, group quarters)

Source: https://www.atsdr.cdc.gov/placeandhealth/svi/at-a-glance_svi.html

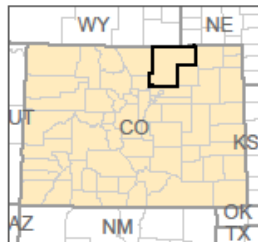
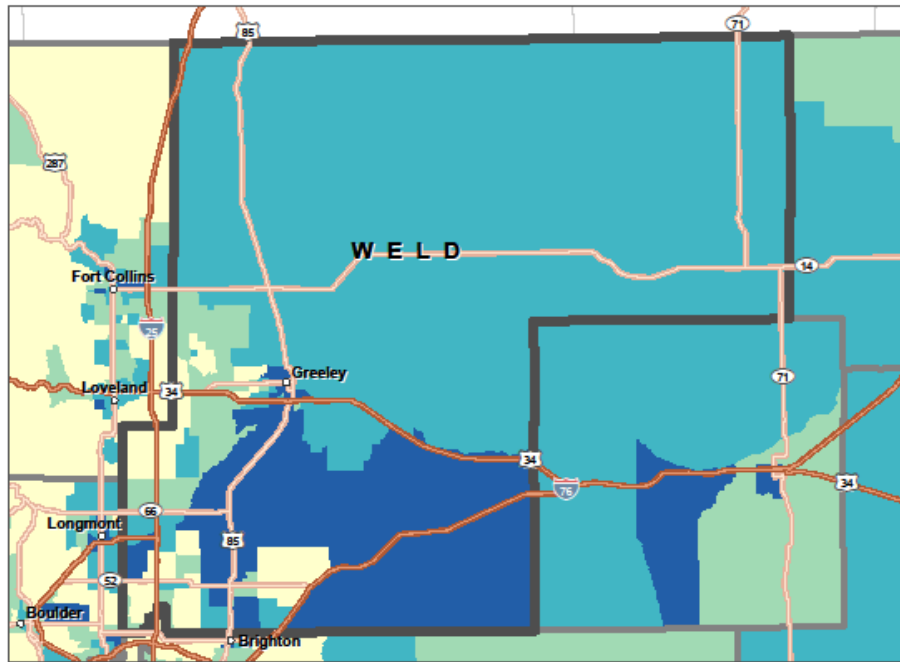
CDC/ATSDR Social Vulnerability Index 2020

WELD COUNTY, COLORADO



CDC/ATSDR SVI 2020 – WELD COUNTY, COLORADO

Overall Social Vulnerability¹



Social vulnerability refers to a community's capacity to prepare for and respond to the stress of hazardous events ranging from natural disasters, such as tornadoes or disease outbreaks, to human-caused threats, such as toxic chemical spills. The **CDC/ATSDR Social Vulnerability Index (CDC/ATSDR SVI 2020)² County Map** depicts the social vulnerability of communities, at census tract level, within a specified county. CDC/ATSDR SVI 2020 groups **sixteen census-derived factors** into **four themes** that summarize the extent to which the area is socially vulnerable to disaster. The factors include economic data as well as data regarding education, family characteristics, housing, language ability, ethnicity, and vehicle access. Overall Social Vulnerability combines all the variables to provide a comprehensive assessment.

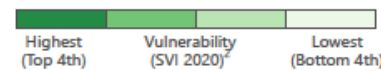
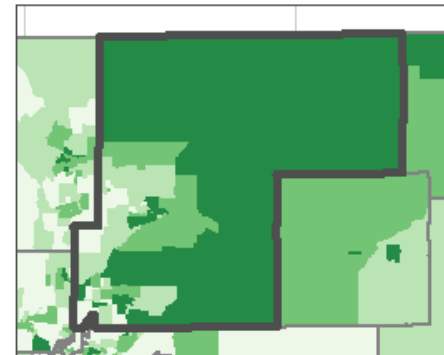


Geospatial Research, Analysis, and Services Program

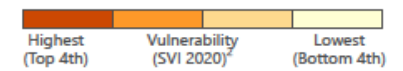
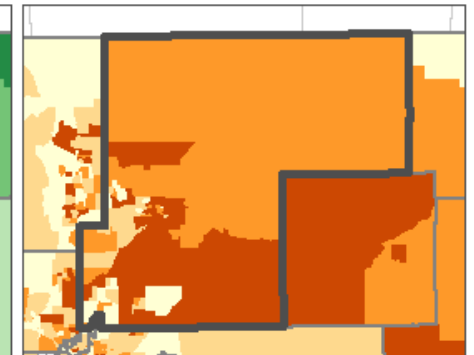
CDC/ATSDR SVI Themes



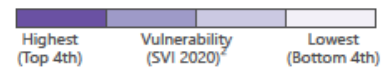
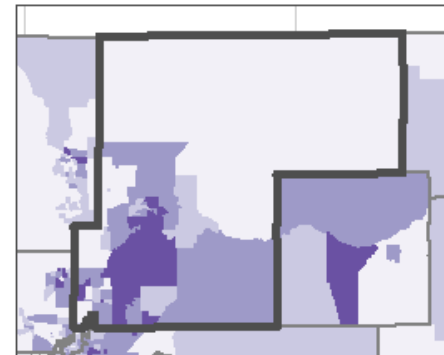
Socioeconomic Status⁵



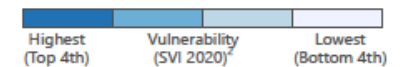
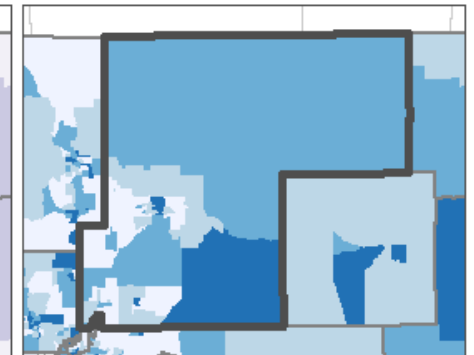
Household Characteristics⁶



Racial and Ethnic Minority Status⁷



Housing Type/Transportation⁸



Data Sources: ²CDC/ATSDR/GRASP, U.S. Census Bureau, Esri® StreetMap™ Premium.
Notes: ¹Overall Social Vulnerability: All 16 variables. ²Census tracts with 0 population. ³The CDC/ATSDR SVI combines percentile rankings of US Census American Community Survey (ACS) 2016-2020 variables, for the state, at the census tract level. ⁴Socioeconomic Status: Below 150% Poverty, Unemployed, Housing Costs Burden, No High School Diploma, No Health Insurance. ⁵Household Characteristics: Aged 65 and Older, Aged 17 and Younger, Civilian with a Disability, Single-Parent Household, English Language Proficiency. ⁶Race/Ethnicity: Hispanic or Latino (of any race), Black and African American, Not Hispanic or Latino; American Indian and Alaska Native, Not Hispanic or Latino; Asian, Not Hispanic or Latino; Native Hawaiian and Other Pacific Islander, Not Hispanic or Latino; Two or More Races, Not Hispanic or Latino; Other Races, Not Hispanic or Latino. ⁷Housing Type/Transportation: Multi-Unit Structures, Mobile Homes, Crowding, No Vehicle, Group Quarters.
Projection: WGS 1984 UTM Zone 13N.
References: Flanagan, B.E., et al., A Social Vulnerability Index for Disaster Management. *Journal of Homeland Security and Emergency Management*, 2011. 8(1).
 CDC/ATSDR SVI web page: <https://www.atsdr.cdc.gov/placeandhealth/svi/index.html>.

HEALTH RESOURCES & SERVICES ADMINISTRATION (HRSA) MEDICALLY UNDERSERVED AREA AND MEDICALLY UNDERSERVED POPULATION (MUA/P) DESIGNATIONS OF WELD COUNTY, CO

Overview		Type		Rural Status					
State/Territory	County Name	MUA/P Name	MUA/P ID	MUA/P Type	MUA/P Sub-Type	Rural Status	MUA/P Score	MUA/P Update Da..	Reset
Colorado	Weld County,..	All	All	All	All	All	All	All	

MUA/P by Rural Status



MUA/P Status Detail

State/Territory	County	MUA/P Name	MUA/P ID	MUA/P Type	MUA/P Sub-Type	Rural Status	MUA/P Sc..	MUA/P Update Date
Colorado	Weld	Weld Service Area	00456	Medically Un..	Medically Underserved Area	Partially Rural	61.3	05/03/1994

HEALTH RESOURCES & SERVICES ADMINISTRATION (HRSA) HEALTH PROFESSIONAL SHORTAGE AREA (HPSA) DESIGNATIONS OF WELD COUNTY, CO

Overview	Type	Score	Rural Status					
Discipline All	State/Territory Colorado	County Weld	HPSA ID All	HPSA Name All	HPSA Type All	HPSA Status All	Last Update Date All	Reset

HPSA Type

Discipline	HPSA Type	HPSA Sub -Type	Count
Primary Care	Facility	Federally Qualified Health Center	2
	Population Gro..	Low Income Population HPSA	2
Dental Health	Facility	Federally Qualified Health Center	2
	Geographic Area	Geographic HPSA	1
	Population Gro..	Low Income Population HPSA	1
Mental Health	Facility	Federally Qualified Health Center	2
	Geographic Area	Geographic HPSA	1
	Population Gro..	Low Income Population HPSA	1

HPSA Type by Discipline

Discipline	Facility	Geographic Area	Population Group	Total
Primary Care	2		2	4
Dental Health	2	1	1	4
Mental Health	2	1	1	4

HPSA Type Detail

State/Territory	County	HPSA ID	HPSA Name	Discipline	HPSA Type	HPSA Status	Last Update Date
Colorado	Weld	1084462569	LI Greeley Downtown	Primary Care	Population Group	Designated	02/18/2022
		1084815109	LI-Weld County	Primary Care	Population Group	Proposed For ..	09/10/2021
		1089990890	Plan De Salud Del Valle, Inc.	Primary Care	Facility	Designated	11/08/2021
		1089990891	SUNRISE COMMUNITY HEALTH	Primary Care	Facility	Designated	06/18/2021
		6081737559	Low Income - Weld County	Dental Health	Population Group	Proposed For ..	09/09/2021
		6087544246	Weld County	Dental Health	Geographic Area	Designated	09/09/2021
		6089990832	Plan De Salud Del Valle, Inc.	Dental Health	Facility	Designated	09/11/2021
		6089990833	SUNRISE COMMUNITY HEALTH	Dental Health	Facility	Designated	06/18/2021
		7083624910	Weld County	Mental Health	Geographic Area	Designated	09/10/2021
		7088702167	LI-Weld County	Mental Health	Population Group	Proposed For ..	05/24/2021
		7089990813	Plan De Salud Del Valle, Inc.	Mental Health	Facility	Designated	09/11/2021
		7089990814	SUNRISE COMMUNITY HEALTH	Mental Health	Facility	Designated	09/12/2021

HEALTH RESOURCES & SERVICES ADMINISTRATION (HRSA) FIND SHORTAGE AREAS BY ADDRESS OF FORT LUPTON, CO

Standardized address

130 S McKinley Ave, Fort Lupton, Colorado, 80621

HPSA Data as of 10/17/2023

MUA Data as of 10/17/2023

[+] More about this address

In a Dental Health HPSA: ✔ Yes

HPSA Name: Weld County

ID: 6087544246

Designation Type: Geographic HPSA

Status: Designated

HPSA Score: 9

Designation Date: 09/09/2021

Last Update Date: 09/09/2021

HPSA Name: Low Income - Weld County

ID: 6081737559

Designation Type: HPSA Population

Status: Proposed For Withdrawal

HPSA Score: 11

Designation Date: 09/06/2002

Last Update Date: 09/09/2021

In a Mental Health HPSA: ✔ Yes

HPSA Name: Weld County

ID: 7083624910

Designation Type: Geographic HPSA

Status: Designated

HPSA Score: 14

Designation Date: 05/24/2021

Last Update Date: 09/10/2021

HPSA Name: LI-Weld County

ID: 7088702167

Designation Type: HPSA Population

Status: Proposed For Withdrawal

HPSA Score: 13

Designation Date: 06/03/2010

Last Update Date: 05/24/2021

In a Primary Care HPSA: ✔ Yes

HPSA Name: LI-Weld County

ID: 1084815109

Designation Type: HPSA Population

Status: Proposed For Withdrawal

HPSA Score: 10

PC MCTA Score: NA

Designation Date: 03/20/1980

Last Update Date: 09/10/2021

In a MUA/P: ✔ Yes

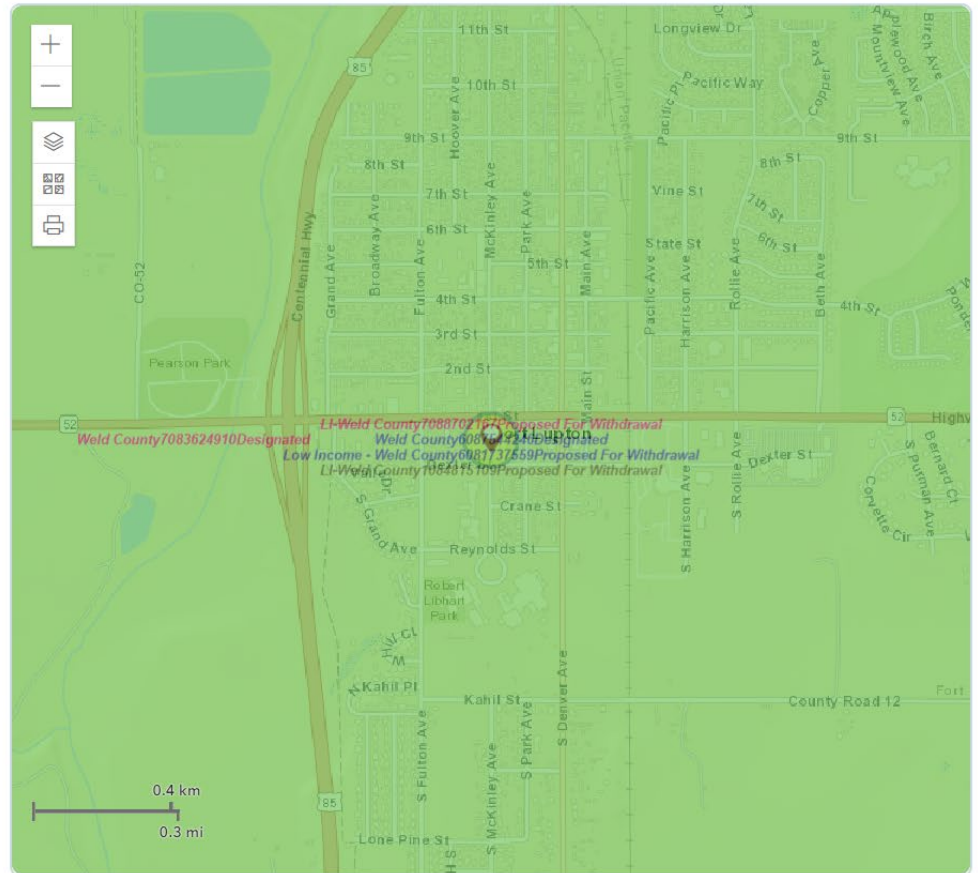
Service Area Name: Weld Service Area

ID: 00456

Designation Type: Medically Underserved Area

Designation Date: 06/03/1982

Last Update Date: 05/03/1994



Note: The address you entered is geocoded and then compared against the HPSA and MUA/P data in data.HRSA.gov. Due to geoprocessing limitations, the designation cannot be guaranteed to be 100% accurate and does not constitute an official determination. Please consult your program of interest to determine if a HPSA in "Proposed For Withdrawal" status will provide eligibility.

CDC/ATSDR SVI Spreadsheet Keys

SVI Variable	Theme	Column
RPL_THEME1	Socioeconomic Status theme	CG
RPL_THEME2	Household Characteristics theme	CN
RPL_THEME3	Racial & Ethnic Minority Status theme	CQ
RPL_THEME4	Housing Type & Transportation theme	CX
RPL_THEMES	CDC/ATSDR SVI ranking variable for overall vulnerability	CZ

Census Tract	Row
19.05	1404
19.06	1405
19.09	1406
19.10	1407
19.11	1408
19.12	1409

Sources

CDC/ATSDR SVI Interpretation: https://www.atsdr.cdc.gov/placeandhealth/svi/faq_svi.html

Census tracts determined at:

https://www2.census.gov/geo/maps/DC2020/DC20BLK/st08_co/cousub/cs0812391349_fort_lupton/DC20BLK_CS0812391349.pdf

2020 Colorado Dataset of Census Tracts (CSV file) found at:

https://www.atsdr.cdc.gov/placeandhealth/svi/data_documentation_download.html

2020 Colorado Interactive Map by County (displayed on page 3):

https://www.atsdr.cdc.gov/placeandhealth/svi/interactive_map.html

HRSA Information: <https://bhw.hrsa.gov/workforce-shortage-areas/shortage-designation>; <https://data.hrsa.gov/about>

Health Resources & Services Administration (HRSA) Medically Underserved Areas/Populations (MUA/P) (displayed on page 4): <https://data.hrsa.gov/topics/health-workforce/shortage-areas?tab=muapHeader>

Health Resources & Services Administration (HRSA) Health Professional Shortage Areas (HPSA) (displayed on page 5): <https://data.hrsa.gov/topics/health-workforce/shortage-areas?tab=muapHeader>

Health Resources & Services Administration (HRSA) Find Shortage by Address (displayed on pages 6 & 7): <https://data.hrsa.gov/tools/shortage-area/by-address>

*Address entered is the City of Fort Lupton Government Office at 130 S McKinley Ave, Fort Lupton, Colorado, 80621



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

December 6, 2024

TO: Board of Directors and Karl Ohlsen

FROM: Jim Griffiths, Finance Director
Austin Reichel, Financial Analyst II

RE: Drinking Water Revolving Fund (“DWRF”)
Town of Ridgway (“Town”) Additional Bonds Test (“ABT”) Waiver Request

On November 1, 2024, the Town of Ridgway executed a DWRF direct loan in the amount of \$650,000, at an interest rate of 3.25% for a term of 20 years (“2024 Loan Agreement”).

Pursuant to the 2024 Loan Agreement, the Town covenanted to not issue parity debt unless the Town could certify that Net Revenue (as defined in Paragraph (3) of Exhibit A to the 2024 Loan Agreement) for any 12 consecutive months out of the 18 months preceding, the net revenue was at least equal to the sum of (a) 110% of the maximum annual debt service due in any one year on both the 2024 Loan Agreement and all other outstanding parity obligations, as well as the proposed obligations to be issued, and (b) the maximum annual debt service due in any one year on all parity or subordinate obligations (the Additional Bonds Test, or “ABT”).

The Town has since applied for a loan from the Colorado Water Conservation Board (“CWCB”) to finance the bridge in potential state and federal grant and funding opportunities for design, repairs, and improvements to the Town’s damaged intake structure and transmission system, in addition to development of an interim water supply. The Town anticipates paying off the CWCB loan with proceeds from state and federal grant and long-term funding opportunities. The Town expects to enter into an interim construction loan with the CWCB, in an approximate amount of \$8,000,000 (the “Interim Loan”), which will be payable from Pledged Revenues on parity with the 2024 Loan Agreement. The Interim Loan will be structured such that it bears no interest for the 3-year period and principal loan repayment for any unpaid balances will be extended for a longer period (30-year term). The CWCB can extend the Interim Loan to a 30-year loan if the Town has not secured long-term funding after 3 years. Not receiving the ABT Waiver for the Town’s CWCB Interim Loan could impact the Town’s ability to move this project forward expeditiously.

This ABT waiver request only applies to the CWCB Interim Loan. Prior to issuing the Colorado Division of Homeland Security & Emergency Management and the United States Department of Agriculture Natural Resources Conservation Service Emergency Watershed Protection or extended 30-year CWCB amortizing loans, the Town will be required to certify that it has met the ABT covenanted to in the 2024 Loan Agreement. Staff is currently working with the Town’s Bond Counsel to mirror the waiver and consent request template language to previously Board-approved requests.

Enclosure: Town of Ridgway’s ABT Waiver and Consent Request Letter



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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

MEMORANDUM

December 5, 2024

TO: Board of Directors and Karl Ohlsen

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

RE: 2025 Interest Rate Recommendations
Water Pollution Control Revolving Fund (“WPCRF”)
Drinking Water Revolving Fund (“DWRF”)
Authority Interim Loan Program (“Interim”)
Authority Small Hydro Loan Program (“SHLP”)

The Authority Board of Directors establishes and adopts loan rates each year.

The WPCRF and DWRF Intended Use Plans (“IUPs”) require annual adoption of rates. In addition, the Authority Board adopts the Interim and SHLP loan rates each year. The Interim and SHLP loan programs are Authority programs and not governed by the IUPs.

USDA Rural Development (USDA) and Colorado Water Conservation Board (CWCB) rates for comparison purposes are below:

CWCB 2024*	Interest Rates		USDA 2024*	Interest Rates
Low income	2.85%		Poverty rate	2.375%
Middle income	3.25%		Intermediate rate	3.125%
High income	3.65%		Market rate	3.875%
Hydroelectric	2.00%			

*Neither CWCB nor USDA uses interest income (admin fee) to cover the costs of operating their programs.

Recommendation: Staff recommends maintaining the following rates for 2025:

Loan type – Base WPCRF & DWRF	Existing 2024 rates	Recommended 2025 rate changes
Direct Loan (not a DAC)	3.25% (20yr); 3.50% (30yr)	No Change
DAC Category 1	2.50% (20yr); 2.75% (30yr)	No Change
DAC Category 2	1.50% (20yr); 1.75% (30yr)	No Change

Loan type: BIL WPCRF & DWRF (Emerging contaminant funding is 100% PF)	Existing 2024 rates	Recommended 2025 rate changes (same as Direct Loan)
BIL DWRF Lead Service Line Repl.	3.25% (20yr); 3.50% (30yr)	No Change
BIL DWRF General Supplemental	3.25% (20yr); 3.50% (30yr)	No Change
BIL WPCRF General Supplemental	3.25% (20yr); 3.50% (30yr)	No Change

* DACs get the reduced DAC interest rate for up to \$3 million of BIL repayable loan. For loans of over \$3 million, DAC’s will receive the first \$3 million at the Category 1 or Category 2 rate and the remaining loan at the prevailing non-DAC Direct Loan interest rate.

Loan types – Interim Loan, SHLP, Leveraged Loan Subsidy	Existing 2024 rates	Recommended 2025 rate changes
Interim Loan	4.00% (up to 1 yr) & 1% on undrawn portion per annum	No Change
SHLP	2.00% (20 yr) 2.25% (30 yr)	No Change
Leveraged Loan Subsidy	70-85% of Authority’s AAA Bonds	No Change



COLORADO WATER RESOURCES POWER DEVELOPMENT AUTHORITY

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MEMORANDUM
December 6, 2024

TO: Board of Directors and Karl Ohlsen

FROM: Jim Griffiths, Finance Director
Wes Williams, Assistant Finance Director
Ian Loffert, Senior Financial Analyst II

RE: Drinking Water Revolving Fund (“DWRF”)
Bipartisan Infrastructure Law (“BIL”) and Base Program Principal Forgiveness (“PF”)
Limits and Recommended Changes – Semi-Annual Review

State Revolving Fund (“SRF”) Staff consistently reviews program demand, future projects and their estimated costs (“project pipeline”), and current, available levels of loan and PF funding. Staff has agreed to make PF limit recommendations at the June and December Board meetings, and additionally, as needed.

The DWRF Base capitalization grants for reference:

- 2022: \$13,846,000 (actual) – 26% must be provided as PF (\$3,599,960)
- 2023: \$8,650,000 (actual) – 26% must be provided as PF (\$2,249,000)
- 2024: \$8,164,000 (actual) – 26% must be provided as PF (\$2,122,640)
- 2025: \$8,164,000 (estimated) – 26% must be provided as PF (\$2,122,640)

The DWRF BIL Supplemental capitalization grants for reference:

- 2022: \$35,550,000 (actual) – 49% must be provided as PF
- 2023: \$36,884,000 (actual) – 49% must be provided as PF
- 2024: \$40,265,000 (actual) – 49% must be provided as PF
- 2025: \$45,000,000 (estimated) – 49% must be provided as PF

The DWRF BIL Lead Service Lines capitalization grants for reference:

- 2022: \$56,015,000 (actual) – 49% must be provided as PF
- 2023: \$32,600,000 (actual) – 49% must be provided as PF
- 2024: \$32,800,000 (actual) – 49% must be provided as PF
- 2025: \$33,000,000 (estimated) – 49% must be provided as PF

The DWRF BIL Emerging Contaminants capitalization grants for reference:

- 2022: \$14,927,000 (actual) – 100% must be provided as PF
- 2023: \$13,384,000 (actual) – 100% must be provided as PF
- 2024: \$13,384,000 (actual) – 100% must be provided as PF
- 2025: \$13,500,000 (estimated) – 100% must be provided as PF

Board Action: Staff recommends no changes to the DWRF PF Limits. The Board will consider this request on December 6, 2024.

Tranche of Funds (Approximate Amount of Remaining PF Available)	Current PF Limits	Staff Recommended PF Limits
DWRF Base (\$0)	\$1 million (DACs only)	No Change
DWRF BIL Supplemental (\$16 million)	\$3 million (DACs) \$1.5 million (BIL-eligible non-DACs)	No Change
DWRF Lead Service Lines (\$2 million)	\$10 million	No Change
DWRF Emerging Contaminants (\$9 million)	\$30 million	No Change



MEMORANDUM

To: SRF Committee
From: DAC Subcommittee
Date: November 21, 2024
Re: December Cap/Max Review/Recommendations

Background/ Reason and Need

To provide consistent messaging and be responsive to demand, SRF staff review and make recommendations regarding principal forgiveness (PF) caps and maxes at the June and December CWRPDA board meetings.

Recommendation: After reviewing the current PF limits and projects in the SRF pipeline and considering the imminent implementation of the new project prioritization process, the DAC subcommittee recommends no changes to the existing limits.

WPCRF BIL supplemental:

- **Current limit:**
 - DAC: \$1 million PF limit
 - BIL-eligible non-DAC: \$0 PF limit
- **Recommendation:** No change
- **Rationale:**
 - Estimated available PF until next cap grant: approximately \$6 million available*
 - Estimated project pipeline - \$33,485,000
 - Demand on this side of the program remains high. A \$1 million PF limit for DACs allows us to spread funding across more projects while still providing substantial PF. The recommendation to leave the limit for BIL-eligible non-DACs at \$0 is based on the limited funding in this pot. After November 8, 2024, there will no longer be any wastewater projects with a BIL-eligibility determination that are not also DACs, so we will not need to account for BIL-eligible non-DACs with future recommendations.

DWRF BIL supplemental

- **Current limit:**
 - DAC: \$3 million PF limit
 - BIL-eligible non-DAC: \$1.5 million PF limit
- **Recommendation:**
 - No change
- **Rationale:**
 - Estimated available PF until next cap grant: approximately \$16 million*

- Estimated project pipeline - \$132,500,000
- Reduced base program funding was considered when making the recommendation for this pot. Less funding in the base program means there is little to no additional subsidy available for PF. Leaving the DAC cap at \$3 million means DACs can still access up to \$3 million of PF, even if there is no PF available in the base program. Additionally, with less funding in the base program, it is more likely that base funding, PF and loan, will be exhausted and DACs and BIL-eligible non-DACs will rely more heavily on funding through this pot. There are 25 DACs, 18 non-DACs, and 10 projects without an eligibility determination in the pipeline through December 2025. While there is not enough available PF for all of the eligible projects in the pipeline, the recommended caps will help to spread the funds more widely and continue to fund projects out of the BIL pot when the base program loan and PF funds are exhausted. The \$3 million cap for DACs means around 5-6 projects could receive PF, or with the \$1.5 million cap for non-DACs means about 10-11 projects could receive PF, instead of just 3 or 4 projects taking all of the remaining PF.

DWRF Base

- **Current limit:** \$1 million PF limit
- **Recommendation:** no change
- **Rationale:**
 - Estimated available PF until next cap grant: \$0*
 - Estimated project pipeline - \$106,778,000
 - Due to the reduction of this capitalization grant, there is not likely to be any PF available in this pot. However, leaving the cap at \$1 million allows for more consistent and less confusing messaging than changing the limit at this time when no funds are available.

DWRF Lead Service Lines

- **Current limit:** \$10 million PF limit
- **Recommendation:** no change
- **Rationale:**
 - Estimated available PF until next cap grant: \$2 million*
 - Estimated project pipeline - \$37,500,000
 - The 2024 LSL Capitalization Grant is \$32,800,000. Three projects including LSL replacement (Denver Water, Englewood, and Greeley) have been approved and absorbed the 2022, 2023, and 2024 LSL funding. Two projects (Aurora and La Junta) are in the pipeline. Additional projects will be entering the pipeline based on the responses to the LSL inventory grant program as well as the LCR rule requirement for inventories completed in October 2024; therefore, setting a limit too low that prevents spend-down should not be a concern. As with the DWRF base program recommendation, leaving the cap at \$10 million allows for more consistent and less confusing messaging than changing the limit at this time when no funds are available.

DWRF Emerging Contaminants

- **Current limit:** \$30 million PF limit
- **Recommendation:** no change
- **Rationale:**
 - Estimated available PF until next cap grant: \$9 million*

- Estimated project pipeline - \$34,000,000
- We recommend retaining this limit because there are still not many emerging contaminants applications expected in the first half of 2025. Also, WQCD received additional grant funding for PFAS projects. Frisco has an EC project estimated at \$4 million and will apply in 2025. Thornton also has a project estimated at \$30 million and will also apply in 2025.

WPCRF Emerging Contaminants

- **Current limit:** No limit currently
- **Recommendation:** no change/no limit
- **Rationale:**
 - Estimated available funds until next cap grant: \$0*
 - Estimated project pipeline - \$0
 - No new limit is recommended because there are still no emerging contaminants applications expected in 2025 and because WQCD received additional grant funding for PFAS projects. Additionally, the program has transferred any available funds to the DWRF EC pot and will continue to do so going forward, unless a WPCRF EC project enters the pipeline.

Other Current Limits:

- **Per pot limit:**
 - BIL-eligible communities that do not also meet base program Disadvantaged communities criteria are limited to receiving BIL funding once from each of the following:
 - DWRF BIL Supplemental
 - DWRF Lead Service Line
 - DWRF Emerging Contaminants:
 - WPCRF Emerging Contaminants
 - Disadvantaged communities may fund projects multiple times using BIL funding
 - **Recommendation:** no change

*Remaining PF amounts include 2024 capitalization amounts, which have not been received as of 11/21/2024.

DWRF SET ASIDE UPDATE
November 25, 2024

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Admin	1997-2023 Base	\$ 17,421,704	\$ 0	100%
	2022 BIL Supplemental	\$ 1,422,000	\$ 15,530	99%
	2022 BIL Emerging Contaminants	\$ 597,080	\$ 147,369	75%
	2022 BIL Lead	\$ 2,166,450	\$ 1,885,482	13%
	2023 BIL Supplemental	\$ 1,475,360	\$ 1,475,360	0%
	2023 BIL Emerging Contaminants	\$ 535,360	\$ 535,360	0%
	2023 BIL Lead	\$ 1,304,000	\$ 1,304,000	0%
Totals		\$ 24,921,954	\$ 5,363,101	78%
SSTTA	1997-2021 Base	\$ 8,152,400	\$ 0	100%
	2022 Base	\$ 276,920	\$ 265,871	4%
	2022 BIL Supplemental	\$ 156,420	\$ 156,420	0%
	2023 BIL Supplemental	\$ 737,680	\$ 737,680	0%
	Totals	\$ 9,323,420	\$ 1,159,971	88%
PWSS	2000-2023 Base	\$ 33,103,428	\$ 0	100%
	2022 BIL Supplemental	\$ 782,100	\$ 0	100%
	2022 BIL Lead	\$ 2,100,000	\$ 0	100%
	2023 BIL Supplemental	\$ 2,600,000	\$ 1,949,607	25%
	2023 BIL Lead	\$ 3,260,000	\$ 3,035,563	7%
	2023 BIL Emerging Contaminants	\$ 1,000,000	\$ 938,097	6%
Totals		\$ 42,845,528	\$ 5,923,267	86%
Cap. Development	1997-2021 Base	\$ 34,108,980	\$ 0	100%
	2022 Base	\$ 1,384,600	\$ 519,111	63%
	2022 BIL Supplemental	\$ 782,100	\$ 0	100%
	2023 BIL Supplemental	\$ 2,600,000	\$ 2,600,000	0%
	Totals	\$ 38,875,680	\$ 3,119,111	92%
Well Head	1997-2021 Base	\$ 17,328,116	\$ 0	100%
	2022 Base	\$ 692,300	\$ 683,925	1%
	2022 BIL Supplemental	\$ 391,050	\$ 339,429	13%
	2023 BIL Supplemental	\$ 1,300,000	\$ 1,300,000	0%
	Totals	\$ 19,711,466	\$ 2,323,354	88%

Note: All set asides issued in 2014 and later are required to be spent within 3 years from the grant "date of award".



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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

MEMORANDUM

December 2, 2024

TO: Project Finance Committee and Karl Ohlsen

FROM: Jim Griffiths, Finance Director
Austin Reichel, Financial Analyst II

RE: Review of the Town of Limon
Water Pollution Control Revolving Fund ("WPCRF")

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

Town of Limon

The Town of Limon (the "Town"), located in Lincoln County, is seeking a Base & Bipartisan Infrastructure Law ("BIL") General Supplemental Disadvantaged Communities ("DAC") direct loan through the WPCRF loan program in the total amount of \$3,660,000 (comprised of a *\$1,741,633 Base Loan, *\$918,367 BIL Loan, and a *\$1,000,000 BIL Principal Forgiveness ("PF") loan). The project consists of replacing collection system piping, as well as adding and removing manholes. The sewer piping replacement is necessary due to back pitch, maintenance holes degradation, and over-capacity issues. The Town's project was authorized by SJR 04-003.

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 WPCRF Base & BIL General Supplemental DAC direct loan with the Town in the total amount of \$3,660,000 (comprised of a *\$1,741,633 Base Loan, *\$918,367 BIL Loan, and a *\$1,000,000 BIL PF loan). The loan will be for a term of 20 years, at an interest rate of 2.50%. The Board will consider this request on December 6, 2024.

* - 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 **Monday, 9:00 a.m. December 2, 2024**. The link to join via online is: <https://us06web.zoom.us/j/84727090473?pwd=X8SbywtpdnOXtEmbubobJY0Lc2ZSfz.1>. If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **847 2709 0473**. The passcode is: **378788**.

Attachment: Town of Limon 2024 WPCRF Credit Report

WPCRF LOAN CREDIT REPORT

Town of Limon ("The Town"), Lincoln County

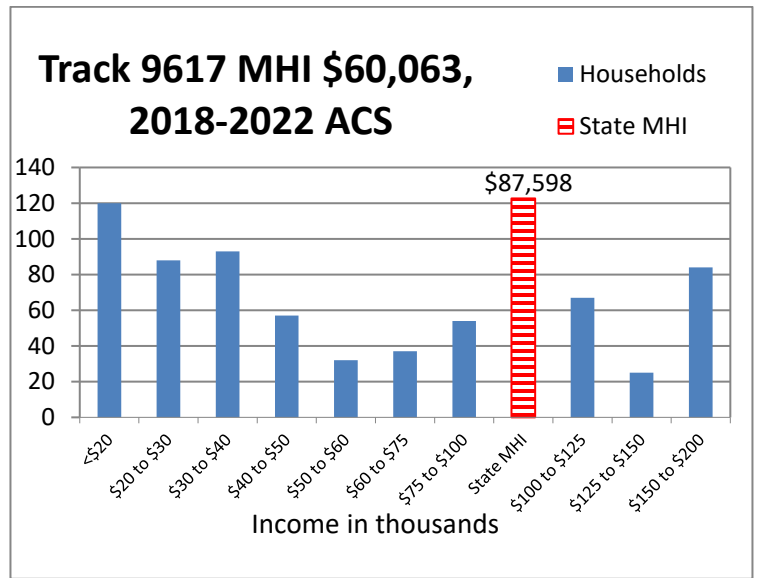
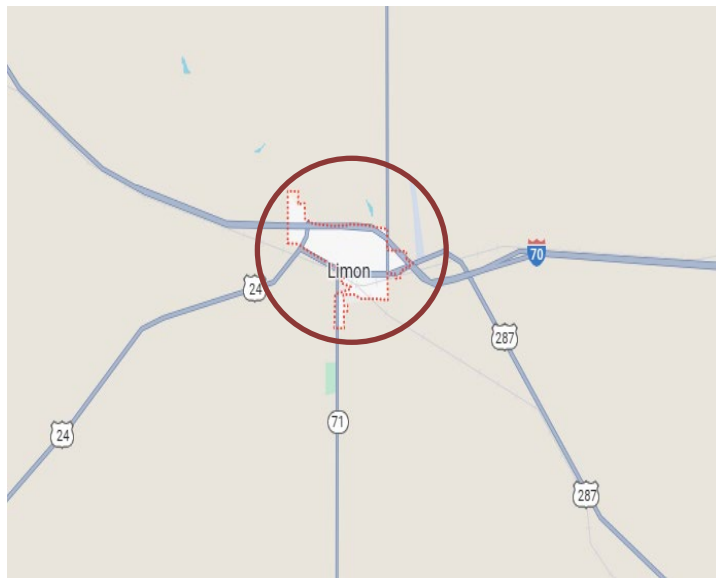
Recommendation:	APPROVAL	<u>Project Budget</u>	
Loan Request:	\$3,660,000	WPCRF Loans:	\$2,660,000
Interest Rate & Term:	2.5% & 20 years	WPCRF BIL Principal Forgiveness:	\$1,000,000
Annual Debt Service:	\$169,822	2024 Planning Grant:	\$10,000
Pledge:	Water and Sewer System Revenue	Total:	\$3,670,000
Current Rate:	\$43.42 (W) , \$16.69(S)		
Estimated Rate Increase:	\$39.68		

PROJECT DESCRIPTION: This project involves replacing a collection system piping and adding and removing manholes. The sewer piping replacement is necessary due to back pitch, maintenance hole degradation, and over-capacity issues.

COMMUNITY PROFILE:

Town of Limon	2018	2019	2020	2021	2022	2023	2024	Avg. Annual Change
Town of Limon Population	1,997	2,007	2,035	2,039	2,027	2,021		-0.17%
Lincoln County Population	5,621	5,642	5,662	5,470	5,513	5,500		-0.64%
Lincoln County Jobs	3,176	3,149	3,120	3,072	3,090	3,180		0.25%
Number of Sewer Taps		882	891	902	896	895	897	0.17%
Number of Water Taps		960	970	986	982	989	991	0.54%
Assessed Value (\$000)		20,505	22,574	23,280	26,704	26,415	29,079	6.54%
Actual Value (\$000)		119,088	148,236	151,346	180,399	180,170	204,768	8.41%

BORROWER BRIEF: Limon is a statutory town and the largest municipality in Lincoln County. It is situated about 89 miles east of Denver, at the junction of I-70 and U.S. Highways 24, 40, 71, and 287.



RECOMMENDATION: The Town of Limon serves a rural community in Lincoln County. The proposed loan is crucial for upgrading the sewer collection system. This project will replace approximately 4,630 feet of sewer pipes and involve the addition and removal of maintenance holes. The Town must replace these sewer pipes due to issues with back pitch, deteriorating maintenance holes, and over-capacity. Although the proposed loan may impose some debt burden on the community, the Town is increasing rates to help minimize this impact. Therefore, we recommend that the WPCRF Committee approve a \$1,741,633 Base disadvantaged community loan, a \$918,367 BIL loan, and \$1,000,000 in BIL principal forgiveness for the Town of Limon, contingent upon the Town increasing rates to meet the loan covenant requirements.

PROJECT SUMMARY:

System summary: The Town WWTF consists of four aerated lagoons, two polishing ponds, and a chlorine contact basin. Effluent is discharged into an unnamed tributary of the Big Sandy Creek Basin.

Reason/need: The collection system was originally constructed with vitrified clay pipe (VCP), but polyvinylchloride (PVC) and cast-iron pipe (CI) were installed as the Town expanded. The new piping will consist of 8, 12, or 15-inch PVC pipe and the new manholes will be precast concrete manholes. A new 24-inch steel casing will be installed under Highway 287 with a 15-inch carrier pipe.

System Compliance: The Town of Limon's Wastewater Treatment Facility complies with the conditions of its discharge permit, and the project is primarily intended to maintain compliance.

Project Delivery Method: Design/Bid/Build.

Contingency: 11% of the total project cost is included as contingency.

CURRENT INDICATORS:	2021	2022	2023	Weak	Average	Strong
Total Debt per Capita (\$):	3,679	3,490	3,248	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total + New Debt/Capita (\$):			4,561	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	8,316	7,896	7,357	X >\$5,000	\$2,500 - 5,000	<\$2,500
Total Debt + New Debt/Tap (\$):			10,329	X >\$5,000	\$2,500 - 5,000	<\$2,500
Current Sewer Debt/Tap (\$):	1,819	1,527	1,178	>\$2,000	X \$1,000 - 2,000	<\$1,000
Current W&S + New W&S Debt/Tap (\$):			4,150	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:	32.22%	26.49%	24.93%	>50%	25-50%	X <25%
Total Debt + New W&S Debt/Assessed Value:			35.00%	>50%	X 25-50%	<25%
Total Debt/Actual Value:	4.96%	3.92%	3.65%	>10%	5-10%	X <5%
Total Debt + New W&S Debt/Actual Value:			5.13%	>10%	X 5-10%	<5%
Curr. W&S Debt + New Debt/Tap/MHI:			8.46%	>20%	10-20%	X <10%
W&S Fund Current Ratio (CA/CL):	705%	638%	514%	<100%	100-200%	X >200%
W&S Fund Reserves/Current Expense:	222%	201%	164%	<50%	50-100%	X >100%
W&S Operating Ratio (OR/OE):	180%	153%	124%	<100%	100-120%	X >120%
Coverage Ratio (TR-OE)/DS:	163%	141%	74%	X <110%	110-125%	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	158%	129%	69%	X <110%	110-125%	>125%
Coverage Ratio with New Loan:			51%	X <110%	110-125%	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			47%	X <110%	110-125%	>125%
Current Annual W&S Rates/MHI:			0.38%	>3.0%	1.5-3.0%	X <1.5%
Current W&S Rates + New W&S Debt Service/MHI:			0.77%	>3.0%	1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:			230%	<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. The indicators suggest that the system is robust but is experiencing significant strain due to the proposed debt. The strong indicators show a high operating ratio, meaning the system has consistently adjusted its rates to cover rising expenses. Furthermore, the system has enough funds to meet both short-term and long-term obligations and substantial reserves. However, the weak indicators point out that the proposed debt is disproportionately high compared to the size of the system, which adds to the challenges associated with this debt.

- Although the operating ratio has decreased over the last five-years examined, the Town has consistently covered its operating expenses by a healthy margin.
- The Town has affordable rates compared to MHI when considering the addition of the total and proposed debt. Even though the proposed debt may burden the community, the Town has continuously increased rates to minimize the impact on the community.
- The Town maintains a strong operation and maintenance reserve of 230% based on the financials for 2023. This indicates that the introduction of unexpected expenses, such as repairs and maintenance, would not place an undue burden on the Town or the community. Additionally, the Town will be able to continue making the necessary payments on the proposed loan.
- Based on the 2023 financial information, the coverage with the proposed loan is 51%, including tap fee revenue. An additional annual revenue of approximately \$321,806, or \$29.90 per tap per month, is required to increase the coverage ratio to 110%.
- In January 2024, the Town received approval for a Drinking Water Revolving Fund (DWRF) loan of \$1,500,000. The total annual debt service for this loan will be \$95,764. Based on the approved loan and the financial information from 2023, the

projected debt coverage ratio decreases to 43%, including tap fee revenue. To comply with the covenant requiring a 110% debt coverage ratio, an estimated \$427,147 will be necessary, or approximately \$39.68 per tap per month.

- In October 2024, the Town enacted an ordinance to raise sewer rates by \$5, effective January 2025. After factoring in the proposed and approved DWRF debt, the estimated remaining rate increase is \$34.68 per tap per month, including tap fee revenue.
- In October 2024, the Town passed a resolution indicating its intent to make a final balloon payment in January 2025 for the Series 2012 water revenue and improvement bonds, which will free up approximately \$310,000 previously allocated for debt service.
- The Town has a pending \$1,000,000 DOLA Energy Mineral and Impact Assistance Fund (EIAF) grant request. If awarded, the Town plans to reduce the loan requested; the coverage for the proposed loan will increase to 57% with tap fee revenue. Additional revenue of approximately \$251,579, or \$23.37 per tap per month, would increase the coverage ratio to 110%.

Additional Project Financing

The Town has submitted an application to the Energy Impact and Mineral Assistance Fund (EIAF) for \$1,000,000. The application is currently pending, but the Town intends to reduce the requested loan amount if it is approved.

DESCRIPTION OF THE LOAN:

An estimated \$2,660,000 loans (\$1,741,633 Base loan and \$918,367 BIL loan) with a twenty-year term with two payments annually at an interest rate of 2.50% will cost the Town approximately \$169,822 in debt service annually. The Town also qualifies for \$1,000,000 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	>=	\$60,063	Y	S1: County MHI	\$70,078	>=	\$59,167	Y
P2: MHV	\$465,900	>=	\$233,900	Y	S2: Ten Year % Change in Population	0.00%	>=	4.70%	N
P3: County Unemployment	5.38%	<=	2.87%	N	S3: Assessed Value per Housing unit	\$24,963	>=	\$12,255	Y
County Job Change	0.00%	>=	3.90%	N	S4b: Curr. and Proj. System Debt	0.67%	<	4.41%	Y
					S4b: 80th Percentile	2.15%	<	4.41%	Y
					S5b: Proj. System Cost Per Tap to MHI	1.94%	<	2.83%	Y
					S5b: 80th Percentile	2.90%	<	2.83%	N

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 not exceeding the 80th percentile, the Town qualifies as a Category 1 DAC, and will receive a 2.50% interest rate.

BIL Principal Forgiveness Eligibility:

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

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.71%	>	0.37%	1
2a: County Job Change	0.00%	>	3.90%	0
2b: County Unemployment	5.38%	<	2.87%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$87,598	>	\$60,063	1
	\$109,498	<		
4: Rates to MHI	0.81%	<	1.33%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	10.55%	0
7: % Households Housing Burdened	50.00%	<	31.33%	0
8: % Population under 200% Poverty Level	40.00%	<	23.43%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	45.81%	0
10: Meets DAC criteria	Yes		Yes	3
Total Points Scored:				6

In order to qualify for BIL principal forgiveness, a community must qualify as a DAC. The Town meets the DAC scenario described above.

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

ECONOMIC ANALYSIS: The Town has a 2022 population estimated at 2,027 and has grown at an average annual rate of 0.37% since 2018. Lincoln County has experienced a decrease of 0.48% in population since 2018. The state population increased at an average annual rate estimated at 0.71%.

Agriculture, government, and regional government services dominate the region's economy. The region's most significant job sectors are government services, agriculture, and retail trade.

The area's largest employers are the Colorado Department of Correction, with approximately 100 employees; Limon Public School District RE-4J, with approximately 70 employees; TA Truck Stop, with 30 employees; the Town of Limon, with 25 employees; and MVEA, with 25 employees.

The Colorado Department of Corrections utilizes approximately 34% of the system's total usage and contributes about 13% of total revenue.

ORGANIZATIONAL ANALYSIS:**Bond Rating**

In 2021, Standard & Poor's rated the Town's debt, and it received an A rating.

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 and six-member board of trustees and was incorporated in 1909. The Town provides services including police and fire protection, water and wastewater services, public works services, and parks and recreation services. Approximately four full-time employees staff the water and sewer utility in addition to a contracted firm to perform operations, maintenance, and replacement. The water and sewer utilities are overseen by the Superintendent, who reports to the Town Manager, who in turn reports to the Town Board.

- The Town has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.

- The Town maintains general liability insurance coverage through 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.

Capital Improvement Plan

As part of the application process, the Town submitted a capital improvement schedule through 2050, which anticipates a capital outlay of \$13,073,000 for drinking water and wastewater system improvements, such as addressing nutrient regulations, paint storage tanks, rehabilitating the water treatment plant, and replacing well pumps, to be funded from loans, grants, and reserves.

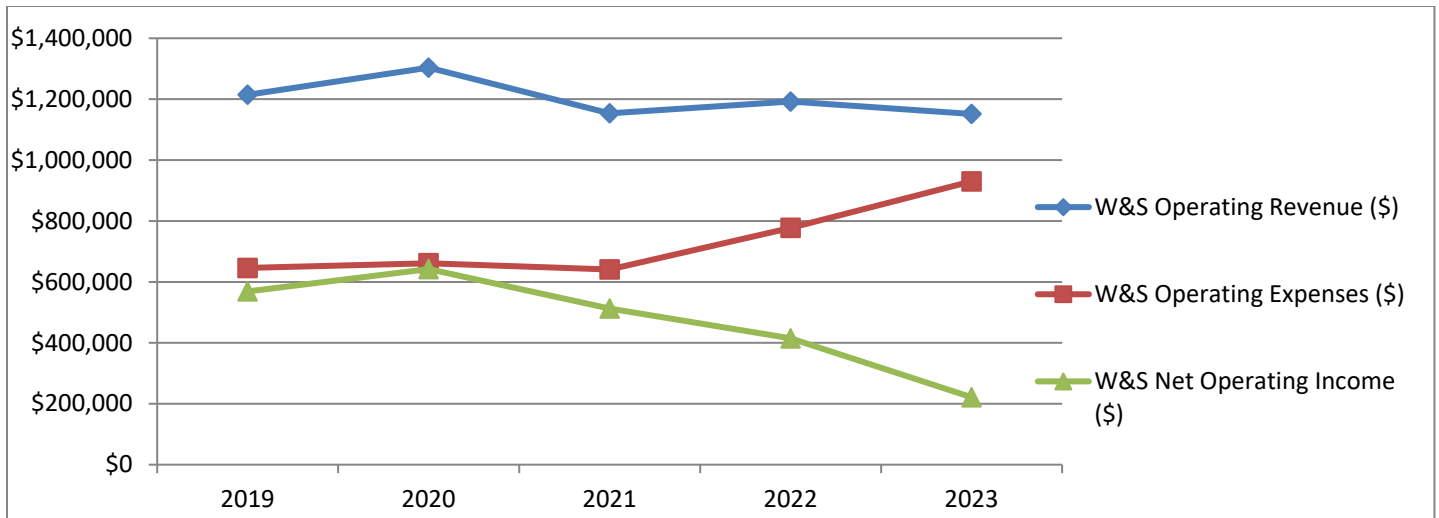
Intergovernmental

The Town maintains a 1991 intergovernmental agreement (IGA) with the State of Colorado Department of Corrections (DOC) regarding a wastewater service agreement to provide final collection, pre-treatment, conveyance, and final wastewater treatment services to the Limon Correctional Facility. Through this IGA, the DOC and the Town have established a dedicated capital reserve account to ensure the availability of required funds to provide preventative maintenance, with the DOC depositing funds every month in a dedicated reserve account. The contract remains in force until unilaterally terminated by the State of Colorado.

REVENUE ANALYSIS:

- Since 2016, the Town has increased water and sewer rates annually based on the previous year's Denver-Boulder Consumer Price Index. This practice will continue each year as mandated by Town Ordinance to maintain the 110% coverage ratio requirement throughout the life of the loan. Additionally, in October 2024, the Town passed an ordinance committing to a \$5 increase in the sewer rate.
- Operating expenses have increased by approximately 80% since 2020. This rise is largely due to higher maintenance costs resulting from the Town's meter replacement initiative. Additionally, salary costs associated with hiring maintenance contractors to meet the state requirements for maintaining a Water Treatment Class B license, given that the Town serves over 5,000 users, have increased. Furthermore, the Town has had to expand its staffing to locate maintenance holes and to cover the added equipment costs needed for this task.
- The Town has experienced a decrease in net income of 61%. As improvements in repairs are completed, the Town is expecting a decrease in operating expenses.

TRENDS	2019	2020	2021	2022	2023	2024
Monthly Sewer Rate (\$)	14.25	14.64	15.02	15.06	15.45	16.69
Monthly Water Rate (\$)	34.43	37.20	36.98	38.81	40.18	43.42
Residential Sewer Tap Fee (\$)	1,020	1,020	1,020	1,020	1,020	1,020
Residential Water Tap Fee (\$)	2,565	2,565	2,565	2,565	2,565	2,565
Total W&S Revenue (\$)	1,417,274	1,360,017	1,179,007	1,250,708	1,204,196	
Tap/Development Fees (\$)	179,479	45,903	18,840	41,516	18,152	
W&S Operating Revenue (\$)	1,214,650	1,303,536	1,153,522	1,192,354	1,151,483	
W&S Operating Expenses (\$)	645,784	661,361	640,884	777,573	930,217	
W&S Net Operating Income (\$)	568,866	642,175	512,638	414,781	221,266	
W&S Debt (\$)	2,193,736	1,901,463	1,640,619	1,368,203	1,054,116	
Total Debt (\$)	2,549,853	2,228,352	7,501,035	7,074,767	6,584,310	
W&S Debt Service (\$)	358,387	366,950	329,617	334,812	371,801	
W&S Debt Service/Tap/Month (\$)	33.86	34.32	30.45	31.14	34.62	
W&S Fund Reserves (\$)	1,617,664	1,915,881	2,152,048	2,240,647	2,139,048	
Ratios	2019	2020	2021	2022	2023	Average
Operating Revenue as % of Total Revenue	86%	96%	98%	95%	96%	94%
Operating Revenue as % of Expenses	188%	197%	180%	153%	124%	168%
Tap Fee Revenue as % of Total Revenue	12.66%	3.38%	1.60%	3.32%	1.51%	4.49%



Recent Rate Increases

The Town’s most recent rate increase of \$2.88 for water and \$1.76 for sewer was implemented on January 1st, 2024.

User Charges & System Utilization

The Town’s current estimated average monthly residential sewer rate is \$16.69 compared to the 2022 estimated state median of \$41.23. This sewer rate is based on a typical monthly residential consumption of 6,159 gallons.

Residential and commercial users (excluding restaurants) pay a base rate of \$10.90 and a standard treatment charge of \$5.79 per 1,000 gallons for the first 6,000 gallons. For any consumption above 6,000 gallons, they pay \$0.97 per 1,000 gallons.

Restaurants pay the same base rate of \$10.90 but incur a standard treatment charge of \$9.20 for the initial 6,000 gallons. For usage beyond 6,000 gallons, they pay \$1.53 per 1,000 gallons. Fast food restaurants also start with the \$10.90 base rate, but they face a standard treatment charge of \$7.14 for the first 6,000 gallons; for consumption exceeding this amount, they are charged \$1.23 per 1,000 gallons.

The Town estimates that the residential monthly water rate in 2024 is \$43.42, compared to the 2022 estimated state median of \$59.19. This average rate comes from a typical monthly residential consumption of 8,580 gallons. The Town uses a tiered fee structure for water charges. Both residential and commercial users pay a base rate of \$20.65 plus the following consumption fees:

- \$4.97 per 1,000 gallons for the first 14,999 gallons.
- \$5.17 per 1,000 gallons for consumption between 15,000 and 33,999 gallons.
- \$5.39 per 1,000 gallons for usage exceeding 34,000 gallons.

Commercial customers, including the Limon Correctional Facility, the largest utility, follow this same rate schedule.

Contributed Capital

Revenue from tap fees has ranged from \$18,152 to \$179,479 and has averaged 4.49% of total sewer revenue during the last five years. The Town’s most recent sewer tap fee rate increase occurred in 2002.

- Residential sewer tap fees are \$1,020. Commercial, industrial, and restaurants are charged \$1,020 per 15 fixture unit equivalents.
- Water tap fees start at \$2,565 for a ¾” tap and increase as tap size increases.

Current System Utilization		
	Usage	Revenue
Residential	54.2%	53%
Non-residential (per EQR)	45.8%	47%

Current Fee Summary		
Tap size	Sewer user/tap fees	Water user/tap fees
¾”	\$16.69/\$1,020	\$38.89/\$2,565
¾”	\$16.69/\$1,020	\$38.89/\$2,565

DEBT as of December 31, 2023

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2012	Water Funding and Improvement Bonds	2025	Utility Fund Water Revenues	\$905,000	2%	\$295,000
2013	Lease-Purchase Agreement with Eastern Colorado Bank	2028	General Government and various Non-Major Funds	\$158,941	2.9%	\$75,282
2021	Sales Tax Bond	2046	Sales and Use Tax Revenue	\$5,305,000	4%	\$150,000

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

The Town will have to meet loan covenants on its DWRF Direct Loan dated 2024 for debt starting in 2024 with the SRF. The Town has also had no debt service payment issues.

Prepared by: Monica Munoz-Revelo
Date: November 15th, 2024

Project #140851W-H Cost Categories: Sewer System Rehabilitation: 100%
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November 15th, 2024

WPCRF Credit Report
Town of Limon, Liconln County, CO
 Using most recent data available
 (Census, audits, local records)

Estimated Population - 2023	2,021		
Number of Sewer Taps/Customers - 2023	895		
Total Assessed Valuation (in thousands) - 2023	\$26,415		
Actual Value of All Real Property (in thousands) - 2023	\$180,170		
Median Household Income (MHI) - 2022	\$60,063		
Monthly Sewer Rate - 2023	\$15.45		
W&S Operating Revenue - 2023	\$1,151,483		
W&S Total Revenue - 2023 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$1,204,196		
W&S Tap and System Development Fee Revenue - 2023	\$18,152		
W&S Operating Expense - 2023	\$930,217		
W&S Current Expense - 2023	\$1,302,018		
W&S Debt - 2023	\$1,054,116		
Total Debt - 2023	\$6,584,310		
W&S Fund Reserves - 2023	\$2,139,048		
W&S Debt Service - 2023	\$371,801	Base	BIL
New W&S Debt [Requested WPCRF loan amount.]	\$2,660,000	\$ 1,741,633	\$ 918,367
Requested WPCRF Loan Term	20	20	20
Requested WPCRF Loan Interest Rate	2.50%	2.50%	2.50%
New Loan's Annual Sewer Debt Service (two payments annually)	\$169,822	\$111,191	\$58,631

Current Indicators (2023)				
Town of Limon				
(Sewer Only)				
1 Total Debt	\$6,584,310	÷ Population	2,021	= \$3,258
New Debt	\$2,660,000	÷ Population	2,021	= \$1,316
Total Debt + New Debt	\$9,244,310	÷ Population	2,021	= \$4,574
2 Total Debt	\$6,584,310	÷ Number of Taps	895	= \$7,357
New Debt	\$2,660,000	÷ Number of Taps	895	= \$2,972
Total Debt + New Debt	\$9,244,310	÷ Number of Taps	895	= \$10,329
3 Total Debt	\$6,584,310	÷ Assessed Value	\$26,415,000	= 24.93%
New Debt	\$2,660,000	÷ Assessed Value	\$26,415,000	= 10.07%
Total Debt + New Debt	\$9,244,310	÷ Assessed Value	\$26,415,000	= 35.00%
4 Total Debt	\$6,584,310	÷ Actual Value	\$180,170,000	= 3.65%
New Debt	\$2,660,000	÷ Actual Value	\$180,170,000	= 1.48%
Total Debt + New Debt	\$9,244,310	÷ Actual Value	\$180,170,000	= 5.13%
5 Current W&S Debt	\$1,054,116	÷ Number of Taps	895	= \$1,178
(Current W&S Debt + New W&S Debt)				
/ Number of Taps	\$4,150	÷ MHI	\$60,063	= 6.91%
6 Current Ratio (CA / CL)				
Current Assets	\$2,655,399	÷ Current Liabilities	\$516,351	= 514%
7 Reserve/Expense Ratio				
Reserves	\$2,139,048	÷ Current Expenses	\$1,302,018	= 164%
8 Operating Ratio (OR / OE)				
Operating Revenues	\$1,151,483	÷ Operating Expenses	\$930,217	= 124%
9 Coverage Ratio [(TR - OE) / DS]				
Total Revenues	\$1,204,196	-		
Minus Operating Expenses	<u>\$930,217</u>			
=	\$273,979	÷ Current Debt Service	\$371,801	= 74%
Coverage Ratio Excluding Tap and				
10 Development Fee Revenue	\$273,979			
Minus Tap and Development Fee Revenue	<u>\$18,152</u>			
=	\$255,827	÷ Current Debt Service	\$371,801	= 69%
11 Projected Coverage Ratio				
Total Revenues	\$1,204,196			
Minus Operating Expenses	<u>\$930,217</u>			
=	\$273,979	Total Debt Service (with new loan)	\$541,623	= 51%
Projected Coverage Excluding Tap and				
12 Development Fee Revenue	\$273,979			
Minus Tap and Development Fee Revenue	<u>\$18,152</u>			
=	\$255,827	÷ new loan)	\$541,623	= 47%
13 Current Debt Service	\$371,801	÷ Number of Taps	895	= \$415.42
Annual New W&S Debt Service	\$169,822	÷ Number of Taps	895	= \$189.75
14 2023 Annual Sewer Rate (Monthly Rate x 12)	\$185.40	÷ MHI	\$60,063	= 0.31%
2023 Annual Sewer Rate + New Annual Debt Service Per Tap	\$375.15	÷ MHI	\$60,063	= 0.62%
15 Current 2023 Monthly User Charge				\$15.45
(Debt Service on WPCRF Loan / 2023 Taps / Month)				<u>\$15.81</u>
Total				\$31.26
16 Operation and Maintenance Reserve				
Reserves	\$2,139,048	÷ Operating Expenses	\$930,217	= 230%

2024 IUP WPCRF Priority Point Calculations

Entity Name:	Town of Limon
Date of Scoring	9/17/2024
SRF Phase:	PNA
DOLA Score:	125
DAC:	DAC

Benchmarks

\$87,598 2018-2022 State MHI estimate

P1	MHI		\$60,063	69%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20	20	
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5b	User Fees (projected SEWER rate at 110%/tap/MHI)		2.34%	
	Rates are > 1.24%	45		
	Rates are between 0.76% and 1.24%	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	25	
S4b	Projected SEWER debt per tap compared to MHV		4.60%	
	Debt is > 0.92%	45		
	Debt is between 0.20% and 0.92%	25		
	OR			
S4b	Projected water & sewer debt (for combined systems)			
	Debt is > 2.15%	45	45	
	Debt is between 0.67% and 2.15%	25		
	Population served		2,027	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15	15	
	Between 5,000 and 10,000	5		
	>10,000	0		
S3	Assessed Value/Household		12,255	
	AV per household is < \$11,959	35		
	AV per household is between \$11,959 and \$24,963	20	20	
	AV per household is between \$24,963 and \$43,240	10		
	AV per household is greater than \$43,240	0		

2024 SRF Disadvantaged Community Criteria

Applicant:	Town of Limon
Test Result	
	Y
	Y
	N

Loan Terms

Amount of Loan:	\$ 3,660,000
Interest Rate:	2.50%
Term (years):	20
Annual Payment:	\$ 233,665

		Benchmark	Applicant	Result
Current Population (2022)	<=	10,000	2,027	Y
Population 5 years ago (2018)			1,997	
Population 10 years ago (2013)			1,936	

Primary Factors

P1	MHI (Place)	<=	\$ 70,078	60,063	Y
	Margin of Error (MOE)	±		17,233	Sub
	Reliability (CV)	<=	18.00%	17.44%	Y
P2	MHV (Place)	<=	\$ 465,900	233,900	Y
	Margin of Error (MOE)	±		126,356	
	Reliability (CV)	<=	18.00%	32.84%	N
P3	24 Month Unemployment (County)	>=	5.38%	2.87%	N
	or 10 Year % Chng. Jobs (County)	<=	0.00%	3.90%	N
	Jobs (2022)			3,090	
	Jobs (2013)			2,974	

Priority Factor Count

2

Secondary Factors

S1	MHI (County)	<=	\$ 70,078	59,167	Y
	Margin of Error (MOE)	±		10,020	
	Reliability (CV)	<=	18.00%	10.29%	Y
S2	10 Year % Chng. Population	<=	0.00%	4.70%	N
S3	Assessed Value / Housing Unit	<=	\$ 24,963	\$12,255	Y
	Assessed Value			29,079,987	
	Total Housing Units			2373	
S4	Current Debt / Tap / MHV	>	0.67%	3.03%	Y
WS	Current + Projected Debt/Tap/MHV	>	0.67%	4.60%	Y
	S4b 80th percentile		2.15%	4.60%	Y
S5	System Full Cost / Tap / MHI	>	2.14%	1.91%	N
	Projected Rate @ 110% Coverage	>	1.94%	2.34%	Y
	S5b 80th percentile		2.90%	2.34%	N

Secondary Factor Count

3

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

Taps or EQR's	997
Total Debt	7,074,767
Principal & Interest	334,812
Operating Expenses (including operating transfers out)	777,573
Depreciation	365,770



Principal Forgiveness and Priority Point Scoring

Applicant: Town of Limon
 DWRP or WPCR: WPCR

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: 52.128%

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

Base DWRP Principal Forgiveness Scoring

DWRP

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

Eligible as a base program DAC?

Eligible base program DWRP principal forgiveness percentage:

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

Priority Point Scoring

Total WQCD Score:	5
DOLA Affordability Score:	125
Total Score:	130



COLORADO WATER RESOURCES POWER DEVELOPMENT AUTHORITY

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

MEMORANDUM

December 6, 2024

TO: Board of Directors and Karl Ohlsen

FROM: Jim Griffiths, Finance Director

RE: Water Pollution Control Revolving Fund (“WPCRF”) Bipartisan Infrastructure Law (“BIL”) Supplemental Funds Principal Forgiveness (“PF”) – Semi-Annual Review

The WPCRF BIL Supplemental capitalization grants for reference:

- 2022: \$14,236,000 (actual) – 49% must be provided as PF
- 2023: \$16,674,000 (actual) – 49% must be provided as PF
- 2024: \$18,191,000 (actual) – 49% must be provided as PF
- 2025: \$19,705,000 (estimated) – 49% must be provided as PF

The Authority Board of Directors approved limiting WPCRF BIL Supplemental funds to disadvantaged communities (“DACs”) only. The Authority Board further limited the PF to \$1.0 million per DAC borrower per project.

Staff recommends no changes to the WPCRF PF limits. The Board will consider this request on December 6, 2024.

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MEMORANDUM

To: SRF Committee
From: DAC Subcommittee
Date: November 21, 2024
Re: December Cap/Max Review/Recommendations

Background/ Reason and Need

To provide consistent messaging and be responsive to demand, SRF staff review and make recommendations regarding principal forgiveness (PF) caps and maxes at the June and December CWRPDA board meetings.

Recommendation: After reviewing the current PF limits and projects in the SRF pipeline and considering the imminent implementation of the new project prioritization process, the DAC subcommittee recommends no changes to the existing limits.

WPCRF BIL supplemental:

- **Current limit:**
 - DAC: \$1 million PF limit
 - BIL-eligible non-DAC: \$0 PF limit
- **Recommendation:** No change
- **Rationale:**
 - Estimated available PF until next cap grant: approximately \$6 million available*
 - Estimated project pipeline - \$33,485,000
 - Demand on this side of the program remains high. A \$1 million PF limit for DACs allows us to spread funding across more projects while still providing substantial PF. The recommendation to leave the limit for BIL-eligible non-DACs at \$0 is based on the limited funding in this pot. After November 8, 2024, there will no longer be any wastewater projects with a BIL-eligibility determination that are not also DACs, so we will not need to account for BIL-eligible non-DACs with future recommendations.

DWRF BIL supplemental

- **Current limit:**
 - DAC: \$3 million PF limit
 - BIL-eligible non-DAC: \$1.5 million PF limit
- **Recommendation:**
 - No change
- **Rationale:**
 - Estimated available PF until next cap grant: approximately \$16 million*

- Estimated project pipeline - \$132,500,000
- Reduced base program funding was considered when making the recommendation for this pot. Less funding in the base program means there is little to no additional subsidy available for PF. Leaving the DAC cap at \$3 million means DACs can still access up to \$3 million of PF, even if there is no PF available in the base program. Additionally, with less funding in the base program, it is more likely that base funding, PF and loan, will be exhausted and DACs and BIL-eligible non-DACs will rely more heavily on funding through this pot. There are 25 DACs, 18 non-DACs, and 10 projects without an eligibility determination in the pipeline through December 2025. While there is not enough available PF for all of the eligible projects in the pipeline, the recommended caps will help to spread the funds more widely and continue to fund projects out of the BIL pot when the base program loan and PF funds are exhausted. The \$3 million cap for DACs means around 5-6 projects could receive PF, or with the \$1.5 million cap for non-DACs means about 10-11 projects could receive PF, instead of just 3 or 4 projects taking all of the remaining PF.

DWRF Base

- **Current limit:** \$1 million PF limit
- **Recommendation:** no change
- **Rationale:**
 - Estimated available PF until next cap grant: \$0*
 - Estimated project pipeline - \$106,778,000
 - Due to the reduction of this capitalization grant, there is not likely to be any PF available in this pot. However, leaving the cap at \$1 million allows for more consistent and less confusing messaging than changing the limit at this time when no funds are available.

DWRF Lead Service Lines

- **Current limit:** \$10 million PF limit
- **Recommendation:** no change
- **Rationale:**
 - Estimated available PF until next cap grant: \$2 million*
 - Estimated project pipeline - \$37,500,000
 - The 2024 LSL Capitalization Grant is \$32,800,000. Three projects including LSL replacement (Denver Water, Englewood, and Greeley) have been approved and absorbed the 2022, 2023, and 2024 LSL funding. Two projects (Aurora and La Junta) are in the pipeline. Additional projects will be entering the pipeline based on the responses to the LSL inventory grant program as well as the LCR rule requirement for inventories completed in October 2024; therefore, setting a limit too low that prevents spend-down should not be a concern. As with the DWRF base program recommendation, leaving the cap at \$10 million allows for more consistent and less confusing messaging than changing the limit at this time when no funds are available.

DWRF Emerging Contaminants

- **Current limit:** \$30 million PF limit
- **Recommendation:** no change
- **Rationale:**
 - Estimated available PF until next cap grant: \$9 million*

- Estimated project pipeline - \$34,000,000
- We recommend retaining this limit because there are still not many emerging contaminants applications expected in the first half of 2025. Also, WQCD received additional grant funding for PFAS projects. Frisco has an EC project estimated at \$4 million and will apply in 2025. Thornton also has a project estimated at \$30 million and will also apply in 2025.

WPCRF Emerging Contaminants

- **Current limit:** No limit currently
- **Recommendation:** no change/no limit
- **Rationale:**
 - Estimated available funds until next cap grant: \$0*
 - Estimated project pipeline - \$0
 - No new limit is recommended because there are still no emerging contaminants applications expected in 2025 and because WQCD received additional grant funding for PFAS projects. Additionally, the program has transferred any available funds to the DWRF EC pot and will continue to do so going forward, unless a WPCRF EC project enters the pipeline.

Other Current Limits:

- **Per pot limit:**
 - BIL-eligible communities that do not also meet base program Disadvantaged communities criteria are limited to receiving BIL funding once from each of the following:
 - DWRF BIL Supplemental
 - DWRF Lead Service Line
 - DWRF Emerging Contaminants:
 - WPCRF Emerging Contaminants
 - Disadvantaged communities may fund projects multiple times using BIL funding
 - **Recommendation:** no change

*Remaining PF amounts include 2024 capitalization amounts, which have not been received as of 11/21/2024.

WPCRF SET ASIDE UPDATE
November 25, 2024

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Admin	2022 BIL Supplemental	\$ 569,440	\$ 27,036	95%
	2023 BIL Supplemental	\$ 666,960	\$ 666,960	0%
	Totals	\$ 1,236,400	\$ 693,996	44%

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Technical ("Technical") Assistance	2022 BIL Supplemental	\$ 284,720	\$ 284,720	0%
	2023 BIL Supplemental	\$ 333,480	\$ 333,480	0%
	Totals	\$ 618,200	\$ 618,200	0%

**COLORADO WATER RESOURCES
&
POWER DEVELOPMENT AUTHORITY**

**PROJECT FINANCE COMMITTEE
MEETING AGENDA**

**December 2, 2024
Committee meeting at 9:00 a.m.**

Via Zoom Conference Call

Project Finance Committee Members: Chris Treese (Chair), Steve Vandiver (ex-officio), Matt Shuler, Eric Wilkinson, and Bruce Whitehead

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

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

AGENDA

1. DWRF Loan Applications and DAC Business Case:

- Cucharas Sanitation and Water District (BIL) – Direct Loan Request – Kevin (**Board Action – Staff Recommends Consent Agenda**)
- City of Trinidad (BIL) – Direct Loan Request – Gio (**Board Action – Staff Recommends Consent Agenda**)
- City of Fort Lupton – DAC Business Case – Austin (**Board Action**)

2. WPCRF Loan Application:

- Town of Limon (Base & BIL) – Direct Loan Request – Austin (**Board Action**)

Note: A Zoom conference call has been scheduled for **Monday, 9:00 a.m. December 2, 2024**. The link to join via online is: <https://us06web.zoom.us/j/84727090473?pwd=X8SbywtpdnOXtEmbuboBJY0Lc2ZSfz.1>. If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **847 2709 0473**. The passcode is: **378788**.

**COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY**

BOARD PROGRAM WORK SESSION (BPWS) AGENDA

December 5, 2024

3:00 pm

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

Authority Staff: Keith McLaughlin, Jim Griffiths, Sabrina Speed, Justin Noll, Wesley Williams, Ian Loffert, Kevin Carpenter

Others present: Mark Henderson (WQCD), Desi Santerre (DOLA), and Alex Hawley (WQCD), Margaret Talbott (WQCD)

AGENDA

1. Arkansas Valley Conduit Intergovernmental Agreement – update and follow up questions– discussion only (Jim, Keith, Leann Noga SECWCD)
2. Disadvantaged Community Metrics Presentation – discussion only (Desi Santerre, DOLA)
3. Authority Bylaws – discussion and possible action (Keith, Jim)
4. 2025 Interest Rates – discussion and possible action – (Wes, Kevin)
5. Small Hydro Loan Program Update and One-time Waiver request – discussion and possible action - (Wes)
- 6a. 2024 Authority/Executive Director Highlights and 2025 Authority/Executive Director Goals - (Keith)
- 6b. Executive Director Performance – Board members discuss the Executive Director’s 2024 performance - (potential Executive Session)



For Immediate Release

November 15, 2024

Contact: Anthony Rivera-Rodriguez

(202) 836-0797

Hickenlooper Celebrates Over \$7 Billion Delivered to Colorado as Infrastructure Bill Turns Three

Largest investment in U.S. infrastructure in a century has invested in over 1,000 Colorado projects to deliver clean water, safer roads, affordable internet, spurring over 40,000 new jobs

WASHINGTON – Today, U.S. Senator John Hickenlooper celebrated the three-year anniversary of the [Infrastructure Investment and Jobs Act](#) (IIJA) that he helped write and pass. Over the past three years, the \$1.2 trillion infrastructure law has delivered over \$7.2 billion for more than 1,000 Colorado projects to update our roads and bridges, expand affordable and reliable internet access, and deliver clean drinking water.

“From \$250 million for the Arkansas Valley Conduit to \$100 million for I-70 improvements at Floyd Hill, our Infrastructure Investment and Jobs Act has invested in 21st century infrastructure all over Colorado,” said Hickenlooper. **“That’s only the last three years, and we’re not done yet.”**

Hickenlooper was part of the bipartisan group of 22 senators who negotiated and wrote the \$1.2 trillion infrastructure deal. The IIJA was designed to invest in updating our aging infrastructure in the U.S., expand affordable and high-speed internet, conserve western water, modernize airport infrastructure, build out our EV charging network, cap orphan methane wells, deliver clean drinking water to underserved communities, and more.

For a fact sheet on investments in Colorado from the Bipartisan Infrastructure Law, click [HERE](#). For a full list of projects and an interactive map, click [HERE](#).

Fixing Our Roads and Bridges

From Cortez to Nunn, the IIJA has delivered millions for Colorado communities to build safer roads, invest in better multimodal transportation, build wildlife crossings, and more.

Key Colorado investments include:

- **I-70 IMPROVEMENT PROJECT AT FLOYD HILL:** [\\$100 million investment](#) to upgrade essential tract of I-70 at Floyd Hill and improve safety and efficiency of I-70
- **CITY OF GREELEY:** [\\$63 million investment](#) to construct a new regional mobility hub
- **CITY OF DENVER:** [\\$35 million investment](#) to connect three of Denver's most underserved neighborhoods

Delivering Clean Drinking Water

The *Infrastructure Investment and Jobs Act* allocated \$8.3 billion to preserve western water and build more resilient water infrastructure. Specifically, the Arkansas Valley Conduit (AVC), a planned 130-mile water-delivery system in Southeast Colorado that'll serve 40 rural communities and 50,000 Coloradans, is now within reach thanks to the IIJA. The project has already received over [\\$250 million](#) and is now one step closer to becoming a reality.

In addition, Colorado [received over \\$32 million](#) in IIJA funding to replace lead service lines to improve water quality across the state.

Connecting Every Coloradan to High-Speed Internet

Reliable internet access is key to the 21st century, but too many Coloradans lack high-speed internet they need. Hickenlooper was a member of the broadband working group during IIJA negotiations where he fought to include the largest federal investment in broadband access and affordability in a generation to ensure all Coloradans are connected.

Key Colorado investments include:

- **COLORADO BROADBAND OFFICE:** [\\$826.5 million](#) from the Broadband, Equity, Access, and Deployment (BEAD) Program to provide access to high-speed internet to everyone in Colorado
- **PUEBLO MIDDLE MILE PROJECT:** [\\$2.7 million](#) to connect over 41,000 homes and small businesses to high speed internet in Pueblo

- **COLORADO TRIBAL NATIONS:** [\\$22.7 million for the Ute Mountain Ute](#) and [\\$43.7 million to the Southern Ute Indian Ute Tribe](#) to deploy high-speed internet to their communities

Improving Our Airports

The IJJA has also delivered millions to Colorado airports to modernize terminals, expand taxiways, and enhance safety.

Key Colorado investments include:

- **DENVER INTERNATIONAL AIRPORT:** \$60 million in total investments to replace [aging infrastructure](#), [improve energy efficiency](#), and [increase the airport capacity](#)
- **GRAND JUNCTION AIRPORT:** [\\$34.7 million](#) to update paved runway to bring airport into conformity with current standards
- **DURANGO LA-PLATA COUNTY AIRPORT:** [\\$12.9 million](#) to expand existing terminal to open new gates, passenger holding rooms, and TSA passenger screening and baggage claim areas

###



ARKANSAS VALLEY CONDUIT MONTHLY REPORT

Thursday, November 21, 2024

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 Arkansas Valley Conduit Committee of the Southeastern Colorado Water Activity Enterprise holds monthly meetings at District Headquarters, 31717 United Avenue, Pueblo, CO. Check <https://www.secwcd.org/> for Zoom information. Next meeting:

10 a.m. Thursday, January 23, 2025

No December Newsletter

We will not publish a December 2024 Newsletter due to the holiday season. The Newsletter will resume publication on January 16, 2025.

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



Southeastern Colorado Water Conservancy District President Bill Long testifies on Wednesday, November 20, 2024 in Congress for the “Finish the AVC Act.”

‘Finish the AVC’ bill gets House hearing

The “Finish the Arkansas Valley Conduit Act,” a bill that would reduce interest and extend the repayment period for the Arkansas Valley Conduit, was heard Wednesday in the U.S. House Subcommittee on Water, Wildlife and Fisheries.

Southeastern Colorado Water Conservancy District Bill Long testified in support of the bill, which is sponsored by U.S. Representative Lauren Boebert.

“Given the poor quality of groundwater sources, the resulting inability to meet safe drinking water standards, the severe public health impacts that has, the depressed economy of the Lower Arkansas River Valley, and the very substantial increase in the estimated construction cost of the AVC resulting from a May, 2024, updated cost estimate, the District believes that the amendments which H.R. 9514 will make are fully justified,” Mr. Long said.

Mr. Long outlined the need for the project, as well as the need for changing the authorizing legislation for the AVC. A 2009 law, PL 111-11, provided use of miscellaneous Fryingspan-Arkansas revenues for the

Continued on Page 8



AVC Progress, Funding ‘Toolbox’ Shared at Rocky Ford meet

The affordability of the Arkansas Valley Conduit and the steps needed to prepare water systems to receive AVC water were front and center at a participants meeting last month.

About 70 people attended a special AVC meeting at the Colorado State University Extension Office at Rocky Ford on October 24, 2024. Another 20 people signed in on-line to listen to the meeting.



Members of the audience listen to presentations about the Arkansas Valley Conduit at a special meeting at the CSU Extension Office at Rocky Ford on October 24, 2024.

Executive Director Leann Noga reviewed the June AVC Participants Meeting and the progress of federal legislation introduced that will help keep the AVC affordable. The primary purpose of that meeting was to explain the updated cost estimate for the AVC.

She praised U.S. Senators Michael Bennet and John Hickenlooper for moving ahead a proposal by the Southeastern Colorado Water Activity Enterprise Board to decrease the interest rate and extend the AVC repayment period.



Leann Noga

“I have to take a minute and talk about our senators,” Mrs. Noga said. “They understand the need and they understand the importance. We cannot move forward without thanking them for their hard work.”

Mrs. Noga also highlighted:

- ◆ Upcoming meetings with individual AVC participants on water resource portfolios, estimated costs

of operations and other issues.

- ◆ An AVC governing authority that is needed to represent the interests of the lower Arkansas Valley. Right now, the Enterprise Board, which has members from counties outside the AVC service area, is the governing authority, but more input from the participants geographic area is needed.
- ◆ Upgrading the District web site to provide updated information about the AVC, in the same way that the Newsletter that is published monthly.

Federal Update

Derrick Mickle, AVC Project Manager for the Bureau of Reclamation, and Jeff Rieker, Area manager of the Eastern Colorado Area Office, gave an update on the federal side of the AVC Project.

Mr. Mickle spoke about the ongoing design efforts for AVC. Reclamation is using both in-house resources at the Denver Federal Technical Services Center and outside contractors to complete the design all the way to Lamar.

Continued on next page



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“We’re trying to work in parallel so that when funding becomes available, we’re ready on design to get that pipe moving further east,” Mr. Mickle said.

Mr. Rieker discussed federal funding for the AVC for the AVC trunk line. So far the AVC Project has received more than \$320 million



Jeff Rieker

through the annual appropriation and the bipartisan infrastructure law. The federal funding varies by year, and the AVC has been a priority for Reclamation in the past five years.

“We’re working to build on the success of the project so far and moving into the future,” Mr. Rieker said. “There is a tremendous amount of energy in our agency around this project.”

Construction Progress

Gordon Dillon , AVC construction manager for the Enterprise, spoke briefly on the current status of the Enterprise Project.

Avondale and Boone lines have been constructed, and the other lines have been designed. He invited anyone who has questions to visit the District office in Pueblo.

Funding “Toolbox”

Kevin Meador, Project Manager for the Enterprise, discussed state funding for the Enterprise and a Funding Guidance Document, or “Toolbox” that the Enterprise has developed to help participants navigate through funding sources for projects in their own water systems.

Copies of the Funding Guidance Document were distributed at the meeting. A description of the document appears below.

Funding Guidance Document helps navigate resources

The Southeastern Colorado Water Activity Enterprise has developed a Funding Guidance Document to help participants navigate funding resources for water system improvements.

Preliminary Engineering Reports identified the Enterprise-funded spurs and delivery lines (Group 1), improvements funded by participants needed to connect with the AVC (Group 2), and improvements needed to reduce water loss (Group 3) funded by participants. The reports have been shared with participants.

While the Enterprise is not responsible for funding or building the Group 2 and Group 3 improvements, these are needed to assure the success of the AVC in its goal to bring clean drinking water to the communities along the Arkansas River east of Pueblo. Water treated by the Pueblo Board of Water Works for AVC

represents a cleaner source than wells in the Arkansas Valley, which either have high natural levels of radiation from deep wells or are contaminated from surface sources in shallow wells.

The Funding Guidance Document outlines which funding sources are available for these Group 2 and Group 3 improvements, and provides contact information for agencies involved with programs such as the Colorado State Revolving Fund, Emerging Contaminants Revolving Fund, Colorado Department of Local Affairs and U.S. Department of Agriculture Rural Development.

During the Participants Meeting presentation, Kevin Meador explained that the document will be periodically updated to assure that current contact information is included and to make changes when new sources of funding are available.



Rocky Ford gets funding for sewer upgrades

Nearly two decades after its wastewater system was first cited for violations by the Colorado Department of Public Health and Environment (CDPHE), the City of Rocky Ford has secured funding to fix the problems by 2029.

“This is a \$29 million project, but it had to be done,” said Rick Long, Rocky Ford Public Works Director.

Rocky Ford had CDPHE permit violations from 2007 and 2010 that had gone unanswered for years and was facing \$365,000 in fines when Long took over water and sewer operations about six years ago.

The problems stemmed from infiltration of the sewer system by groundwater, which he described as a river running through the city. In one line, there was so much water coming in that it couldn’t be cleared despite two months of continuous pumping.

The city began taking proactive steps to test, clean and video the pipes. It launched community programs that helped lower the fines to \$45,000. And, it cycled through three engineering firms before finally hooking up with Element Engineering Group, which provided both technical and financial expertise to develop a master plan.

“My advice is to find a good engineering firm,” Long said. “They were instrumental in getting us where we’re at now — where we needed to be.”

In October, USDA Rural Development announced a \$20.3 million loan and \$8 million grant, which will allow Rocky Ford to make repairs to the 100,000 linear feet of pipe in its wastewater collection system. The city is seeking another \$1 million grant from the Colorado Department of Local Affairs.

City Manager Stacey Milenski said the project will go out for bid in 2025, and upgrades are expected to be completed by 2029. This will include identification of the pipes that are most problematic, lining or replacing damaged pipes and in some cases upsizing pipe to meet the load.



Rick Long works at his office in Rocky Ford.

As important as this project is, it is not the only water problem Rocky Ford has to tackle.

The city also has an aging water system with 45 miles of distribution pipe that experiences as much as 50 percent water loss.

Continued on next page



Many pipes in the Rocky Ford wastewater system are subject to infiltration and in need of replacement.

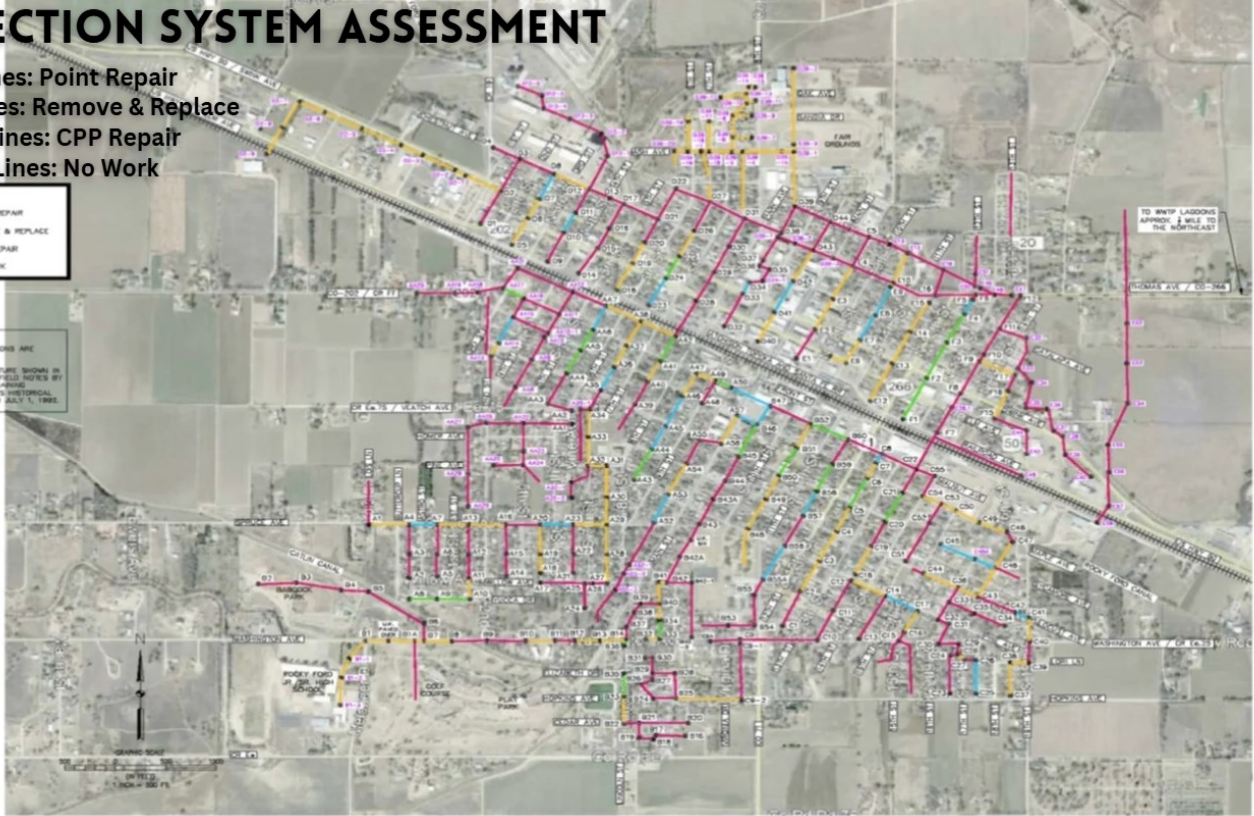


COLLECTION SYSTEM ASSESSMENT

- Blue Lines: Point Repair
- Red Lines: Remove & Replace
- Green Lines: CPP Repair
- Yellow Lines: No Work



NOTES:
 1. MANHOLE AND PIPE LOCATIONS ARE APPROXIMATE ONLY.
 2. MANHOLE SOME NOMENCLATURE SHOWN IN COLOR FONT TAKEN FROM FIELD NOTES BY CLARENCE ENGINEERING. PIPELINE NOMENCLATURE FROM CITY'S HISTORICAL RECORD SENSOR MAP DATED JULY 1, 1988.



All of the red lines on this map of Rocky represent wastewater lines that must be totally replaced.

Continued from previous page

The city installed smart meters in past year that should help reduce unaccounted-for water either by replacing malfunctioning equipment or metering accounts that were not previously measured.

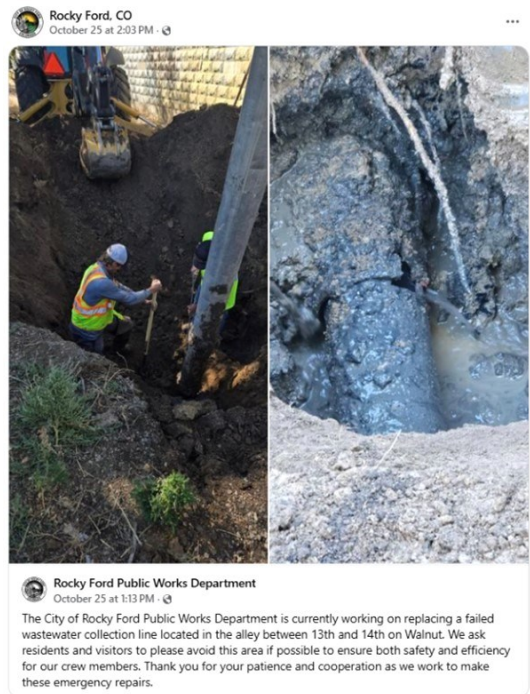
“We had one woman who was losing 12.5 gallons per minute that went undetected for three weeks,” Long said. “When we can find big leaks like that, it will save the customers money too.”

But Long acknowledges that the city’s plumbing is in need of major repairs. Although the wastewater loan will add about \$40 per month to customers’ bills, those water projects need to happen as well.

“I wouldn’t expect you’d want to give us any water through the AVC if we’re losing 50 percent of it,” he said.

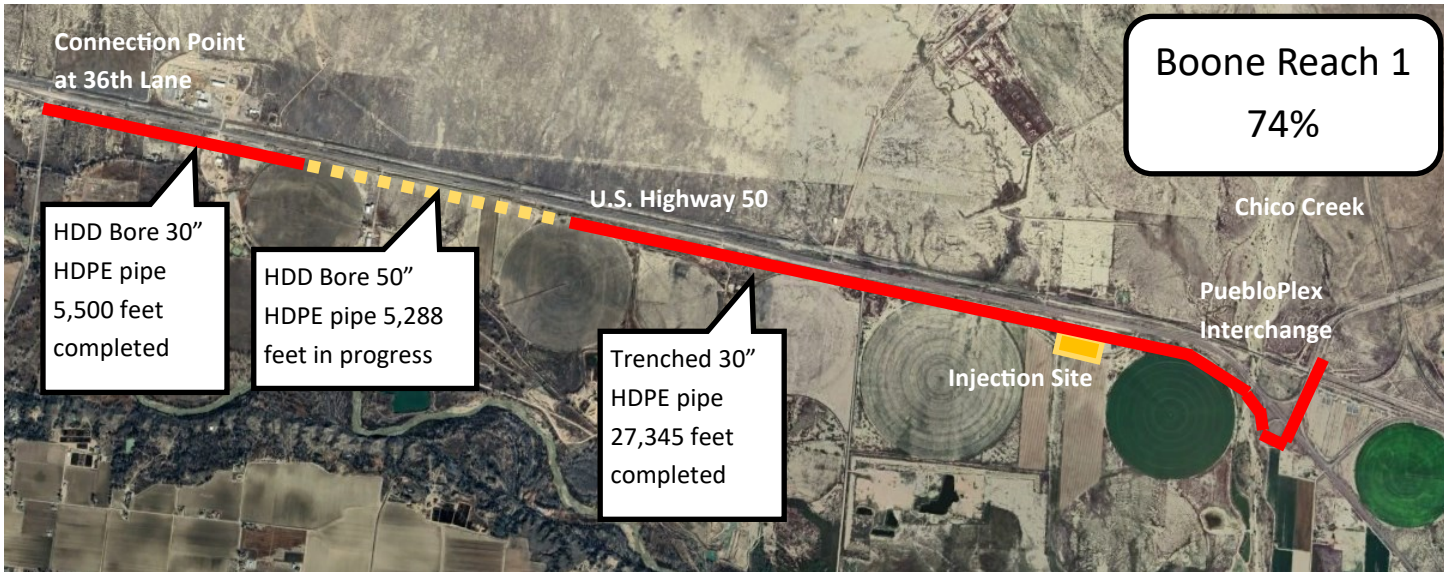
Right now, Rocky Ford is working with another engineering firm to prioritize water system improvements in advance of AVC reaching the area. It could mean more expense for customers and more time to make sure money is well spent. While there are headaches while making the improvements, Long says it’s worth it.

“I love what we’ve done, and what we’re doing,” he said. “I intend to keep doing it until I can’t.”





Federal AVC Construction Details



Boone Reach 1
74%

HDD Bore 30"
HDPE pipe
5,500 feet
completed

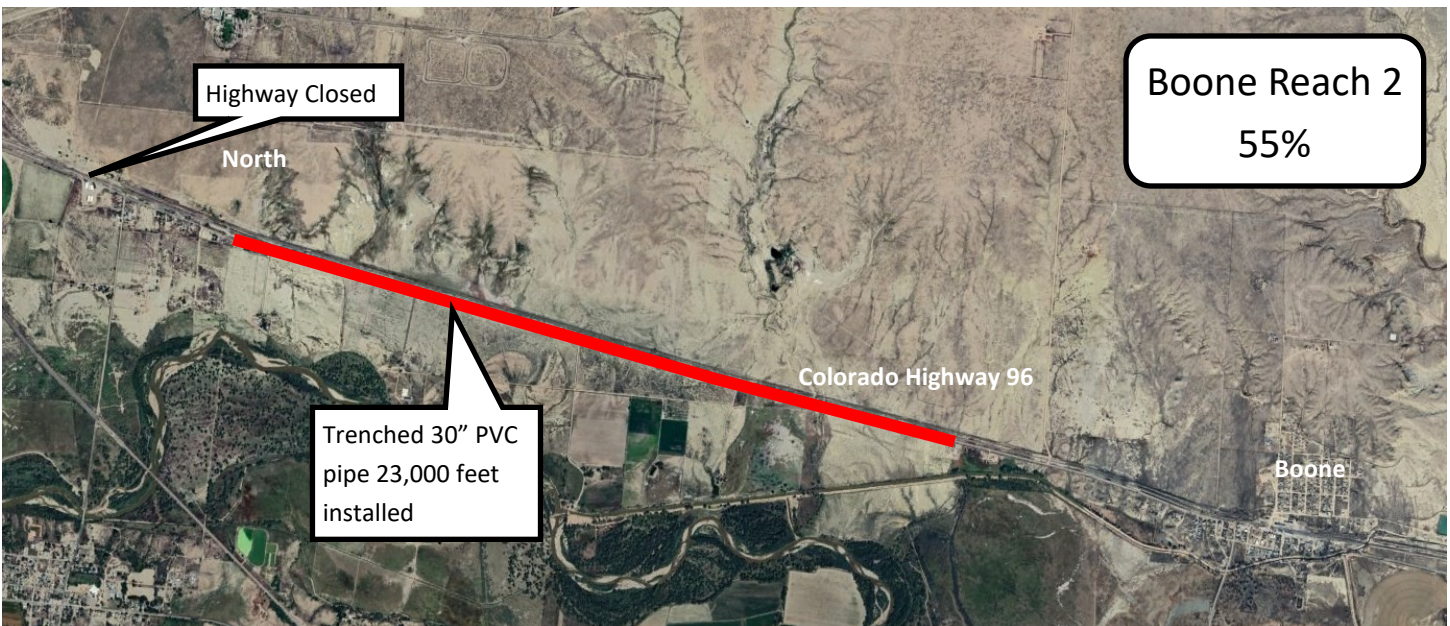
HDD Bore 50"
HDPE pipe 5,288
feet in progress

Trenched 30"
HDPE pipe
27,345 feet
completed

Boone Reach 1

The second leg of the horizontal directional drilling (HDD) is continuing. The pilot hole is complete and 4,800 feet of 5,288 feet for the 50-inch ream pass is complete. The entire length of

30-inch HDPE pipe for the second leg of the HDD has been fused and tested. A total of 27,345 feet (5.2 miles) of trenched 30-inch pipe has been installed. Crossings at 46th Lane and the PuebloPlex interchange are complete.



Boone Reach 2
55%

Highway Closed
North

Trenched 30" PVC
pipe 23,000 feet
installed

Boone Reach 2

As of November 20, 2024, Pate Construction has laid 23,000 linear feet of 30-inch PVC pipe in along Colorado Highway 96 and is starting to decommission some dewatering wells. The Colorado Department of Transportation has approved a full road closure on Highway 96 until the summer of 2025 as work continues.

Injection Site

Thalle Construction Company is on site, setting up offices. Stripping of the site has started.

Design

A contract for design from Reg Tank 2 to Lamar is being prepared.



Environmental Pre-construction Surveys

The AVC final planning documents require using best management practices and taking steps to avoid or reduce environmental impacts. To the extent possible, construction avoids wetlands; federal, state, and local wildlife areas and refuges; designated critical habitats; migratory bird habitat during nesting brood-rearing season; known historic properties; rare plants, hazardous material sites; and other resource sensitive areas.

Pre-construction surveys by trained staff help identify sensitive habitats and wildlife use before construction to allow for best management practices, time and space restrictions, and migratory bird management planning. Pipelines, water treatment plants, and pump station facilities are adjusted during final design, where feasible, to avoid sensitive areas.

As an example, removal of vegetation occurs outside of the bird breeding season (which is typically between April 1 and August 15 in Colorado) to the maximum extent possible, or clearance surveys are done immediately before construction.

For the AVC Trunk Line, Reclamation completed environmental preconstruction surveys for the Boone Reach, and has initiated preconstruction surveys for the upcoming major crossings and Crowley Reaches.



Staff from SECWCD and Reclamation discussing potential routes for an underground crossing of the Arkansas River.

If you have any questions for the Bureau of Reclamation about the Arkansas Valley Conduit project, please contact:

- Adam Ortega, Environmental Specialist, aortega@usbr.gov
- Matt Schultz, Environmental Specialist, mjschultz@usbr.gov
- Joe Gomori, Project Coordinator, jgomori@usbr.gov
- Anna Perea, Public Affairs Specialist, aperea@usbr.gov

Federal AVC Funding

The AVC received \$90 million in Bipartisan Infrastructure Law (BIL) funding on May 30, 2024. Total federal funding since 2020 totals \$321.23 million.

The AVC annual allocation in the President’s FY2025 budget increased to \$13.06 million, which was approved earlier this month by the U.S. Senate.

The updated cost estimate for the Reclamation AVC Sub-Project was updated to \$1.3 billion in June.

Reclamation Sub-Project Construction at a Glance

Federal Sub-Project	Design	Construction Contract	Construction	Completion Estimate
Boone Reach 1	✓	✓	In Progress	4/17/25
Boone Reach 2	✓	✓	In Progress	8/25/25
Injection Site	✓	✓	NTP issued	3/11/26
Reg Tank 1	In Progress			10/5/27
Design to Lamar	In Progress			12/31/27



Finish the AVC gets hearing in Congress

Continued from Page 1

AVC. With the revised cost estimate for the AVC, more time and reduced interest rates are needed for those revenues to be sufficient to pay the AVC costs. Mr. Long noted the AVC communities are far below state and national income levels and the problems of

Boebert also spoke in favor of the bill, saying it is needed because needed water improvements could otherwise triple water bills in the Lower Arkansas Valley. She lauded the District and Reclamation for seeking modifications to the AVC that have reduced costs by \$200 million.

“Access to clean water is not a luxury, it is a necessity, and Southeastern Colorado families deserve a sustainable and reliable water supply,” Boebert said.

Reclamation Deputy Secretary Roque Sanchez said the AVC has benefitted from \$320 million under the Bipartisan Infrastructure Law.

“It demonstrates our commitment to providing a safe and reliable source of drinking water for all Americans,” Sanchez said.

The same legislation was also introduced in the Senate by U.S. Senators Micheal Bennet and John Hickenlooper and was heard in the Energy and Natural Resources Committee on September 11, 2024. Final congressional action on the bill will come at a later date.

The Southeastern Board of Directors asked the lawmakers to sponsor the legislation after the Revised Cost Estimate announced in June by the Bureau of Reclamation significantly increased the estimated cost of the AVC. The legislation puts forward changes that will ensure that the AVC can be completed.



Representative Lauren Boebert testifies in support of her bill to finish the AVC.



Deputy Commissioner Roque Sanchez of the Bureau of Reclamation talks about the need for drinking water projects across the United States.

The hearing can be viewed at:

<https://www.youtube.com/@NaturalResourcesGOP>

Read past newsletters

For Past issues of the AVC Report go to:

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

Water
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AVC Report Newsletter...click here

Arkansas Valley Conduit Monthly Reports



As voters are set to decide if Colorado keeps more sports betting revenue, tribes are suing to keep their share



Manuel Heart, Ute Mountain Ute chairman, addresses the Colorado legislature during Ute Day on March 15, 2024, at the Capitol in Denver. Both Heart and Southern Ute chairman Melvin Baker highlighted water infrastructure challenges in their speeches. (Shannon Mullane, The Colorado Sun)

A legal standoff over sports betting continues in Colorado as voters prepare to weigh in on whether to raise the revenue cap, in the hope of providing more funding for water projects.

The federal lawsuit was initially filed in July by the Ignacio-based Southern Ute Indian Tribe. It alleges that Gov. Jared Polis and the Colorado Department of Revenue deliberately sought to keep the tribe from participating in the lucrative online sports betting industry.

In September, a second Colorado tribe, the Towaoc-based Ute Mountain Utes, joined the lawsuit in federal district court in Denver. The state has asked that the case be dismissed, citing its immunity to prosecution. The tribes have until Dec. 5 to respond.

In Proposition JJ, referred to the ballot by lawmakers in House Bill 1436, voters will weigh in on whether to allow the state to keep more of the revenue generated by sports betting. Taxes collected on those bets, which were authorized in 2019, are projected to generate \$34.2 million in tax revenue this fiscal year, which began July 1.

Colorado voters approved limited gambling in 1990 and the Ute Mountain Ute and Southern Ute tribes opened their casinos soon after.

Online sports betting is offered by nontribal casinos in Black Hawk, Central City and Cripple Creek, but the tribes have so far not been allowed to participate because of the lack of an agreement with the state on how the program would operate, according to Peter Ortego, general counsel for the Ute Mountain Ute Tribe.

One of the issues is taxation. Because tribes are sovereign nations, they are exempt from paying state taxes. That tax-free status is problematic from the state's perspective, because if tribes allowed other commercial gaming companies to locate remote sports betting kiosks on tribal land, they too would be exempt from taxation. Lawmakers such as state Sen. Dylan Roberts, D-Frisco, worry this would reduce the amount of money the state could collect for water

programs including conservation, habitat restoration, stream protection and planning and storage.

“I am not opposed to in-person sports betting on tribal lands,” Roberts said. “But when it comes to online sports betting, it’s clear voters approved it in 2019 to generate money for water projects. We need to respect the will of the voters.”

But Ortego said federal law makes clear that tribes are not subject to state tax laws and that all revenues from gaming should flow to the Native American communities.

Peggi O’Keefe, a spokeswoman for the Colorado Gaming Association, which represents nontribal casino operators, said the trade group would like the tribes to be treated the same as commercial operators.

“We would like to see a level playing field,” she said.

The dispute comes just months after the federal government updated the Indian Gaming Regulatory Act to make clear that online gaming by tribal communities was allowable and affirming tribes’ right to collect revenue for their communities.

In a news release at the time the rules were updated, Secretary of the Interior Deb Haaland said gaming was critical to the economic health of Native American communities.

“Not only does Indian Gaming support tribal economies, the funding it generates helps to support the vital services that tribal nations provide to their citizens — from language preservation to health care,” Haaland said in the statement. “By updating these regulations, we will provide certainty and clarity to tribes for an industry that remains one of the most significant sources of economic development in Indian Country.”

In another major legal development this year, the Seminole Tribe in Florida won a lawsuit challenging its right to engage in online gambling.

The American Gaming Association, which represents companies and tribes nationwide, said it supports efforts to regulate and implement online gaming programs because they ensure more people can participate.

But states are allowed to determine for themselves how they will treat tribal gambling operations, according to Dara Cohen, spokesperson for the Washington, D.C.-based gaming trade group.

“Under the Indian Gaming Regulatory Act ... there isn’t one size fits all,” Cohen said. “We don’t have an opinion on the Colorado case. But it is a continued priority to make sure that tribal casinos are regulated in a fair way.”

EPA Launches New Initiative to Tackle PFAS, Identify Emerging Contaminants in Water

WASHINGTON – Today, November 20, the U.S. Environmental Protection Agency launched a new, no-cost technical assistance effort focused on reducing exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants in small or disadvantaged communities. This initiative is part of EPA’s [Water Technical Assistance](#) (WaterTA) program.

The Tackling Emerging Contaminants initiative will help [eligible public drinking-water systems](#) evaluate emerging contaminant issues, conduct initial water quality testing, and identify next steps in 200 small or disadvantaged communities over the next three years. EPA will also share best practices and amplify successes through case studies, fact sheets, webinars, and other resources regarding addressing emerging contaminants, including PFAS.

“The Bipartisan Infrastructure Law is providing a focused opportunity to help small and disadvantaged communities address PFAS and emerging contaminants to ensure that drinking water is clean and safe for residents,” **said EPA Principal Deputy Assistant Administrator for Water Bruno Pigott**. “By working hand-in-hand with local partners, the Tackling Emerging Contaminants initiative will help ensure that historically underserved areas have access to safer drinking water that is essential for healthy and vibrant communities.”

President Biden’s Bipartisan Infrastructure Law has provided an unprecedented \$50 billion to improve water infrastructure across the nation. Of this funding, \$5 billion is dedicated to the [Emerging Contaminants in Small or Disadvantaged Communities \(EC-SDC\) grant program](#), which supports this latest technical-assistance initiative.

EPA’s free water technical assistance initiatives help communities identify their water challenges, develop plans, build capacity, and develop their application materials to access federal funding. The Tackling Emerging Contaminants initiative builds on EPA’s robust suite of technical assistance programs and includes diagnostic water quality sampling and analysis, source water assessment, preliminary treatment design and evaluations, operational and sampling training, and identifying solutions to address emerging contaminants and PFAS contamination including community engagement and outreach support.

In April 2024, EPA issued the [PFAS National Primary Drinking Water Regulation](#) to protect communities from exposure to harmful PFAS, also known as “forever chemicals.” Exposure to PFAS has been linked to adverse health impacts that include some cancers, liver and heart disease, and immune and developmental damage to infants and children.



State Revolving Fund Newsletter

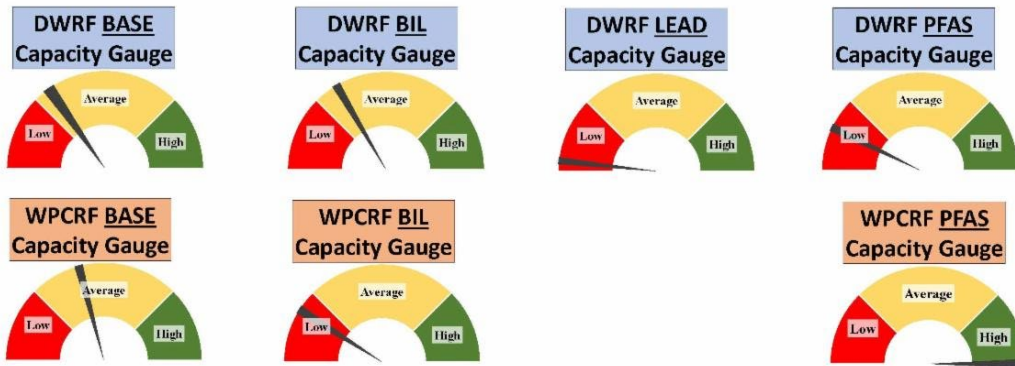
November-December 2024

Updates regarding the State Revolving Fund (SRF):

- The SRF is implementing improved project prioritization procedures that will go into effect in 2025. The SRF project teams will be communicating priority point scores to active projects currently in the SRF process before the end of the year. To find out more information, please visit our [website](#), contact your SRF project manager, or attend the upcoming virtual Q&A session:
 - [November 6, 10-11a.m.](#)
- The Water Quality Control Commission approved the 2025 Intended Use Plans (IUP) on October 15th, 2024. The IUPs outline how CDPHE will administer the revolving fund programs.
- Upcoming loan application deadlines: November 5, 2024, and January 5, 2025.

- Funding for Design and Engineering Grants (D&E) within the DWRF and WPCRF programs have been exhausted for 2024. We have additional resources to assist with D&E costs:
 - [EIAF](#)
 - [USDA Search Grants](#)
 - [USDA Revolving Program](#)
 - [EPA TA](#)
- As a reminder, the SRF program continues to experience a high demand for funding. Loan application funding requests are subject to funding availability, prioritization, caps, maxes, and approval by the Colorado Water Resources and Power Development Authority Board of Directors.

Current funding capacity (availability of funds)



Due to increased demand, SRF funds have become more competitive. The graphics and capacity estimates shown above are in constant fluctuation and do not guarantee that funds will be unavailable or available at the time of loan application. Please contact your SRF project manager for additional and up-to-date information.

Contact us

The SRF program greatly appreciates the opportunity to assist you and communities across Colorado with important water and wastewater projects. If you have any questions or

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Oil company agrees to clean up historic lead contamination in settlement with small Colorado mining town

Mayor, state hail deal with Atlantic Richfield Co. to finish digging up yard waste, repave roads to remove lead hazard from the tiny town of Rico



Rico, Colorado sits at an elevation of 8,827 feet near the base of Lizard Head Pass, about 35 miles from Telluride, Colorado. Once a booming silver mine camp in the late 1870's today it is home to about 280 people. Yards and dirt streets in the town are contaminated by lead and will be cleaned up under a settlement with Atlantic Richfield.
(Dean Krakel, Special to The Colorado Sun)

Colorado's rich and troubled mining legacy can lead to tunnel blowouts, dead rivers and Superfund mandates, making a new cleanup settlement in the tiny southwestern town of Rico sound placid by comparison.

Rico and state officials Wednesday announced a complex deal with Atlantic Richfield Co., now a subsidiary of giant BP America, to finish digging lead-contaminated soil from yards and paving over lead-tainted roadways over the next few years. The agreement allows Atlantic Richfield to avoid the imposition of an EPA-forced town cleanup, and Rico is assured the voluntary cleanup is paid for by the company and eases lingering worries about lead in the local soil.

“It’s a complex project,” said Nicole Pieterse, mayor of Rico since 2021 and a member of local lead action efforts since 2017. “So it has been, I wouldn’t say a struggle, but it has been a tremendous amount of work for the town to put this program in place.”



Mine settling ponds can be seen from Colorado Hwy 145 north of Rico Colorado in this undated file photo. (William Woody, Special to The Colorado Sun)

Rico, with a population of about 300, sits at an elevation of more than 8,800 feet amid mining properties in the San Juan Mountains. Atlantic Richfield acquired a lead and silver mining operation dormant since the 1970s, the Argentine complex, including the St. Louis Tunnel that has frequently threatened to blow out excess tainted water into the Dolores River.

Atlantic Richfield has also worked for years cleaning up the water and other waste from the mine to protect the Dolores and local wildlife. The town has natural lead background levels, but acquired more lead when mine waste was used as building fill or road material, or when trucks dragged dust through town.

A town land use ordinance adopted this month, along with agreements with Atlantic Richfield and the Colorado Department of Public Health and Environment, reduces allowed soil lead levels since a first round of about 74 home yards were dug up and remediated in recent years. The voluntary agreement will clean up existing yards that test above those levels, and test and remediate newly developed parcels. Tainted roadways will be dug up and paved, likely in summer of 2026, Pieterse said, during Rico's short construction season.

The multiparty agreements allow Rico to keep control of the cleanup while avoiding overly disrupting the town's spectacular views, Pieterse said. A separate agreement between Rico and the state calls for ongoing CDPHE enforcement of the pacts regardless of changes in Rico government.

CDPHE hazardous waste division director Tracie White said the new deals will protect Rico public health.

"We're happy to see stakeholders joining together to voluntarily address historic soil contamination in a way that meets the needs of the town and its residents," White said, in a release accompanying the announcement.



Rico Town Hall and a historic Presbyterian church are fronted by dirt streets that will be dug up and paved as part of work to rid the high elevation mining town of lead contamination. (William Woody, Special to The Colorado Sun)

Contamination levels in Rico have always varied by property, Pieterse said. Her family's home yard did not test above previous remediation levels and will now be retested under the tougher standard. But a former railroad property they acquired next door will likely need work done when it is redeveloped, she said.

Of the dozens of home yards remediated in a previous round, Pieterse said, some will need to be retested and may have to be done again. Atlantic Richfield puts the removed soil into a repository it operates north of the town, Pieterse said.

Atlantic Richfield officials "have been really good to work with," Pieterse said. "They are a large company. There was a lot of reticence about that. There were people who were asking, well, if it's such a big problem, why hasn't the EPA come in and dealt with this?"

“Well, the EPA is slower than the private sector, No. 1,” Pieterse said. “No. 2, the EPA is watching this very closely, and they were staying out of the way to allow this voluntary process to go forward, and it’s a much better process, because it gives the town a real seat at the table.”



State Revolving Fund Newsletter

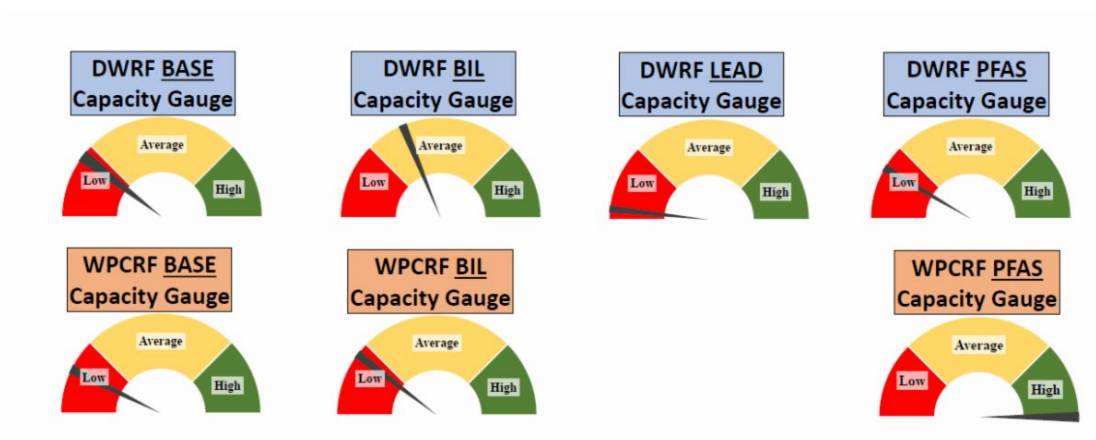
September-October 2024

Updates regarding the State Revolving Fund (SRF):

- The Water Quality Control Commission will hold a [public administrative action hearing](#) to consider approval of the Water Quality Control Division's proposed FY 2025 Intended Use Plans (IUPs).
 - Written comments are due 10/1/2024.
 - A public hearing is scheduled for 10/15/2024.
- The SRF plans to improve project prioritization procedures in 2025. For more information, please visit our [website](#) or contact your SRF project manager.

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