COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY
8:00 A.M. – October 2, 2026
Hybrid Meeting – In-person and via Zoom
Riverview Boardroom, DoubleTree Hotel
501 Camino Del Rio
Durango, CO 81301
https://us06web.zoom.us/j/81072197046?pwd=xLpZyMx5lvxpG24iLWRBO2pxvNV8VH.1
OR call-in number **1-719-359-4580**
Meeting ID: **810 7219 7046**
Passcode: **848707**

AGENDA

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

1. **Call to Order** – Chair Chris Treese
2. **Pledge of Allegiance**
3. **Roll Call, Declaration of a Quorum & Introduction of Guests**
4. ***Consent Agenda Approval[1]**
5. ***Approval of Minutes[1]* –** August 19, 2026
6. **Agency and Other Reports**
   - (a) Report of Lobbyist – Christine Arbogast
   - (b) Report of AVC – Leann Noga
   - (c) ***Report of CWCB[1]* – Kirk Russell
   - (d) Report of WQCD – Ron Falco
   - (e) Report of DOLA – Victor Chen
7. **Authority Reports**
   - (a) Public and/or Board Member Comment
   - (b) Report of Chair – Chris Treese
   - (c) ***Report of Treasurer[2]* – Karen Wogsland
   - (d) ***Report of Executive Director[1]* – Keith McLaughlin
     - Appointment of Authority General Counsel, Resolution No. 26-36
     - Appointment of Assistant Treasurer, Resolution No. 26-37
     - Appointment of Assistant Secretaries, Resolution No. 26-38
     - CEOS Project Update
   - (e) Manager's Report
     - Accounting
     - Finance
       - 2025 EPA Annual Reports: DWRF & WPCRF
       - Investment Policy Review
     - Office
       - Expanded Military Leave Requirements HB 26-1413
       - Required 457 Plan HB 26-1026
   - (f) Report of Legal Counsel – Karl Ohlsen
8. **Drinking Water Revolving Fund**
   - (a) Loan Applications
     - Bristol Water and Sanitation District, ***Resolution No. 26-39[1]*
     - ***Town of Saguache[2]*, ***Resolution No. 26-40[1]*
     - City of Trinidad, ***Resolution No. 26-41[1]*
   - (b) ***State Revolving Fund 2026 Series A Bond, Resolution No. 26-42[1]*
   - (c) Status of Projects
9. **Water Pollution Control Revolving Fund**
   - (a) Loan Applications
     - Cucharas Sanitation and Water District, ***Resolution No. 26-43[1]*
     - ***Town of Hugo[2]*, ***Resolution No. 26-44[1]*
     - ***Pagosa Springs Sanitation General Improvement District[2]*, ***Resolution No. 26-45[1]*
   - (b) State Revolving Fund 2026 Series A Bond Resolution No. 26-42 *(same as 8(b))*
   - (c) Status of Projects
10. **Small Hydropower Loan Program**
    - (a) Status Report
11. **Water Revenue Bonds Program**
    - (a) Status Report

BACK TO AGENDA

12. Committee Reports

(a) Project Finance Committee – ***Minutes from September 2026[1]*

(b) Budget & Audit Committee – ***Minutes from September 2026[1]*

- ***Approval of Forvis Mazars 2026 Audit Engagement[1]*
- ***Presentation of the 2027 Budget[2]*

(c) ***Nominating Committee[1]* – ***Minutes from September 2026[1]*

13. Legislative Issues and Other Business

(a) ***Legislative Issues and other Business of Interest to the Authority[2]*

14. Arrangements for Future Meetings

December 3, 2026 – Board Program Work Session, 3:00 pm, Denver
December 4, 2026 – Board Meeting 9:00 am, Denver
January 28, 2027 – 2:00 pm, Hyatt Regency Aurora Denver Conference Center (Tentative Date, in conjunction with the Colorado Water Congress Annual Convention)
March 4, 2027 – Board Program Work Session (TBD)
March 5, 2027 – Board Meeting 9:00 am, Denver
April 22, 2027 – Board Program Work Session (TBD)
April 23, 2027 – Board Meeting 9:00 am, Denver
June 3, 2027 – Board Program Work Session (TBD)
June 4, 2027 – Board Meeting 9:00 am, Denver
August 18, 2027 – Board Meeting 2:00 pm, Steamboat Springs (Tentative, in conjunction with the Colorado Water Congress Summer Conference)
October 8, 2027 – Board Meeting 9:00 am, TBD
December 2, 2027 – Board Program Work Session
December 3, 2027 – Board Meeting 9:00 am, Denver

15. Adjournment

SLIDES[1]

Yellow highlights = Items also included in the BPWS packet (no BPWS for 10/2/2026 meeting)
**** and italics* = New items (superscript [1]) or updated items (superscript [2]) included in the final packet**

BACK TO AGENDA

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CONSENT AGENDA

8. Drinking Water Revolving Fund

(a) Loan Applications

- Town of Saguache, Resolution No. 26-40
- City of Trinidad, Resolution No. 26-41

9. Water Pollution Control Revolving Fund

(a) Loan Applications

- Cucharas Sewer and Water District, Resolution No. 26-43

BACK TO AGENDA

BACK TO AGENDA

Colorado Water Resources
and
Power Development Authority

BOARD MEETING MINUTES

August 19, 2026

Call to Order
Chair Chris Treese called the meeting to order at 2:02 p.m. in the Burgess Creek Conference Room of the Steamboat Grand, located at 2300 Mt. Werner Circle, Steamboat Springs, Colorado, 80487, and via video and audio teleconferencing.

Board Member Identification and Declaration of a Quorum
Board members present: Chris Treese (Chair), Mike Fabbre (Vice-Chair), Karen Wogsland (Secretary/Treasurer), Roy Heald, Matthew Shuler, Steve Vandiver, Patti Wells, Bruce Whitehead, and Eric Wilkinson. A quorum was declared with nine Board members present.

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

Introduction of Guests
Due to the lengthy Board agenda, Chair Chris Treese skipped the introduction of guests.

Approval of Consent Agenda
Chair Treese announced that the following items were placed on the Consent Agenda for Board consideration at the Project Finance Committee meeting: Agenda items 8(a) Drinking Water Revolving Fund loan applications for Penrose Water District, Resolution No. 26-26, Bailey Water and Sanitation District, Resolution No. 26-27, Town of Kremmling Supplemental, Resolution No. 26-28, Town of Cheyenne Wells, Resolution No. 26-29, Town of Dolores, Resolution No. 26-30, and Town of La Veta Supplemental, Resolution No. 26-31; 9(a) Water Pollution Control Revolving Fund loan applications for Town of La Veta, Resolution No. 26-33, and City of Las Animas, Resolution No. 26-34; 9(b) Water Pollution Control Revolving Fund Town of Cheraw 20-year to 30-year Loan Term Approval Change, Resolution No. 26-35; and 12(e) Personnel Committee- Vacation Accrual Recommendations. A motion was made to approve the Consent Agenda, as presented.
Motion: Roy Heald
2nd: Matthew Shuler
Director Heald requested that agenda item 8(a) Drinking Water Revolving Fund loan application for Penrose Water District be removed from the consent agenda and be discussed in the meeting. Director Wilkinson requested that agenda item 12(e) Personnel Committee- Vacation Accrual Recommendations be removed from the consent agenda. Both items were removed from the consent agenda and placed on the standard Board agenda. Vote: Motion carried unanimously for the remaining consent agenda topics.

Approval of Minutes – June 5, 2026
The June 5, 2026, Minutes were presented for approval. A motion was made to approve the Minutes of June 5, 2026, as submitted.
Motion: Eric Wilkinson
2nd: Karen Wogsland
Vote: Motion carried unanimously

BACK TO AGENDA

Agency and Other Reports

6(a) Report of the Lobbyist

Christine Arbogast, Colorado Water Resources and Power Development Authority Lobbyist, conveyed that the Water Resources Development Act ("WRDA") bill passed the House but noted that there are numerous holds on the bill in the Senate. Ms. Arbogast also mentioned that Appropriations have stalled, stating that the House has passed a number of its bills, but the Senate has not agreed on top-line Appropriations, preventing the subcommittees from doing their work. Additionally, there has been no further movement on the earmarks. Ms. Arbogast then discussed the Arkansas Valley Conduit legislation and asserted that, since it is in the Ag. Appropriations Bill in the House and the Senate hasn't moved forward, the legislation remains stuck. She further mentioned that there is plenty of activity and conversations occurring between Colorado Senators and the Appropriators, and between House members and the Senate Appropriators, with requests that this legislation be included. Ms. Arbogast concluded her report with reporting that the National League of Cities and other organizations are requesting emergency spending of $50B for water infrastructure and the Reclamation states are requesting $14.5B emergency supplemental funds for the drought-stricken West.

6(b) Arkansas Valley Conduit ("AVC")

Leann Noga, Executive Director of Southeastern Colorado Water Conservancy District ("the District"), introduced Jeff Rieker, Area Manager for the Bureau of Reclamation who oversees the AVC. Ms. Noga referred to the signatory issue on the SRF loan contract referenced in the Executive Director's report and informed the Board that the issue has been resolved and they have a path forward. She indicated that the updated language is anticipated within the next week, and the District is still on track to have a completed SRF loan contract by the end of the year. Ms. Noga provided an update on the trunkline construction, the injection site, the contract with the Bureau of Reclamation, and project design.

6(c) Report of Colorado Water Conservation Board ("CWCB")

Kirk Russell, Finance Section Chief, stated that the CWCB Board met in Gunnison, Colorado, on July 15 and 16 and approved one loan increase for the Bear River Reservoir Company. He conveyed that approximately $38M was appropriated in the 2026 Projects Bill for Water Plan Grants to be used in FY26/27, with another $2M carrying over from the prior year. He provided an update on the distribution categories, the application cycles, number of applicants, and the Prop DD revenue forecast. Mr. Russell highlighted Severance Tax Revenues for the last fiscal year, the current fiscal year, and the next fiscal year. He informed the Board that the Severance Tax Taskforce delivered the final report on July 15, 2026, and that the next CWCB Board meeting will be on September 16 and 17, with the CWCB Finance Committee meeting on September 15. Finally, Mr. Russell reported that CWCB will be moving office locations in the Fall.

6(d) Report of Water Quality Control Division ("WQCD")

Ron Falco, Safe Drinking Water Program Manager, reported on the recent rulemaking hearing and briefings at the WQCD and reported that the WQCC adopted updates to Regulations #51 and #52 and to Regulation #11. Mr. Falco informed the Board that South Adams County Water and Sanitation District hosted its PFAS ribbon-cutting ceremony on July 29, 2026. Finally, he provided updates on the CEOS replacement project, the pre-qualification meetings from May to July, and the completed coaching and training under the capacity development program. Director Whitehead asked Mr. Falco whether the $5,000 Source Water Protection grants are all related, and Mr. Falco indicated that he would look into this and get back to Keith McLaughlin with a response.

6(e) Report of Department of Local Affairs ("DOLA")

Cynthia Thayer, Local Government Services Director, acknowledged the lengthy meeting agenda and stated that the DOLA report is included in the packet and that she would answer any questions.

Authority Reports

7(a) Public and/or Board Member Comment

There were no comments from Directors. Angie Gamble, from the general public, provided comment regarding her work with Native Americans, encouraged others to get involved with similar work, and noted that apology and reconciliation for past maltreatment may lead to a general end to drought.

7(b) Report of the Chair

Chair Chris Treese welcomed Emma Tucker, the Authority's new Financial Analyst I. He also thanked Board members and Authority staff for their time, efforts, and discussions on the Committee and Board meetings, and for preparing materials.

7(c) Report of the Treasurer

Director Karen Wogsland, Board Secretary/Treasurer, thanked the accounting team and Director Heald for working through the auditor RFP process, then invited Justin Noll, Controller, to provide the report. Mr. Noll stated that the financials through June are included in the Board materials and that staff are preparing for debt service. Mr. Noll displayed the PERA annual report and reported that the PERA liability decreased last year. A motion was made to approve the Treasurer's Report.

Motion: Karen Wogsland
2nd: Patti Wells
Vote: Motion carried unanimously

7(d) Report of the Executive Director

Keith McLaughlin, Executive Director, recognized Mark Henderson, George Corkle, and Nicole Rowan in the audience. Mr. McLaughlin thanked Danica Rowe, Administrative Specialist, for enthusiastically stepping in to assist with the Board meeting during Office Manager Heather Newton's absence. He also echoed Chair Treese's thanks to the Board and staff for their efforts across all Committee meetings. Additionally, he thanked DOLA for their efforts with the credits for this Board meeting. He passed around the signup sheet for the October Board meeting in Durango, Colorado, and provided information on the plans and possible project site tours. Mr. McLaughlin noted that he and Jim Griffiths met with Heidi Humphreys, Director of the Colorado Department of Revenue, on June 12, 2026. She noted that they are unable to provide any data beyond what they currently provide and do not fulfill custom data requests. Next, Mr. McLaughlin provided an update on the meeting staff had with the EPA, reporting that the Authority has committed to getting the clean water dollars out the door. He also reported on the follow-up meeting with WQCD, stating that some work remains to reach an agreement on set-asides and FTEs for 2027. He concluded by noting that there have been two staff anniversaries since the last Board meeting: Aaron Best, Accountant I, celebrated his third year with the Authority, and Ian Loffert, Assistant Finance Director, celebrated his ninth anniversary. There was a lengthy discussion about WQCD's 2027 FTEs, the set-asides, and expectations.

CEOS Project Update

Jim Griffiths, Deputy Director, updated the Board that the contract for the new CEOS software, TechPG, was signed a couple of months ago and the implementation and training are under way.

7(e) Accounting Manager's Report

Justin Noll, Controller, reported that he is still working on the IRS issue he reported in June, and it has not yet been resolved.

7(e) Finance Manager's Report

Wesley Williams, Finance Director, announced that Finance is now fully staffed and introduced and welcomed the new Financial Analyst I, Emma Tucker. Mr. Williams reviewed the Finance Director's report

and touched on the loans executed over the last five years, the current capacity, the 2026 metrics, loan application cycles, the possibility of opening up the remaining cycles for Water Pollution Control Revolving Funds ("WPCRF") projects, and indicated that staff will be bringing several policies to the Board for review and potential approval regarding that topic.

Open Loan Application Cycles – WPCRF
Wesley Williams referred to the memo included in the board materials, which outlines the current prioritization model, and conveyed that staff has observed lower-than-expected demand in the WPCRF program. Under the current structure, WPCRF projects scoring below the Priority Point Threshold are unable to apply during the remaining 2026 cycles (October 5 and November 5) and must wait until January 2027 to submit a loan application. In response, staff recommends a one-year exemption for the WPCRF program, allowing all projects, regardless of Priority Point score or DAC determination, to apply at the October 5 and November 5 loan application deadlines in 2026. A motion was made to approve staff's recommendation.
Motion: Patti Wells
2nd: Matthew Shuler
Vote: Motion carried unanimously

7(e) Office Manager's Report
There was no Office Manager Report.

7(f) Report of Legal Counsel
Karl Ohlsen, General Counsel stated that in the interest of time, he does not have a formal report, noting that he has been helping staff with questions as they arise and has been assisting with the AVC loan agreement.

Drinking Water Revolving Fund

8(b) Montezuma County Local Improvement District No. 2023-1 Upper Road 42 DAC Business Case
Giorgi Gazashvili, Financial Analyst II, referred to the PFC meeting and business case reminding the Board that Montezuma County Local Improvement District No. 2023-1 Upper Road 42's ("the District") project is for the construction of a new domestic water distribution system with booster pumps and a water storage tank. The project will connect to and become an extension of the Mancos Rural Water Company water distribution system, providing domestic drinking water to residents reliant on hauling water. The District is seeking approval of a DAC Business Case to allow for potential access to a reduced interest rate through the DWRF program, and DAC approval would qualify the District to receive Infrastructure Investment & Jobs Act ("IIJA") Principal Forgiveness ("PF") and/or Base DAC PF, if available. If the District is approved for DAC status, it would automatically be approved for IIJA benefits. The District did not qualify for DAC status due to MHI, however, the MHI data is not representative of the District. Mr. Gazashvili reviewed the following three options for the Board's consideration: 1. DAC Business Case approval; 2. BIL Business Case approval; and 3. Denial of Business Case. Laura Rieck from the District expressed gratitude to the Board for considering DAC status. The business case comes with a favorable recommendation from the PFC. There was a lengthy discussion about the three options, and if the District should be considered a disadvantaged community. Director Wilkinson expressed concern about setting a precedent, while Director Wells stated she believes it would not set a precedent due to the uniqueness of the District's situation.

A motion was made to approve an IIJA Business Case which would mean if approved the District's loan could be approved for $1,000,000 Principal Forgiveness, a 30-year loan at an interest rate of 3.50%.
Motion: Eric Wilkinson
2nd: Patti Wells
A substitute motion was made to approve the Business Case as a DAC Business Case as presented.
Motion: Bruce Whitehead

2nd: Roy Heald
Vote: Motion failed on a 4-5 vote. Directors Wilkinson, Shuler, Wogsland, Treese and Vandiver opposed. Vote on original motion: Motion carries on a 5-4 vote. Directors Wells, Fabbre, Whitehead and Heald opposed.

8(a) Montezuma County Local Improvement District No. 2023-1 Upper Road 42 – Resolution No. 26-22
Giorgi Gazashvili referred to the PFC meeting and the credit report noting that Montezuma County Local Improvement District No. 2023-1 Upper Road 42 ("the District") is seeking a Drinking Water Revolving Fund ("DWRF") loan in the amount of $2,385,000 at 3.50% interest for 30 years with an estimated rate increase of $1,003 annually per property. This loan comes with a favorable recommendation from the PFC and SRF committees, and staff recommends approval of the loan based on the previous approval of an IIJA business case. A motion was made to approve the loan and adopt Resolution No. 26-22 as amended.
Motion: Bruce Whitehead
2nd: Karen Wogsland
Vote: Motion carried unanimously

8(a) City of Aurora – Resolution No. 26-23
Wesley Williams, Finance Director, referred to the PFC meeting and the credit report noting that the City of Aurora ("the City") is seeking a Drinking Water Revolving Fund ("DWRF") Lead Service Line ("LSL") replacement loan in the amount of $26,305,181 at 3.25% interest for 20 years (comprised of a $8,754,238 base direct loan, a $7,550,943 IIJA LSL loan, and $10,000,000 IIJA principal forgiveness) with no rate increase. The project consists of the replacement of known LSL's or galvanized lines requiring replacement ("GRR") throughout the City's distribution system. Mr. Williams indicated that this loan comes with a favorable recommendation from the PFC; however, the City does not currently have a water conservation/efficiency plan in place, which means that funds cannot be disbursed without the plan being approved by CWCB. Mr. Williams outlined the following requirements in the Resolution: 1. No prepayment for the first five years without also paying the interest portion through the five-year period; 2. The City coming into compliance pursuant to Section 37-60-126 C.R.S. (water conservation/efficiency plan) prior to loan execution; and 3. That the SRF LSL loan is on parity with all outstanding debt under the same pledge. Chair Treese invited the City of Aurora attendees to add any additional comments. Zach Torpie, Aurora Lead Program Manager, indicated that he believes the City has a strong loan application and reiterated that the City is working on removing service lines and this loan will provide the ability to complete the project within two to three years. Chair Treese asked whether the City could provide a timeline for the project, given the need for conservation plan approval. Adam Waters, Senior Conservation Specialist and Project Manager, replied that their plan was due in the Fall of 2022, but they wanted to delay it due to the City's integrated water master plan initiative and had communicated this request to CWCB. The draft plan should be completed for internal review by the end of September 2026, with a final draft after CWCB and public comments are received by the end of November 2026. Director Vandiver noted that he does not want the Authority to hold funds for an extended period while the plan is working through the approval process. Mr. Williams noted that, since the loans take two to three months to execute, the funds will not be held and that this aligns with Mr. Waters' plan. A motion was made to approve Resolution No. 26-23.
Motion: Eric Wilkinson
2nd: Patti Wells
Vote: Motion carried unanimously

8(a) Camelot Property Owners Association – Resolution No. 26-24
Ian Loffert, Assistant Finance Director, referred to the PFC meeting and the credit report noting that Camelot Property Owner's Association ("the Association") is seeking a Drinking Water Revolving Fund ("DWRF") loan in the amount of $1,000,000 at 5.00% interest (4.00% base interest and 1% up front Private Non-Profit "PNP" admin fee) for 30 years with an estimated monthly rate increase of $6.46 per tap. The project consists of a full replacement of the storage tank with two new 30,000-gallon water storage tanks

and booster pump upgrades. The loan comes with a favorable recommendation from the SRF and PFC Committees. Joshua Pearsall, Association Board member, thanked the Authority Board for their consideration of the loan. Chair Treese confirmed that this application was not placed on the consent agenda due to it being a PNP, not because there were outstanding items. A motion was made to approve Resolution No. 26-24.
Motion: Patti Wells
2nd: Steve Vandiver
Vote: Motion carried unanimously

8(a) Colorado City Metropolitan District – Resolution No. 26-25
Ian Loffert referred to the PFC meeting and the credit report noting that Colorado City Metropolitan District ("the District") is seeking a Drinking Water Revolving Fund ("DWRF") loan in the amount of $7,500,000 at 1.75% interest for 30 years (comprised of a $2,905,087 base direct loan, a $2,094,913 IIJA loan, and $2,500,000 IIJA principal forgiveness) with an estimated monthly rate increase of $36.34 per tap. The project consists of upgrades to the District's existing membrane filtration water treatment plant, including the design and construction of a drinking water pretreatment Dissolved Air Flotation (DAF) system, DAF treatment building and all associated appurtenances. Mr. Loffert reminded the Board that the District has two active enforcement orders, and a compliance order that they must meet and follow. Mr. Loffert noted that the District has made significant progress in addressing and meeting each bulleted concern since its last loan application in August 2025. Mr. Loffert also confirmed that all existing debt will be on parity with this loan application. The loan comes with a favorable recommendation from the SRF and PFC Committees. James Eccher, District Manager, thanked the Board for their consideration of the loan application and stated that the District has been working on this project for approximately five years and are looking forward to moving the project forward. Chair Treese noted the significant progress made between applications and congratulated the District on the progress. A motion was made to approve Resolution No. 26-25 subject to the terms and conditions listed in the Resolution, as well as approve and authorize staff to begin negotiating an SRF leveraged loan with the District, plus cost of issuance at 85% of the interest rate received on the Authority associated bond issue and authorize staff to begin drafting a preliminary official statement incorporating the District, also subject to the same terms and conditions listed in Exhibit A of Resolution No. 26-25.
Motion: Mike Fabbre
2nd: Bruce Whitehead
Vote: Motion carried unanimously

8(a) Penrose Water District – Resolution No. 26-26
Wesley Williams reminded the Board that Penrose Water District ("the District") was previously on the consent agenda from the PFC meeting and noted that it is a strong application, but due to the possible application of significant EC grant funds, Director Heald removed the application from the Consent Agenda. Wes clarified that between obtaining the original credit report and now, it was discovered that there is a component of manganese which is considered an emerging contaminant ("EC"). Because of this discovery, the District is eligible for up to $10.9M in EC principal forgiveness. The credit report indicates that the District is seeking a Drinking Water Revolving Fund ("DWRF") loan in the amount of $14,860,000 at 4.00% interest for 30 years (originally comprised of a $13,022,035 leveraged loan, an $837,965 IIJA loan, and $1,000,000 IIJA principal forgiveness) with an estimated rate increase of $12.12. The project consists of the construction of a new water treatment plant and associated appurtenances, as well as decommissioning of the old treatment plant. With the update, the repayable loan would be decreased significantly, and the remaining loan amount may be incorporated into the leveraged loan. Mr. Williams noted that because it was a significant change, it was taken off the consent agenda, and staff is seeking approval of the estimated EC PF amount and approval of a direct loan/leveraged loan combination. A motion was made to approve Resolution No. 26-26; a Resolution for approval of a Drinking Water direct loan to the Penrose Water District and execution of a loan agreement and other documents necessary,

therefore; subject to: the District increasing rates, if necessary; a $15,000 prepayment charge applied on any full principal repayment of the loan, all interest paid through the date of full principal prepayment will be credited against this charge; and if WQCD determines that the project is eligible for Emerging Contaminants (EC) funding through the IIJA for the manganese components then Authority staff with approval from the Executive Director will reduce the applicable loan repayment amount by the EC eligible amount, and approve and authorize staff to begin negotiating an SRF leveraged loan with the District in the amount of approximately $3,000,000, plus cost of issuance at 85% of the interest rate received on the Authority associated bond issue and authorize staff to begin drafting a preliminary official statement incorporating the District, also subject to the same terms and conditions listed in Exhibit A of Resolution No. 26-26.
Motion: Matthew Shuler
2nd: Roy Heald
Vote: Motion carried unanimously

8(c) DWRF 2026 IIJA – State Match Approval – Resolution No. 26-32
Jim Griffiths presented 8(c) and 9(c) and stated that both resolutions allow for approval, receipt of terms, and use of the IIJA state match contributions, which come from the IIJA cash fund through the Governor's office. Mr. Griffiths then stated that the Authority will receive approximately $13M for both the DWRF and WPCRF programs, and if there are any funds remaining, the funds will be returned. A motion was made to approve Resolution 26-32.
Motion: Karen Wogsland
2nd: Bruce Whitehead
Vote: Motion carried unanimously

8(d) DAC Criteria Modifications Update
Ian Loffert referred to the memo in the Board materials and reminded the Board that the DAC Subcommittee has evaluated a range of potential criteria, including existing IIJA/BIL affordability indicators, current DAC criteria, and additional measures within Colorado's definition of disproportionately impacted communities. He also noted recent discussion about adding communities that haul water as a criterion, which could be included if the Board desires. He asserted that staff recommends continuing development of a points-based DAC methodology and seeks Board direction on which criteria should be included in the benchmark and weighted analysis. Based on the DAC Subcommittee memo included in the materials and a review that includes detailed metrics, staff recommends retaining the following: a population of less than 10,000; population growth/loss; jobs/unemployment; median household income ("MHI"); rates as % of MHI; minority population; housing-burdened population; population below 200% of poverty; poverty + population over 65; median home value ("MHV"); assessed value per household; system debt per tap relative to MHV; and system full cost/required revenue per tap relative to MHI; adding: auto-qualifying mobile home communities; and not including: lead service line and emerging contaminant projects; and linguistically isolated communities. Mr. Loffert noted that once the criteria are finalized, it will take some time to run the data, test cases and examples. Chair Treese removed this item as an action item and suggested that, with input from the Directors, this agenda item be presented again as a future topic and action item. There was a discussion about whether mobile home parks should auto-qualify as a DAC, and it was determined that they should be used as a criterion to evaluate but not automatically qualify the mobile home park. It was suggested to add the ability to use MHV instead of MHI, when necessary, and also to add whether the community owns a water system and a lack of reliable water source/useable water supply (i.e., no more water in a well, hauling water, or contaminated water) as a criterion.

8(e) 2025 Base and IIJA Capitalization Grant Requirements

Kevin Carpenter referred to the memo in the Board packet and stated that each year the Authority receives cap grants, the Board must approve the conditions of each cap grant, including the requirements for additional subsidies/principal forgiveness ("PF"). He conveyed that staff are moving forward with approval for the conditions for the 2025 cap grants, without having received the lead cap grant due to it taking a long time to receive because of delays with the allotments. The grant requirements are standard and consistent with past requirements. He reported that each grant has a minimum percentage that must go to additional subsidy/PF, and he stated that the Authority typically proceeds with the lowest percentage. Staff recommends the Board approve the FFY 2025 DWRF Base and IIJA/BIL program capitalization grant awards and the conditions and requirements each grant must meet. Specific, important condition/requirement recommendations are as follows and are for reference purposes but are not intended to be an exhaustive list: green project reserve ("GPR"): no additional subsidy under the Base or IIJA/BIL grants; DWRF Base: the minimum of 26% ($4,967,300) of the grant be provided as additional subsidy with an allocation of $1,500,000 in additional subsidy funds for Design and Engineering Grants in calendar year 2026; DWRF IIJA/BIL General Supplemental: the minimum of 49% ($21,371,840) of the grant be provided as principal forgiveness; DWRF IIJA/BIL Emerging Contaminants: 100% ($13,384,000) of the grant be provided as principal forgiveness; and DWRF IIJA/BIL Lead Service Line: the minimum of 49% ($14,038,500) of the grant be provided as principal forgiveness. A motion was made to approve the 2025 capitalization grant conditions and requirements, as recommended.

Motion: Karen Wogsland
2nd: Matthew Shuler
Vote: Motion carried unanimously

8(f) IIJA Per Entity Policy Recommendations

Kevin Carpenter referred to the memo included in the Board packet and reported that in 2023, in response to increased demand driven by PF availability, the Board approved a restriction limiting each IIJA-eligible entity to one opportunity at each pot of IIJA funding. Disadvantaged Communities ("DACs") were excluded from the restriction and may apply for multiple projects from the same pot. He stated that, since the SRF program is now in the final year of IIJA funding, and given EPA's guidance to spend down IIJA funds at a faster rate and low demand for Lead Service Line and Emerging Contaminant funds, staff believe that removing the one-time restriction will allow those funds to be spent more quickly by communities that have already been through the SRF program. Staff recommends the following changes: Remove the restriction that IIJA-eligible non-DAC entities may only receive funding once per pot, as outlined in the table on page 292; and No change to DWRF IIJA Supplemental due to strong current demand nor to the DWRF and WPCRF Base programs for the same reason plus low base funding capacity. Staff recommends that the Board approve removing the one-time funding restriction for IIJA eligible non-DAC entities from the four funding sources listed. A motion was made to approve staff's recommendation.

Motion: Patti Wells
2nd: Eric Wilkinson
Vote: Motion carried unanimously

8(g) Status of Projects

Emma Tucker, Financial Analyst I, presented that since the June Board meeting, there have been two prequalification meetings with the Town of Moffat and Bone Mesa Domestic Water District and three loan applications were received for the August 5th deadline for the Town of Saguache, Bristol Water and Sanitation District, and the City of Trinidad, totaling approximately $5.2M. There has been one new Planning Grants awarded to the Town of Moffat, leaving $75,000 remaining, and no Design and Engineering ("D&E") grants were awarded.

Water Pollution Control Revolving Fund

9(c) WPCRF 2026 IIJA – State Match Approval – Resolution No. 26-32

Jim Griffiths provided this report at the same time as 8(c). A motion was made to approve Resolution 26-32.

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

9(e) 2025 Base and IIJA Capitalization Grant Requirements

Kevin Carpenter stated that, similar to the DWRF 2025 Base and IIJA Capitalization Grant Requirements, staff is seeking approval of the WPCRF 2025 Base and IIJA Capitalization Grant Requirements and Conditions, which are largely the same, with one major difference: the GPR, which is required. Staff is recommending the Board approve the following FFY 2025 WPCRF Base and IIJA program capitalization grant awards and the conditions and requirements that must be met for each grant: GPR: the minimum of 10% ($1,269,100) of the WPCRF Base and 10% ($1,970,500) of the WPCRF IIJA General Supplemental grants be provided for GPR projects/loans while continuing to pause the higher allocation threshold ($5 million); WPCRF Base: the minimum of 20% ($2,538,200) of the grant be provided as additional subsidy with an allocation of $1,500,000 in additional subsidy funds for Design and Engineering Grants in calendar year 2026; WPCRF IIJA General Supplemental: the minimum of 49% ($9,655,450) of the grant be provided as principal forgiveness; and WPCRF IIJA Emerging Contaminants: 100% ($1,701,000) of the grant be provided as principal forgiveness. A motion was made to approve the 2025 capitalization grant conditions and requirements as recommended.

Motion: Patti Wells
2nd: Roy Heald
Vote: Motion carried unanimously

9(g) WPCRF Loan Limit Recommendations

Wesley Williams noted that this is an unwinding of a loan limit the Authority historically had in place. He asserted that the limits were put in place because the Authority was running out of funds, and that is no longer the situation; therefore, staff recommends that the Board remove the WPCRF loan limit of $18 million per project per year. A motion was made to remove the WPCRF loan limit per project, per year.

Motion: Patti Wells
2nd: Bruce Whitehead
Vote: Motion carried unanimously

9(h) Status of Projects

Daniel Lockard, Financial Analyst I, reported that since the June Board meeting, there have been seven prequalification meetings and three loan applications were received for the August 5th deadline for the Town of Hugo, Cucharas Sanitation and Water District, and Pagosa Springs Sanitation General Improvement District. There has been one new Planning Grants awarded to Granby Sanitation District, leaving $110,000 remaining, and one Design and Engineering ("D&E") grant was awarded to Cucharas Sanitation and Water District, leaving $1,572,700 remaining.

Small Hydropower Loan Program

10(a) Status of Projects

Due to the lengthy Board agenda, Chair Chris Treese skipped the SHLP status of projects.

Water Revenue Bonds Program

11(a) Status of Projects

Due to the lengthy Board agenda, Chair Chris Treese skipped the WRBP status of projects.

Board Program Work Session

Committee Chair Mike Fabbre reminded the Board that there was no Board Program Work Session ("BPWS") for the August Board meeting, but he did review the June 5, 2026, BPWS Minutes, which he noted accurately reflected that meeting.

Governmental Affairs Committee

Committee Chair Matt Shuler conveyed that he reviewed the meeting Minutes and they are an accurate representation of the meeting.

Budget & Audit Committee

Committee Chair Wogsland reported that the Budget & Audit Committee met on July 23, 2026, to approve the list of candidates to interview for the new auditor, and met again on August 11, 2026, to recommend approval of the chosen auditor. Justin Noll provided background on the rationale and process for selecting a new auditor and stated that the Committee's recommendation is to retain Forvis Mazars as the Authority's auditor. A motion was made to approve Forvis Mazars to engage the Authority's financial statements for fiscal year December 31, 2026, and four subsequent years subject to annual review and satisfactory negotiation of terms including acceptable audit fees.

Motion: Karen Wogsland
2nd: Steve Vandiver
Vote: Motion carried unanimously

Project Finance Committee

Committee Chair Bruce Whitehead noted that the Project Finance Committee met on Wednesday, August 12, 2026, and stated that it was a lengthy meeting with robust discussions. He reported that the Minutes accurately reflect the actions taken, however, he would like to add more information about the discussion on the City of Aurora's water use efficiency plan.

Personnel Committee

Committee Chair Patti Wells conveyed that the Personnel Committee met on Friday, August 14, 2026, and that the Minutes reflect the meeting and discussions. She reported that the Committee made a recommendation for the Board to take action. Chair Treese reminded Board members that the vacation accruals had been removed from the Consent Agenda at the beginning of this meeting. Keith McLaughlin provided a recap of the Committee meeting and mentioned that the Committee recommended Option 2 (establish a 600-hour cap on vacation leave accrual for all employees, with the option to receive a payout at 300 hours) to the full Board for approval. Chair Treese interjected that, while there was a recommendation from the Committee, this item was removed from the Consent Agenda because further discussion was requested. He stated that, due to the time, he would prefer to defer the discussion to either a future Personnel Committee meeting or BPWS, and directed that staff work with the appropriate Directors to determine when. Director Wilkinson outlined his reasoning for removing the item from the Consent Agenda, stating that he is not comfortable with the 600-hour cap. At director Well's request, it was decided to continue the conversation at a future BPWS rather than another Personnel Committee.

Legislative Issues and Other Business

Keith McLaughlin noted that on the State side, the relevant bills were reviewed by the Governmental Affairs Committee. He then reported that the Boards and Commissions office has reached out regarding the two Board members whose terms are up in October 2026 (Directors Treese and Whitehead) and that the recommendations for appointments are due September 15, 2026. Mr. McLaughlin asked for direction from

the Board on the appointment nominations and highlighted that both Directors are interested in serving another term on the Board. It was agreed that staff would recommend both Directors for reappointment. Regarding Federal issues, Mr. McLaughlin spoke about the Clean Water Modernization Act and reported that it has stalled. He indicated that he will reach out to Colorado's Senators' office to see whether and how the Authority can help push the Act forward. He concluded the report by updating the Board on the OMB rule, which has been paused for a couple of months.

Arrangement for Future Meetings

Chair Treese noted the future meetings through the end of 2026 are included in the packet.

Adjournment

Chair Treese adjourned the meeting at 6:21 p.m.

Respectfully submitted,

_____

Heather Newton, Assistant Secretary

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

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Arkansas Valley Conduit Monthly Report

Thursday, August 27, 2026

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

Upcoming Meetings

Participants Meeting

We will have a participants' meeting to discuss the AVC at Colorado State University Extension Office, 27901 County Road 21, Rocky Ford, at 5:30 p.m. Wednesday, September 16, 2026. To join Zoom meeting click the link below:

https://us02web.zoom.us/j/81440270166

One tap mobile: 17193594580

AVC Committee

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

https://www.secwcd.org/

Want to learn more about the AVC?

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

For past issues of the AVC Report:

https://www.secwcd.org/



Presentation to CWRPDA

Southeastern Colorado Water Conservancy District Executive Director Leann Noga updated the Colorado Water Resources and Power Development Authority on the status of Arkansas Valley Conduit construction at its meeting in Steamboat Springs on Wednesday, August 19, 2026. Jeff Rieker, Area Manager for the Eastern Colorado Area Office of the Bureau of Reclamation, listens to the presentation. The CWRPDA approved a $45 million loan in January 2026 for the Enterprise Sub-Project. The Colorado Water Conservation Board will contribute $22.5 million in grant funds to repay the loan, while the other 50 percent is forgivable, as well as $2.5 million for design. Otero County is serving as fiscal agent for the grant portion.

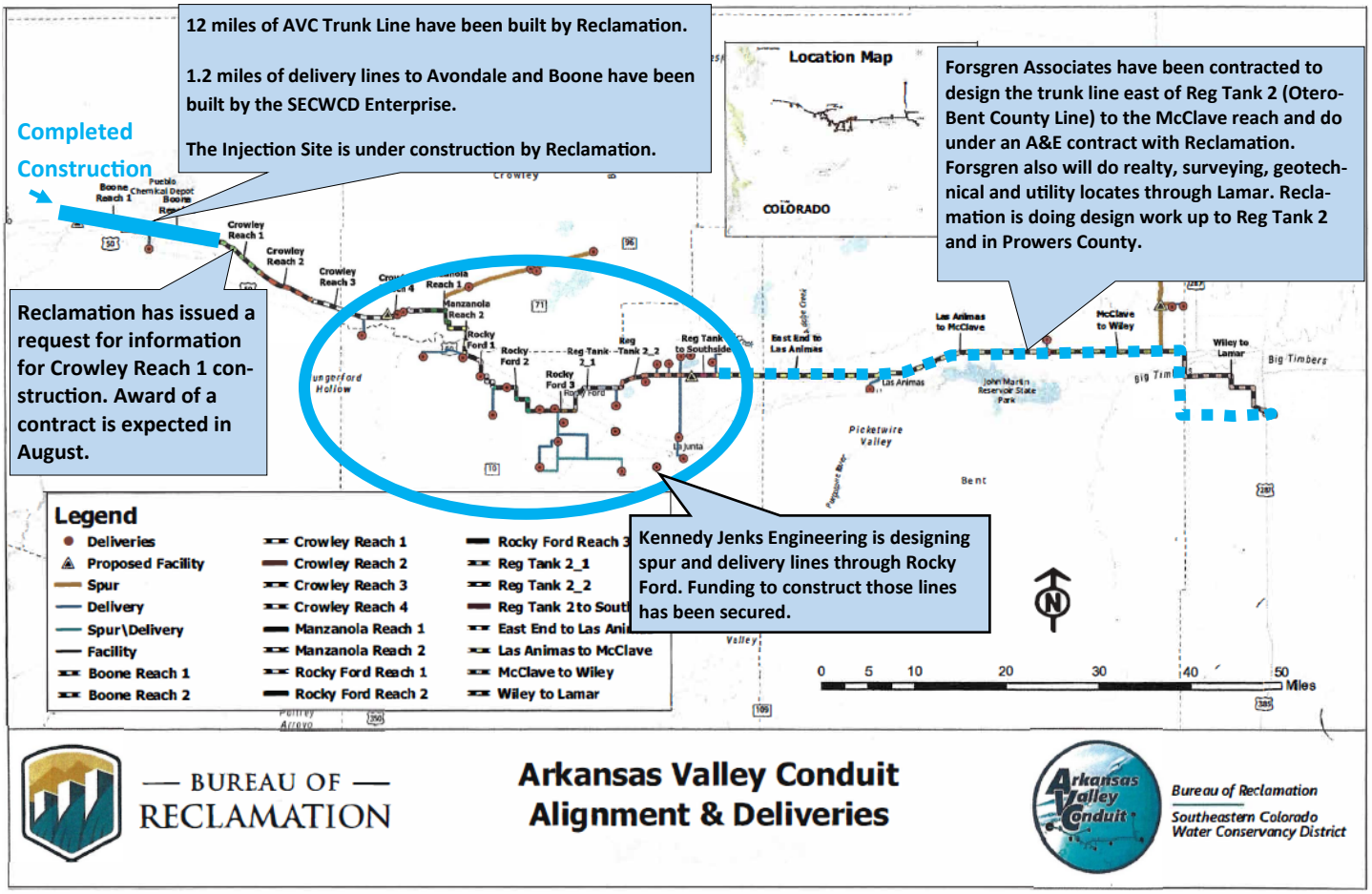


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AVC Project Update





"39 communities in southeastern Colorado have struggled for decades to obtain clean water. A pipeline more than 60 years in the making finally broke ground in 2023, but recent federal funding changes have raised questions about the pipeline's future. We explore if — and when — the pipe dreams for 50,000 residents along the Arkansas River will become a reality. This documentary from Rocky Mountain PBS journalists details this fight for clean water."

Watch Pipe Dreams, The Wait For Clean Water on PBS

Enterprise Activity

The Southeastern Colorado Water Activity Enterprise has been working at all levels to continue construction of the Arkansas Valley Conduit.

During July and August, there was an AVC principals meeting with the Bureau of Reclamation, numerous technical meetings with Reclamation, coordination meetings with the Colorado Department of Public Health and Environment and financial coordination with Otero County, Colorado Water Conservation Board and Colorado Water Resources and Power Activity.

The Engineering Team has been working with Kennedy Jenks and participants to complete design work that will lead to construction as well and with landowners along the route to secure permission to enter and easements where needed.

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AVC Project At a Glance



Progress Report

Federal Construction

To date, about 12 miles of a 122-mile trunk line from Pueblo to Lamar has been completed. A contract for the next five miles will be issued soon.

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

Design work continues for the entire pipeline.

Federal Funding

The 2024 cost estimate is $1.3 billion.

$613 million has been received to date.

$221 million has been obligated, including $204 million in expenditures.

Repayment

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

Reclamation and the Southeastern Colorado Water Conservancy District are negotiating the contract.

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

Enterprise Construction

The Enterprise is building delivery lines to connect with the trunk line.

Two of 38 delivery lines have been constructed.

Design work is continuing on the next section through Rocky Ford (18 water systems). Meetings are continuing with participants to finalize details.

Enterprise Funding

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

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

Participants and the Enterprise have obligated or spent $10.4 million.

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Water Resources Engineer Robert Banham, Project Manager Hunter Willits, Executive Director Leann Noga, President Bill Long and Vice-President Curtis Mitchell discuss AVC issues at the August meeting.

AVC Committee pondering future policies

The Arkansas Valley Conduit Committee discussed potential policy changes at its August 4, 2026 meeting.

Executive Director Leann Noga told the Committee that the process is just beginning and decisions should be well thought-out before any action is taken.

Water Resource questions that must be answered include:

- Is the District going to require Project Water to be used in the AVC pipeline once it is completed or continue to use all or some of the water for augmentation?
- How will the first right of refusal be applied to Return Flows?
- How will Return Flows be managed and accounted for?
- How will Return Flows be stored downstream of Pueblo Reservoir? Haynes Creek, a reservoir being built near Boone, could be used, but another storage site must be located further east.
- Do Return Flows need to be measured? How will that be done?
- Would a model be available to account for Return Flows from communities that rely on septic systems for wastewater?

"These are items we need to think through and communicate with our customers before we pull a trigger on how we do it. Each participants' needs are different and we're here to help them and not put a big strain on them," Mrs. Noga said.

The questions are frequently asked during meetings on the AVC in the Lower Arkansas Valley. Staff is collecting these questions in order to determine what policy changes should be recommended to the Southeastern Board when water systems begin to come on line as the AVC is built.

Staff also received approval for the Committee, subject to final Board approval, for a study to model to estimate the operation, maintenance and replacement costs as the District prepares to go into negotiations for participant agreements.

Past models only provided costs for the completed AVC, but the District realizes participants will be added as the pipe is built to them so this model will look at interim costs based on the number of water systems that are connected.

The new model should provide information to guide the decision of when it is economically feasible for participants to hook up to the AVC, as well as making better cost estimates available to participants when it comes time to sign contracts that will allow them to connect to the AVC.

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Arkansas Valley Conduit Monthly Report

Thursday, September 17, 2026

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



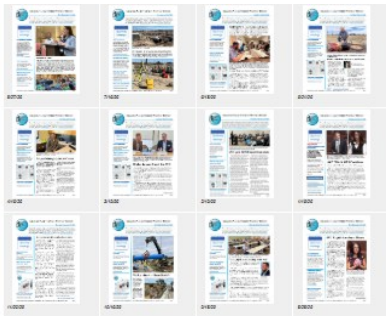
AVC Committee

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

https://www.secwcd.org/

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Read Past issues

To read past issues of the AVC Monthly Report, go to our Web site.

https://www.secwcd.org/



Injection Site Work Continues

Concrete forms are being installed at the Injection Site on U.S. Highway 50 about 10 miles east of Pueblo as part of the Arkansas Valley Conduit Reclamation Sub-Project. The plant will extract residual ammonia and chlorine from water treated and delivered through Pueblo Water's system, providing filtered water for AVC participants to the east. Thalle Construction Company is the lead contractor for the site.

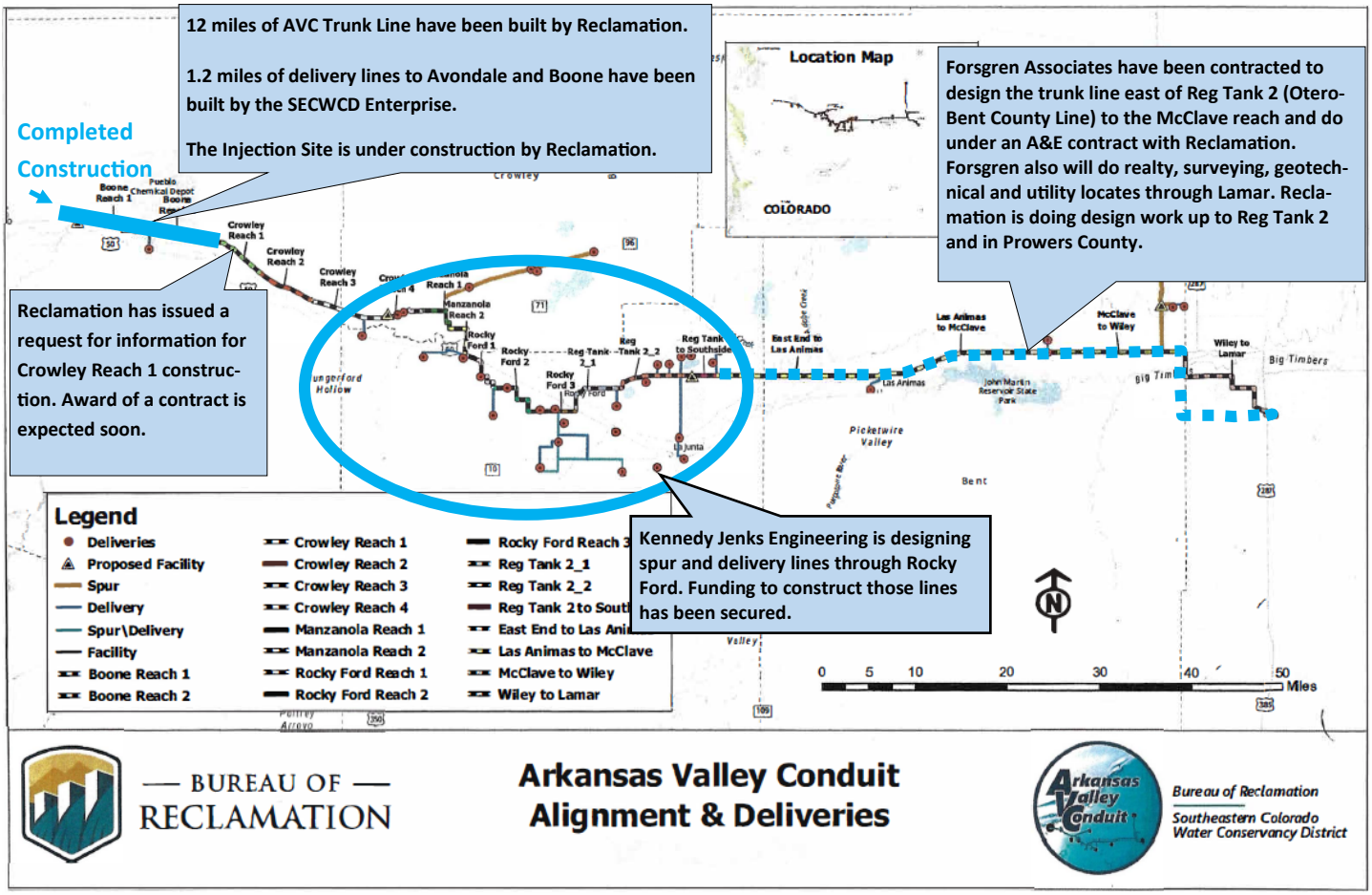


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AVC Project Update





Repayment Contract Negotiations

Representatives from the Southeastern Colorado Water Conservancy District and the Bureau of Reclamation met on September 1, 2026, at District Headquarters to resume negotiations on the AVC Repayment Contract. Negotiations began in 2022, and were paused following the Revised Cost Estimates in 2024. At that time, the District wanted to assure miscellaneous revenues from the Fryingpan-Arkansas Project will be sufficient to repay the AVC participants' share of the federal debt, and legislation was introduced to accomplish that. The new contract encompasses that issues, as well as several construction and operational points. Reclamation and the District are now considering final wording of the Contract.

Federal legislation still pending

Federal legislation to make the Arkansas Valley Conduit more affordable to participants has been included in the Water Resources Development Act now making its way through Congress.

After the veto of HR 131 by President Trump earlier this year, Colorado's delegation is attempting to gain passage through other routes.

The bill, introduced by Representative Lauren Boebert, increases the AVC repayment period and reduces the interest rate. The WRDA bill passed the House and is still pending in the Senate. (see attached news release).

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For Immediate Release

September 16, 2026

REP. BOEBERT: Arkansas Valley Conduit Included in Bipartisan WRDA as House Passes Bill on Suspension

WASHINGTON, D.C. — Rep. Lauren Boebert (R-CO) today welcomed House passage of the bipartisan Water Resources Development Act of 2026 (H.R. 9497) under suspension of the rules, with the Finish the Arkansas Valley Conduit provisions included for southeastern Colorado. This is the second time this Congress the House has advanced the AVC repayment language in a must-pass package, after the House included it in the Agriculture appropriations bill (H.R. 8646) this June.

“This is about clean water for families in the Arkansas Valley who have waited more than 60 years,” **Rep. Boebert** said. “The Arkansas Valley Conduit is the unfinished piece of the Fryingpan–Arkansas Project. Getting it in this bipartisan WRDA and across the House floor on suspension is a big step toward finishing the job.

”The conduit would serve more than 50,000 residents in 39 communities that still rely on groundwater with naturally occurring contaminants. The language adjusts the non-federal cost-share and repayment terms so rural districts can actually connect to the project.

“I am a legislator who never gives up, especially when it involves Colorado water. After working on this issue with House leaders for years, Chairman Graves understands what needs to be done to improve water access for Coloradans, and I thank him for working with me to put southeastern Colorado in WRDA and move it under suspension,” Rep. Boebert said.

The House-passed bill now heads to the Senate.

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COLORADO
Colorado Water Conservation Board
Department of Natural Resources

1313 Sherman Street
Denver, CO 80203

P (303) 866-3441
F (303) 866-4474

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Lauren Ris, CWCB Director

TO: Colorado Water Resources and Power Development Authority Board
FROM: Kirk Russell, P.E., Finance Section Chief
DATE: October 2, 2026
SUBJECT: Colorado Water Conservation Board - Agency Update

CWCB Board Meeting: The September meeting of the Board was held at the Copper Mountain Resort Conference Center on Sept 16/17. The Board meeting included approval of three new loans and a loan payment deferral for the Southeastern Colorado Water Conservancy District – Pueblo Dam Hydroelectric Project.

New Loans:
Orchard City Irrigation District – West Fogg and West Butte Lateral Piping ($2.9M)
Warren Lake Reservoir Company – Slope Paving Improvement ($2.1M)
Ryan Gulch Reservoir Company – Reservoir Outlet Pipe Rehabilitation ($221K)

Finance Committee Meeting: The Committee was held on September 15 with a primary focus on the status of the CWCB's Construction Fund (CF) and the Severance Tax Perpetual Base Fund (STPBF) and recommendations for CWCB's annual Projects Bill. The Committee reviewed approximately $28M of the funding decisions. Including, $22M in NonReimbursable Investments (NRI) and Projects Bill Grants. The Committee also received a recommendation from staff to appropriate $46.2M for Water Plan Grants in FY27/28. All decisions regarding Committee supported actions will be considered for final approval at the November 2026 Board meeting.

The Committee also considered recommendations from staff regarding Policy and Program Guideline changes focused on Interest Rates, Feasibility Study Grant Limits, and Water Plan Grant future application and approval schedule (Single(+) September application date with a January approval followed by an additional application date of February for remaining funds not utilized)

Water Supply Reserve Fund Grants (WSRF): The CWCB Staff processed a couple basin supported, WSRF Grant requests that can be accessed from the WSRF Awards link.

Water Plan Grants (WPGrant): The Board approved 63 new Water Plan Grant projects totaling nearly $29M, the largest round of funding in the program's history. A list of approved projects can be found here WPGrant Awards. The next round of WPGrant applications are due on December 1, 2026 for a March 2027 Board consideration of a balance of $11M in grant funds available.

Severance Tax Revenues: The current projection for CWCB's allocation into the Severance Tax Perpetual Base Fund for FY26/27 is about $50M. Next fiscal year's projection is $40M. The 10-year annual rolling average of SevTax distribution to CWCB is $33M.

Colorado's Near Term Contribution Program: Staff presented an update on the Colorado River and the 'Near-Term Contribution Program' application, review, approval and conditions process. The Board approved the staff recommendation with modifications. Staff Recommendation

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Next CWCB Board Meeting: The CWCB will meet on November 18/19 in Denver, Colorado.

Future Meeting location:
January 25 & 26 – Aurora
March 17 & 18 – Virtual
May 19 & 20 – Yampa White Green Basin
July 21 & 22 – TBD
September 15 & 16 – Arkansas Basin (Finance Committee, Sept. 14)
November 17 & 18 – Denver Metro

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COLORADO
Water Quality Control Division
Department of Public Health & Environment

Board Report - Colorado Water Resources & Power Development Authority

October 2, 2026

REPORT INDEX

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

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1. WQCC actions (current and future)

Past WQCC actions include:

- The WQCC met on June 8-9, 2026 in Crested Butte, CO. They held a rulemaking hearing to adopt changes to Regulations #32-38 involving classifications and numeric standards for multiple basins.
- The WQCC did not meet in July 2026.
- The WQCC met on August 10, 2026. They held information briefings on the annual reports for various watersheds, including the Cherry Creek Basin Water Quality Authority, the Chatfield Watershed Authority, the Bear Creek Watershed, and the Dillon Reservoir Water Quality Authority. There was an Administrative Action Hearing for the adoption of the 2026 Integrated Water Quality Report. The WQCC held a rulemaking Hearing to consider adopting revisions to the Colorado Primary Drinking Water Regulations, Regulation #11 and adopted the Lead and Copper Rule Improvements (LCRI). Finally, there was an informational briefing on the Healthy Rivers Fund.
- The WQCC held its annual planning meeting on September 14-15, 2026.

Upcoming rulemaking hearings and briefings include:

- The WQCC will meet on October 13, 2026. The WQCC will hold a Public Comment Informational Hearing and Town Hall to hear comments on any water quality concerns. The WQCC will hold a written comment-only rulemaking hearing to adopt changes to Regulation #101: Water Quality Civil Penalty Inflation Adjustment Regulation. There will be a rulemaking hearing to consider changes to Regulation #41: Basic Standards for Groundwater and Regulation #42: Site-Specific Water Quality Classifications and Standards for Groundwater. The WQCC will hold a routine review informational hearing for Regulation #102: Water Quality Control Division Fees. The WQCC will hold an administrative action hearing for the FY 2027 Intended Use Plans.
- For the most up-to-date information on the Water Quality Control Commission schedule, the Long Term Schedule is updated each month.

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COLORADO
Water Quality Control Division
Department of Public Health & Environment

2. WQCD highlights

2.1 Budget

- Following discussions at the August 2026 CWRPDA Board meeting, the division requested a one-week extension to review the FTE request and set-aside balances before submitting its 2027 budget. Authority staff approved the request, and the division submitted the finalized budget on August 28.

2.2 Legislative

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

2.3. Grants and Loans Unit Updates

- The project management team reviewed 289 DWRF and 263 WPCRF Eligibility Surveys to ensure inclusion in the 2027 Intended Use Plans

Pre-qualification Meetings 07/28/2026 - 09/10/2026			
Entity	**Date**	**Estimated Project Cost**	**Program**
Town of Rye	08/17/2026	$2,455,878	WPCRF
Town of Akron	08/24/2026	$6,434,000	DWRF
South Fork Water and Sanitation District	08/25/2026	$3,600,000	WPCRF
Cherokee Metropolitan District	08/25/2026	$75,000,000	DWRF
Town of Seibert	09/02/2026	$6,512,500	WPCRF

- Test and Fix
  - Collaboration between CDPHE, Colorado Department of Early Childhood Education (CDEC), and the Division of Early Learning and Licensing and Administration (DELLA) continues to ensure that all facilities can achieve compliance with HB-26-1391.
  - As of Sept. 1, 2026, the program has enrolled 820 child cares and 200 schools. Certified letters will be sent out to the remaining 500 child cares who still need to enroll.
  - As of Sept. 1, 2026, the program has tested 140 child care buildings totalling 870 fixtures. Schools will start testing at the end of September due to summer break closures in August.
- EC-SDC
  - The July 2026 RFA review committee has completed its review of the 10 applications submitted to the program.
  - Four subawards have been finalized, with one subaward still under review. All subawards will be officially announced at the end of September on the EC-SDC website.
  - Total subawards are expected to total $2 million.

COLORADO
Water Quality Control Division
Department of Public Health & Environment

3. Safe Drinking Water Program

3.1. Project Reporting

The 2026 Assistance Grants program has $150,000 total funding; no single project can receive more than $30,000 dollars. This program addresses water quality improvements for public water systems. All work on a funded project must be completed by the end of the calendar year. Applications were reviewed by a committee, and projects were recommended for funding. Seven awarded projects totaling $149,000 were contracted for calendar year 2026. In July, a project was successfully completed and finalized, coming in $427 under budget. This project financed the procurement and installation of a backup generator, ensuring a continuous water supply during power outages and preventing backflow caused by empty water tanks. The First deliverable for all the other recipients has been submitted under the 2026 Assistance Grants. The 2027 Assistance Grants program application was published on the first of September.

3.2. Source water protection

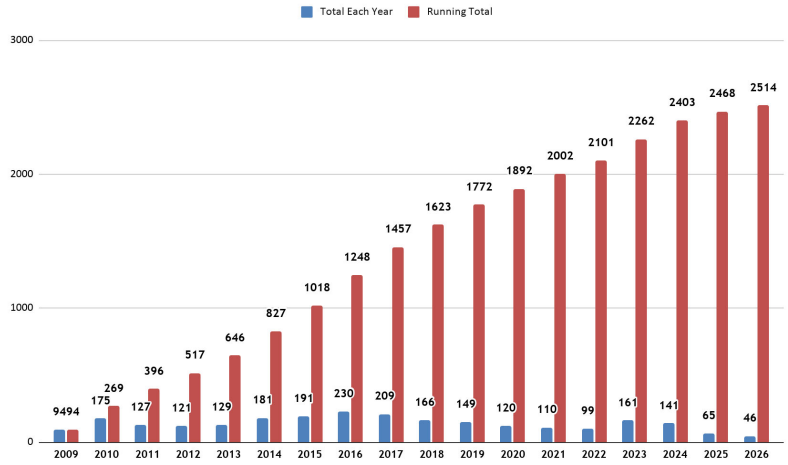
- No new source water protection grants were awarded during the current reporting period.
- Colorado Rural Water Association (CRWA) continues to work on source water protection planning and Wildland Fire Decision Support (WFDSS) projects. The Division will begin working on renewing CRWA's contract for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

3.3. Coaching and training

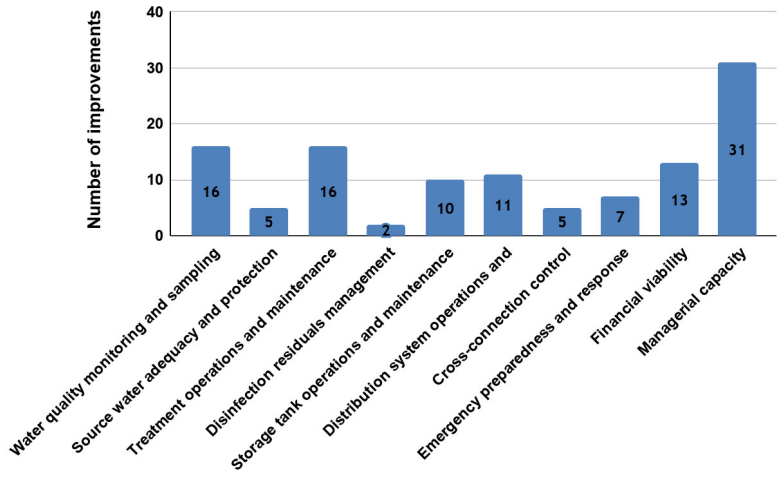
- Unit staff continues to train new hires on the LAU curriculum, unregistered water system visits, monitoring schedules, and surface water considerations to expand the group's overall training capacity. New staff are already collaborating and independently delivering full MORC and SSP trainings under ongoing supervision.
- Unit staff continues to assist in implementing the Colorado Water Sector Cybersecurity Plan, support summer 2026 wildfire recovery for small water and wastewater facilities, and enhance WQCD emergency response redundancy. Additionally, staff have finalized the Summer 2026 Emergency Management After Action Report for distribution to internal and external response partners.

Training Title	Date of Delivery	Location	Water Professionals in Attendance	Public Water Systems represented
Monitoring Schedule	8/5/26	Web	16	11
Asset Management	8/6/26	Web	11	8
Monitoring and Operating for Regulatory Compliance	9/2/26	Durango	36	21
Total year to date	**Calendar year 2026**	**Colorado**	**529**	**390**

- The 2026 annual running monthly average is 90% of all systems that received one-on-one assistance are making at least one improvement.
- Total coaching and training events:



- 2026 improved performance as a result of assistance (the following displays the success of coaching visits as measured by the number of systems improving performance as a result of coaching assistance across 10 different areas):



4. Clean Water Program

4.1. Clean Water Program Updates

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

COLORADO
Water Quality Control Division
Department of Public Health & Environment

4.2. 2026 WPCRF Projects Budget

Program Projects	Current Contract Amount	Balance
CRWA (#1)	$150,000.00	$44,442.09
LABA (line 238 on COA) (#2)	$24,160.00	$20,883.44
SGS - LABA (#2)	$51,000.00	$38,296.50
YSI INV	$14,840.00	$14,840.00
DSV Support (#3)	$125,000.00	$125,000.00
CSU E-rams (#4)	$129,986.00	$70,476.43
#5 Roadmap Studies and Standards Development - Streams Nutrients		
#6 Roadmap Treatment Competition/Synergy Study, scoping	$0.00	$0.00
Job Store (#7)	$23,580.00	$0.00
#8 Small community support and coaching	$0.00	$0.00
CSU - SWQMP (#9)	$74,944.00	$39,333.01
#10a TMDL Temp Aide	$70,774.00	$70,774.00
#10b TMDL model support (Tetra Tech)	$16,394.00	$8,394.00
#10c TMDL model support (CSU)	$50,000.00	$50,000.00
#10d TMDLFountain Creek Bike Tour	$1,800.00	$1,800.00
ERG - Temperature (#11)	$46,500.00	$21,891.54
Hydros (#11)	$40,000.00	$24,270.40
CO School of Mines- Baseline Groundwater Study (#12)	$30,677.73	$9,086.94
Test America Laboratories Eurofins (#12)	$79,321.00	$35,175.10
Aquatics Assoc. Benthic Macroinvertebrate Sampling Efforts (#13)	$15,000.00	$15,000.00
ERG - Field Sampling (#14 & #5)	$91,526.60	$41,877.11
SGS - #15 Water Quality Analytical Support	$92,000.00	$54,732.00
CSU-Cowpea (#16)	$8,000.00	$8,000.00
BSA Env (#5)	$3,635.00	$0.00
Tisch Env (filters)	$8,533.86	$0.00
Total	**$1,147,672.19**	**$694,272.56**

BACK TO AGENDA

COLORADO
Department of Local Affairs
Division of Local Government

To: Colorado Water Resources and Power Development Authority Board

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

Date: October 2, 2026

Re: DOLA Agency Update

Energy and Mineral Impact Assistance (EIAF) Program

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

September Projections for Severance Tax and Federal Mineral Lease Revenue

Severance revenue projections for state FY 26-27 were revised significantly downwards from the June 2026 forecast. Federal mineral lease projections were also revised downwards, although to a lesser extent than severance. Earlier projections that severance revenue would rebound in FY 26-27 have not materialized, despite higher oil and gas prices. Both forecasting agencies show increases in severance revenues for FY 26-27 over FY 25-26, although the increases are expected to be modest.

Severance Tax (Millions)

	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028
Office of State Planning and Budgeting forecast	$108.7	$204.2	$186.7
Legislative Council forecast	$108.7	$187.1	$179.1

Federal Mineral Lease Revenue (Millions)

	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028
Office of State Planning and Budgeting forecast	$90.2	$106.2	$103.2
Legislative Council forecast	$90.2	$98.2	$108.5

Outreach & Education

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

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COLORADO
Department of Local Affairs
Division of Local Government

Upcoming

- O&E committee planning a webinar (tentative date October 23). Topics to be discussed include WPCRF capacity and post-IIJA/BIL SRF funding landscape.

Completed (since the last board meeting)

- State Revolving Fund presentation at Special District Association annual conference on September 16

Small and Rural Communities Technical Services Program

DOLA and RESPEC met with Town of Parachute to discuss sewer lift station condition and replacement options. RESPEC continues to work with Ginters Grove Public Improvement District on data analysis for water accountability.

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY
Treasurer's Report
October 2, 2026, Board Meeting

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

Authority – August 2026 statements

Balance Sheet

- Assets totaled $53.7 million
- Most of the Authority cash is invested in COLOTRUST.

Statement of Changes in Net Assets (Income Statement)

- Certain expense line items exceed the respective budgeted amounts.
- After eight months of activity 67% of the total budget is expected, but at this time the line items on these statements should be within the annual budget by year end.

Financing Programs

- Financial statements for WPCRF, DWRF and WRBP through August are included in your packet.
- All programs continue to function normally.

Accounting Department Activities

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

- The annual SRF Annual Summary reports required by the EPA for both the Clean Water and Drinking Water programs have been submitted.
- On September 1st, staff completed preparations for, and the trustee executed the payment of debt service that totaled $8.9 million for the DWRF and $12.2 million for the WPCRF.
- On September 2nd, deallocation (release of debt service reserve fund investments) totaled $23.9 million for DWRF and $30.8 million for WPCRF. These amounts were deposited into the respective program Reloan Accounts.
- The 2027 Draft Budget was reviewed by the Budget and Audit Committee on September 25th, and the budget will be presented according to the approved meeting agenda.

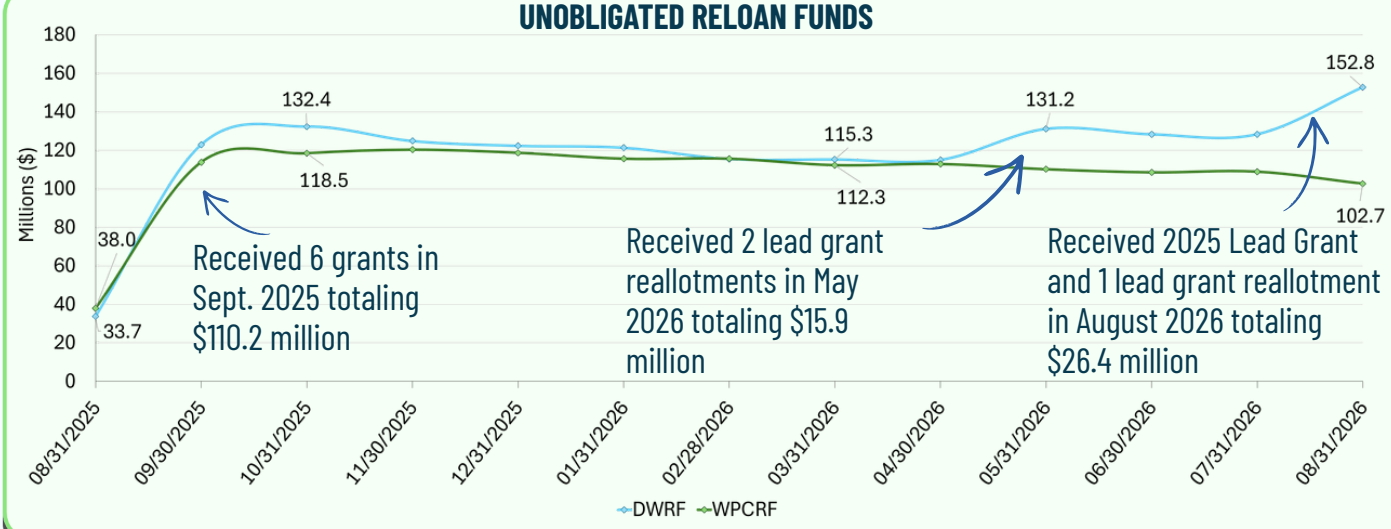
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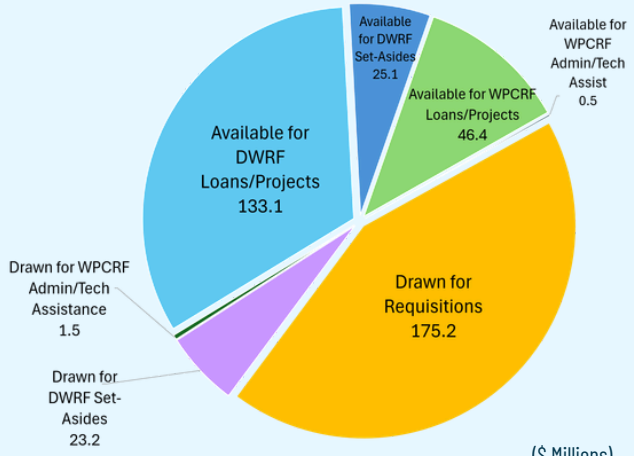
ALL PROGRAMS ACTIVITY

AS OF AUGUST 31, 2026

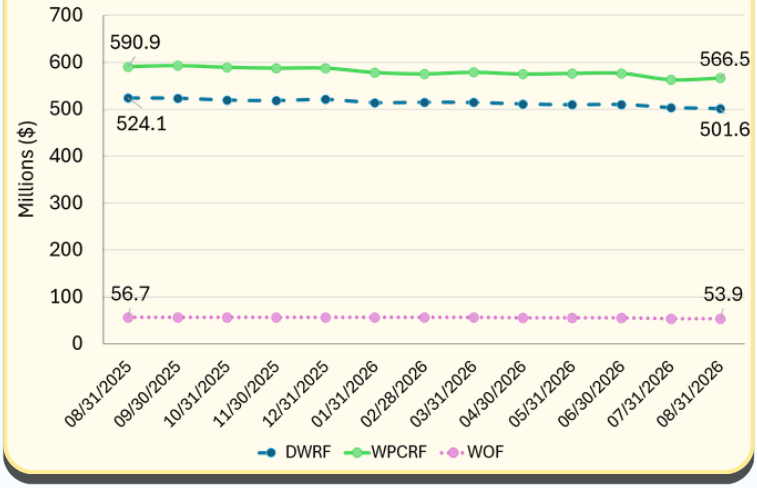
UNOBLIGATED RELOAN FUNDS



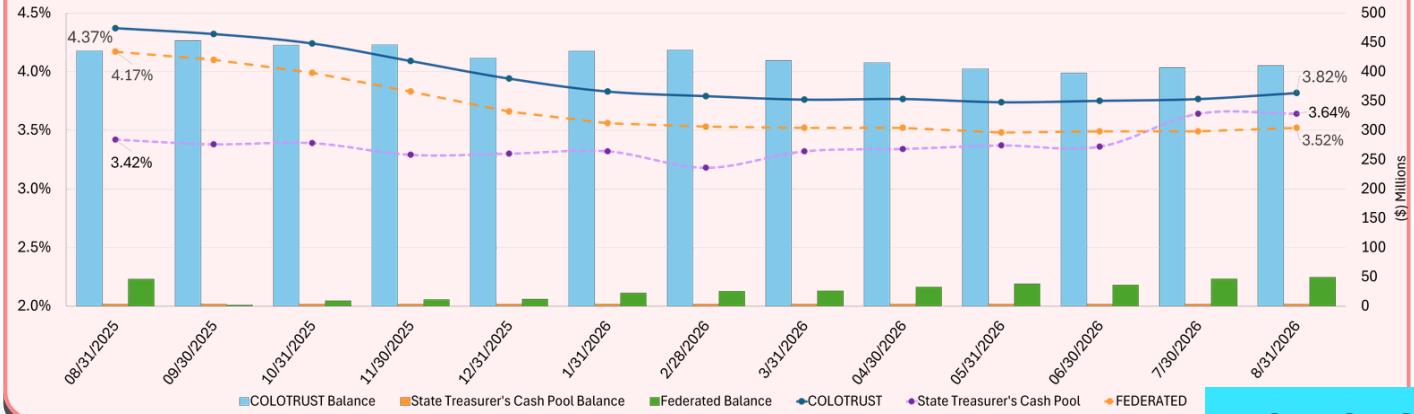
OPEN CAPITALIZATION GRANT FUND USAGE



LOANS RECEIVABLE



YIELD RATES AND ACCOUNT BALANCES



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DWRF ACTIVITY

JANUARY 2026 - AUGUST 2026

LOAN AND BOND ACTIVITY

14 New Loans
$14.3 Million Total

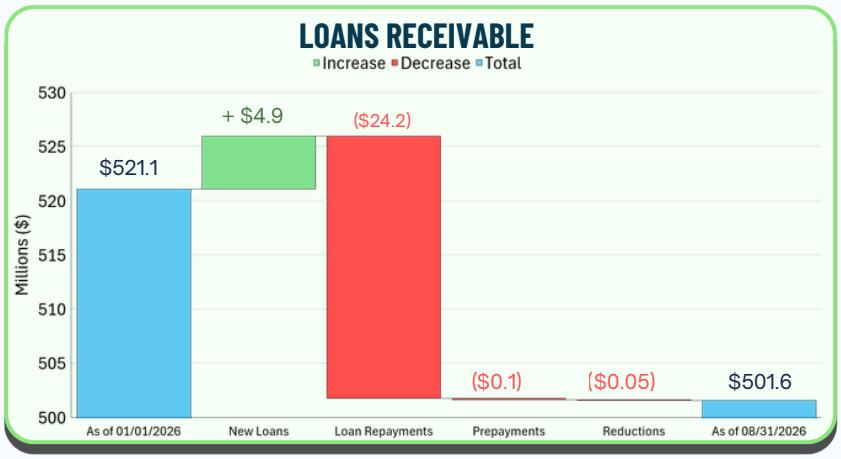
- ▲ $4.9 Million Repayable
- ✚ $9.4 Million PF

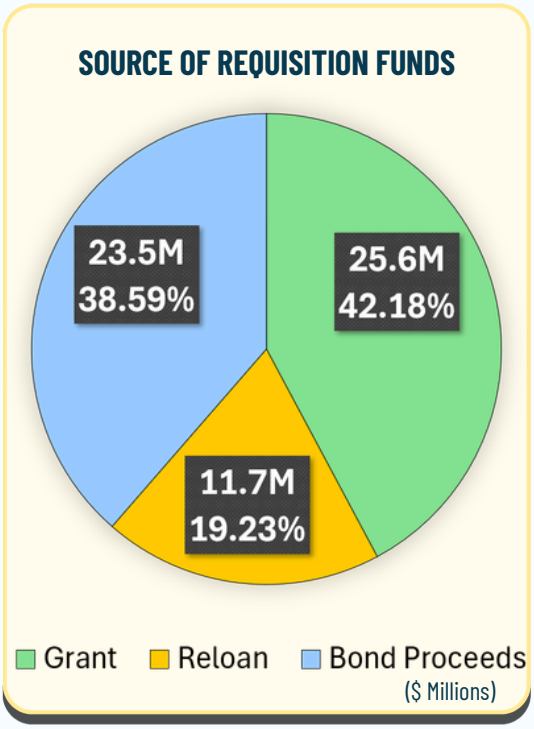
Debt Service
$3.2 Million Total

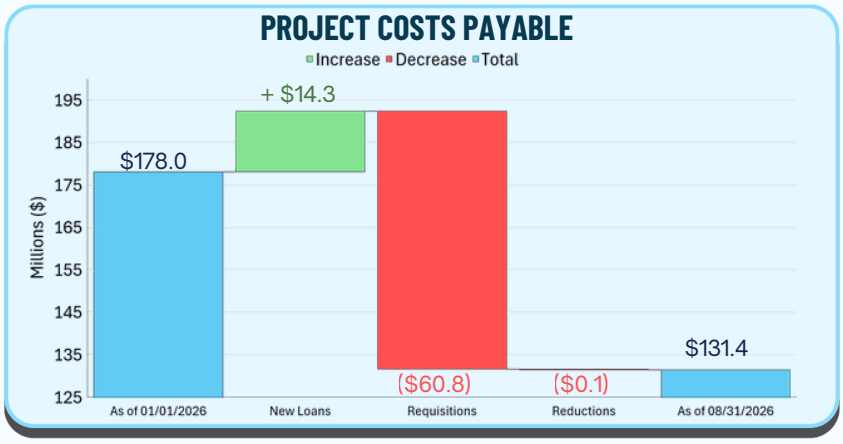
- Principal: $0.9 Million
- Interest: $2.3 Million

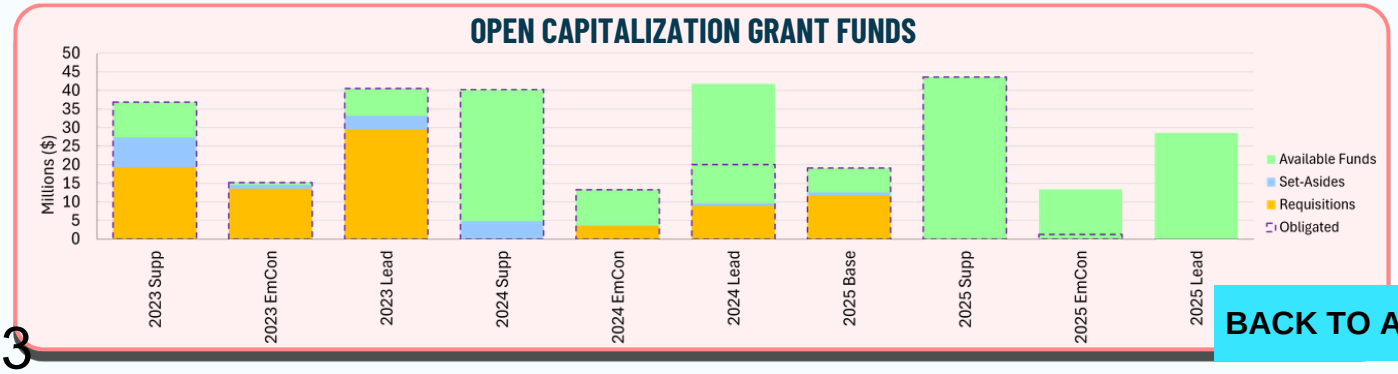
3 Loan Reductions
$0.1 Million Total

- ▼ $0.05 Million Repayable
- — $0.08 Million PF









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WPCRF ACTIVITY

JANUARY 2026 - AUGUST 2026

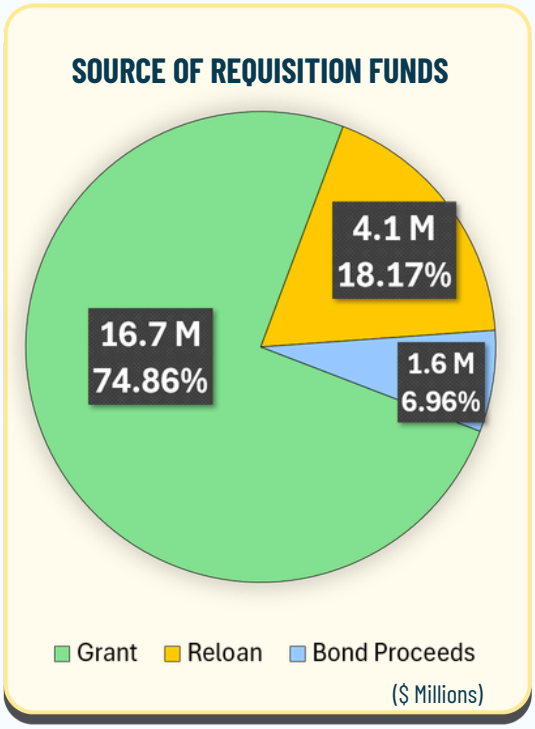
LOAN AND BOND ACTIVITY

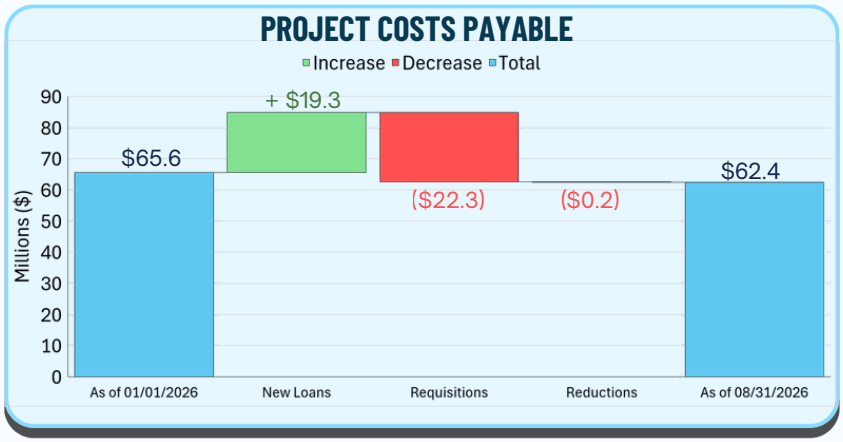
12 New Loans
$19.3 Million Total
▲ $15.0 Million Repayable
✚ $4.3 Million PF

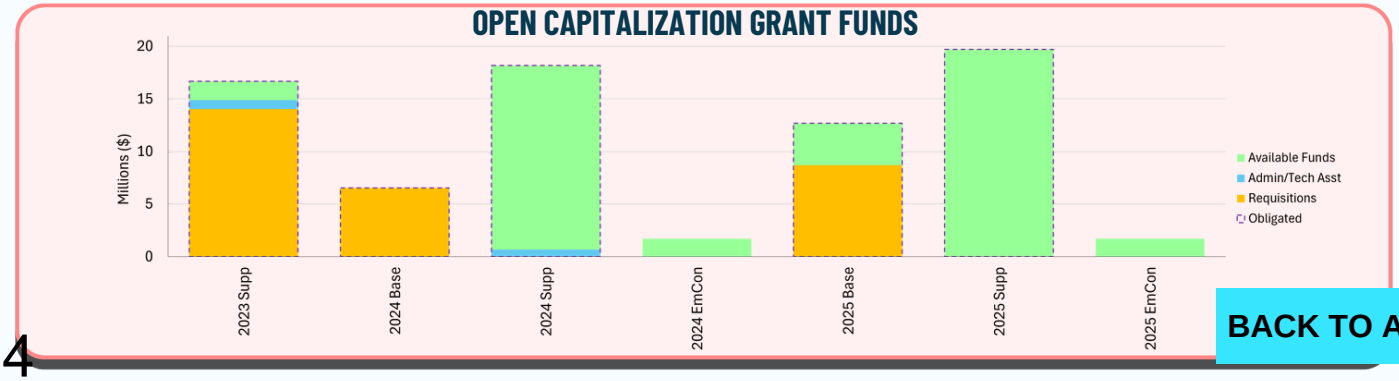
Debt Service
$5.6 Million Total
Principal: $2.7 Million
Interest: $2.9 Million

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









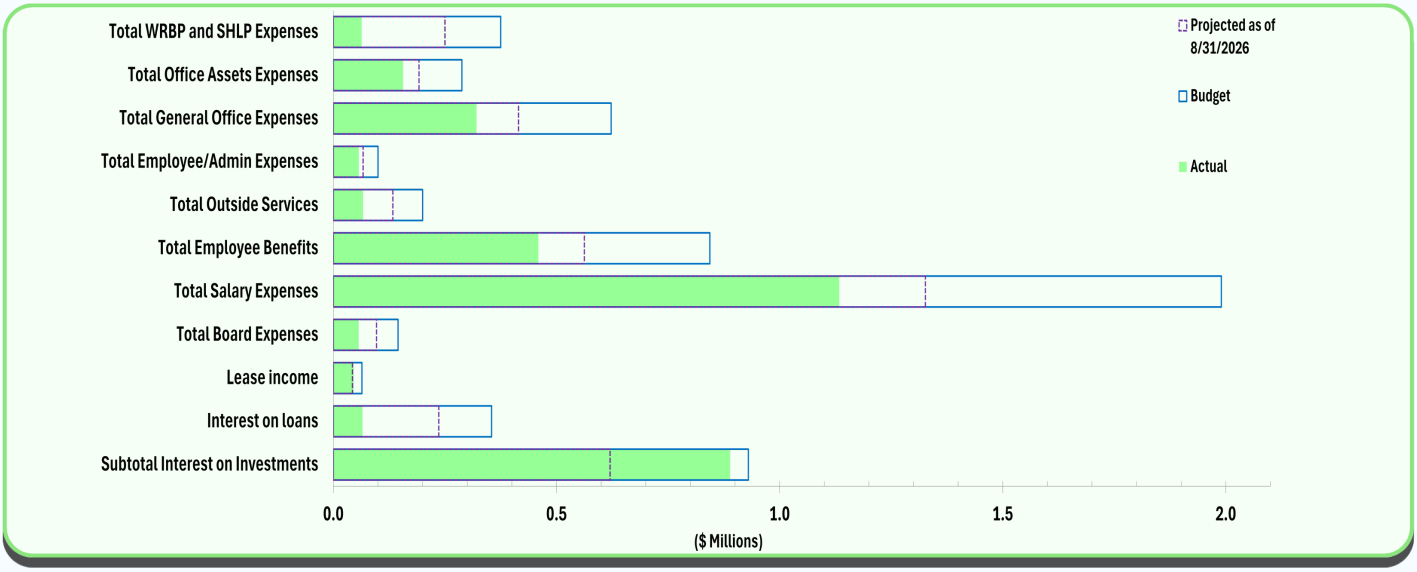
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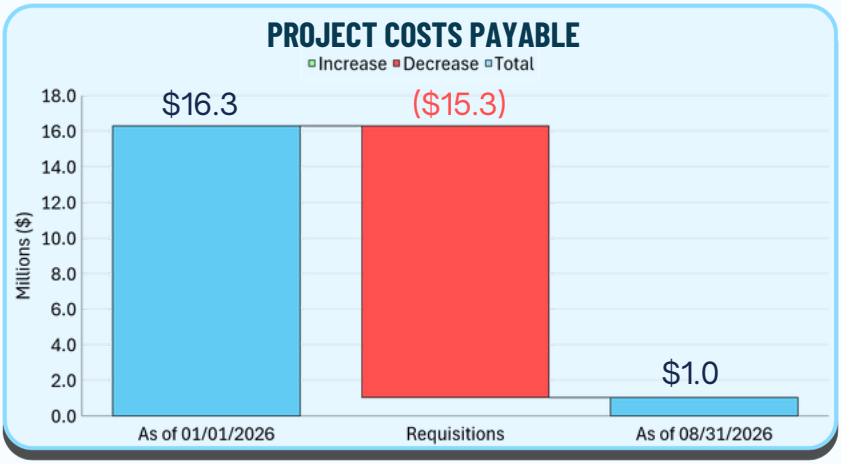
BACK TO AGENDA

WOF ACTIVITY

JANUARY 2026 - AUGUST 2026

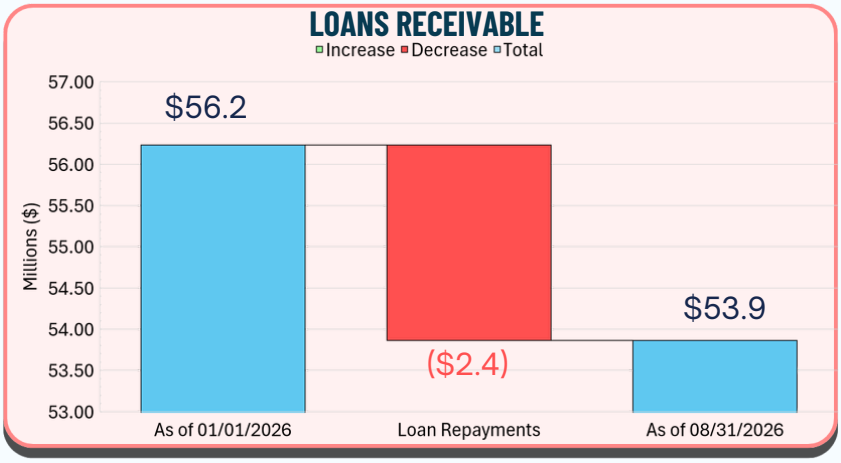
BUDGET VS. ACTUAL

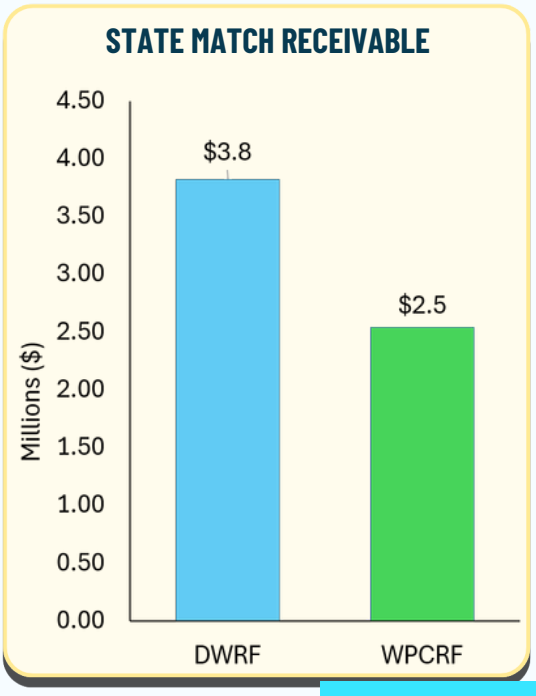




No New Loans

9 Requisitions
$15.3 Million Total





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COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
AUTHORITY CASH TRANSACTIONS for the MONTH ENDING AUGUST 31, 2026

CHECKS

Date	Check#	Payee	Description	Amount
8/13/2026	322	ABM Parking Services	Monthly Parking Passes	$ 190.00
8/13/2026	323	Arbitrage Compliance Specialists	Arbitrage Calculations	$ 4,750.00
8/13/2026	324	Carlson, Hammond & Paddock	Legal Services for July 2026	$ 1,925.30
8/13/2026	325	Cucharas Sanitation and Water District	Planning Grant No. 1	$ 2,912.00
8/13/2026	326	Interior Concepts	Modification of Office Table	$ 150.00
8/13/2026	327	Interlynk	Monthly Phone	$ 75.00
8/13/2026	328	Lincoln National Life Insurance	Monthly Life Insurance	$ 1,219.29
8/13/2026	329	MyTech Partners, Inc.	Monthly Software and Tech Support	$ 6,276.05
8/13/2026	330	US Bank	Trustee Fees	$ 556.10
8/13/2026	331	US Bank Corporate Card	Noll, Williams, Griffiths, Newton, Loffert, & McLaughlin Credit Card Expenses	$ 4,906.74
8/18/2026	332	Nationwide	Annual Insurance	$ 5,998.00
8/27/2026	333	ABM Parking Services	Monthly Parking	$ 2,880.00
8/27/2026	334	Arbitrage Compliance Specialists	Arbitrage Calculations	$ 1,250.00
8/27/2026	335	Automated Business Technologies	Monthly Copier/Scanner Contract	$ 21.75
8/27/2026	336	Curbside Recycling	Monthly Recycling	$ 315.00
8/27/2026	337	Interlynk	Monthly Phone	$ 75.00
8/27/2026	338	MyTech Partners, Inc.	Hyper-V Migration Licenses	$ 4,880.00
8/27/2026	339	Town of Wiley	Planning Grant No. 2	$ 4,496.64
			TOTAL CHECKS	**$ 42,876.87**

WIRE TRANSFERS INCOMING/(OUTGOING)

Date	Payee	Description	Amount
08/07/26	Authority Checking	Transfer from COLOTRUST to Authority Checking	500,000.00
08/10/26	Authority Checking	Colorado Water Congress Sub-Lease Income - August 2026	6,717.00
08/20/26	Authority Checking	US Bank Corporate Card Rebate	253.44
		TOTAL WIRE TRANSFERS	**$ 506,970.44**

ACH TRANSFERS INCOMING/(OUTGOING)

Date	Payee	Description	Amount
8/10/2026	Clearfly	Monthly Phone Services	(223.17)
8/12/2026	PERA	Authority Staff PERA & 401k Contributions	(30,577.34)
8/13/2026	Apex Solutions	Sage Support	(125.00)
8/13/2026	CivicPlus, LLC	Monthly Streamline	(811.50)
8/13/2026	Heather Newton	Laserfiche Conference Travel and Expenses	(121.60)
8/13/2026	Iron Mountain	Monthy Document Storage and Retention	(87.10)
8/13/2026	Office Depot	Office Supplies	(335.29)
8/13/2026	Robert Half	Temp Services	(1,871.85)
8/13/2026	Roy Heald	Board Meeting Travel and Expenses	(357.50)
8/13/2026	Inova	Payroll Processing Fee	(373.50)
8/13/2026	Authority Staff	Payroll	(44,602.65)
8/13/2026	IRS and Colorado Department of Revenue	Federal and State Payroll Withholdings	(11,092.54)
8/14/2026	US Bank	Monthly Service Charge	(869.52)
8/27/2026	PERA	Authority Staff PERA & 401k Contributions	(33,071.39)
8/27/2026	Lumen	Monthly Internet	(338.28)
8/27/2026	Daniel Lockard	Water Fluency Class Travel and Expenses	(447.59)
8/27/2026	Ian Loffert	CWC Conference and Board Meeting Travel and Expenses	(235.60)
8/27/2026	Jim Griffiths	CWC Conference and Board Meeting Travel and Expenses	(235.60)
8/27/2026	Keith McLaughlin	CWC Conference and Board Meeting Travel and Expenses	(271.24)
8/27/2026	Kogovsek and Associates	Monthly Consulting Services	(2,000.00)
8/27/2026	Mike Fabbre	CWC Conference and Board Meeting Travel and Expenses	(410.40)
8/27/2026	Norton Rose Fulbright US LLP	WRBP Telluride Opinion	(2,250.00)
8/27/2026	Office Depot	Office Supplies	(53.49)
8/27/2026	PBV-1580 Logan St.	Monthly Lease Payment - September 2026	(24,472.47)
8/27/2026	Patricia Wells	CWC Conference and Board Meeting Travel and Expenses	(241.68)
8/27/2026	Robert Half	Temp Services	(945.31)
8/27/2026	Steven Vandiver	CWC Conference and Board Meeting Travel and Expenses	(658.13)
8/27/2026	Valerie Lovato	Forvis Mazars Public Sector Seminar Travel	(41.34)
8/27/2026	Wesley Williams	CWC Conference and Board Meeting Travel and Expenses	(249.24)
8/28/2026	Inova	Payroll Processing Fee	(7.71)
8/28/2026	Authority Staff	Payroll	(46,536.01)
8/28/2026	IRS and Colorado Department of Revenue	Federal and State Payroll Withholdings	(11,782.18)
8/31/2026	PERA	PERACare Insurance Payment	(22,606.54)
		SUBTOTAL	**$ (238,302.76)**
		TOTAL ACH TRANSFERS	**$ (238,302.76)**

TOTAL CASH TRANSACTIONS for the MONTH ENDING AUGUST 31, 2026 $ 311,544.55

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

Cardholder	Transaction Date	Transaction Amount	Payee	Description
Keith McLaughlin	8/18/2026	$ 448.80	Truffle Pig - Steamboat	Meal with Board Members
Keith McLaughlin	8/20/2026	$ 673.01	La Fiesta Grill and Cantina - Steamboat	Meal with Board Members
Keith McLaughlin	8/20/2026	$ 124.87	Haymaker Golf Course - Steamboat	CWC Conference and Board Meeting Travel Meal
Keith McLaughlin	8/24/2026	$ 582.26	Lazy Dog Restaurant	Staff Outing
Keith McLaughlin	8/27/2026	$ 12.97	Market Watch Online	Monthly Subscription
Keith McLaughlin	8/31/2026	$ 59.00	Mountain State Employers	HR Class Registration
		$ 1,900.91		
Justin Noll	8/10/2026	$ 303.06	Comcast	Monthly Subscription
Justin Noll	8/10/2026	$ 378.38	Adobe	Monthly Subscription
Justin Noll	8/20/2026	$ 21.55	Cheba Hut - Dillon	Board Meeting Travel Meal
		$ 702.99		
Jim Griffiths	8/17/2026	$ 27.73	Saffron Indian Restaurant - Steamboat	CWC Conference and Board Meeting Travel Meal
		$ 27.73		
Wesley Williams	8/17/2026	$ 100.17	Apres Burger Bistro - Steamboat	CWC Conference and Board Meeting Travel Meal
Wesley Williams	8/26/2026	$ 30.00	Canva	Monthly Subscription
Wesley Williams	9/2/2026	$ 83.19	Wall Street Journal	Monthly Subscription
		$ 213.36		
Ian Loffert	8/18/2026	$ 31.54	Wild Plum - Steamboat	CWC Conference and Board Meeting Travel Meal
		$ 31.54		
Heather Newton	8/10/2026	$ 649.54	Steamboat Grand	CWC Conference and Board Meeting Lodging
Heather Newton	8/11/2026	$ 320.42	Chipotle	Staff Lunch
Heather Newton	8/13/2026	$ 12.70	Mrs. Marji's	Mid-Year Review
Heather Newton	8/13/2026	$ 73.07	Amazon	Webcam and Office Supplies
Heather Newton	8/13/2026	$ 2,970.00	CIFA	CIFA SRF Workshop Registrations for Staff
Heather Newton	8/20/2026	$ 106.23	Cheba Hut	Board Meeting Travel Meal
Heather Newton	8/19/2026	$ 158.15	Backdoor Grill - Steamboat	Board Meeting Travel Meal
Heather Newton	8/20/2026	$ 80.55	Avis Rent-A-Car	Rental Car for Board Meeting Travel
Heather Newton	8/20/2026	$ 61.39	S&S Gas	Gas for Rental Car
Heather Newton	8/24/2026	$ 528.58	Activate Westminster	Staff Outing
Heather Newton	8/28/2026	$ 59.00	Mountain States Employers	HR Class Registration
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/1/2026	$ 429.05	United Airlines	October Board Meeting Travel
Heather Newton	9/4/2026	$ 74.51	Amazon	Curtains for Office
Heather Newton	9/6/2026	$ 22.91	Amazon	Curtain Rod for Office
Heather Newton	9/7/2026	$ 654.48	Keystone Resort	SDA Conference Lodging
Heather Newton	9/7/2026	$ 559.17	Keystone Resort	SDA Conference Lodging
Heather Newton	9/7/2026	$ 654.48	Keystone Resort	SDA Conference Lodging
Heather Newton	9/8/2026	$ 372.78	Keystone Resort	SDA Conference Lodging
Heather Newton	9/8/2026	$ 122.32	King Soopers	Groceries for Office
		$ 11,770.78		
	Total	$ 14,647.31		

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Colorado Water Resources and Power Development Authority

COMPARATIVE BALANCE SHEET

	As of 08/31/2026	As of 08/31/2025
ASSETS:		
Cash and Cash Equivalents:		
Cash - US Bank (Checking Account)	$ 256,402.50	$ 961,510.81
State Treasurers Cash Pool	1,760,338.28	1,655,688.28
COLOTRUST Checking Investment Account	28,396,694.53	28,000,447.34
State Treasurers Cash Pool-Self Insurance Fund	1,538,075.00	1,543,799.00
State Treasurers Cash Pool-La Plata River Escrow	139,228.73	135,103.73
COLOTRUST - Authority Project Accounts	137,033.87	136,492.93
COLOTRUST - Authority (Vilas) Project Account		-
COLOTRUST - SHLP Project Accounts	5,301,674.50	4,549,529.51
COLOTRUST - Interim Loan Projects	-	-
Total Cash and Cash Equivalents	37,529,447.41	36,982,571.60
Interest Receivable on Investments		
Interest Receivable on Loans:		
Interim Loans (I-Loans)		-
Small Hydro Loan Program (SHLP)	5,277.41	5,973.37
Authority Loans	-	-
ALP Water Rights Purchase Loan	3,705.00	7,410.00
Interest Receivable-Leases	838.75	1,016.43
Accounts Receivable - Misc		
Reimbursement Receivable - WPCRF	830,199.97	738,047.84
Reimbursement Receivable - DWRF	818,497.59	840,231.37
Loans Receivable:		
Interim Loans (I-Loans)		
Small Hydro Loan Program (SHLP)	5,417,232.65	5,854,186.11
Authority Loans	179,562.61	188,252.68
ALP Water Rights Purchase Loan	1,604,092.84	1,815,974.58
Loan Receivable - WPCRF State Match	2,538,200.00	1,306,000.00
Loan Receivable - DWRF State Match	3,821,000.00	5,051,357.69
Leases Receivable	201,299.87	243,943.47
Prepaid Expenses	1,580.67	
Deposits	21,592.16	21,592.16
Depreciable Assets	71,009.54	108,218.72
Less: Accumulated Depreciation	(52,242.88)	(92,206.11)
Lease Assets	746,280.46	936,820.15
TOTAL ASSETS	**$ 53,737,574.05**	**$ 54,009,390.06**
Deferred Outflows:		
Pension Contributions	$ 317,823.65	$ 285,456.30
Investment Earnings Difference	63,995.92	258,931.21
Experience Difference	85,272.40	58,274.88
Proportional Share Change	126,581.70	420,957.70
Change in Assumptions		
HCTF Contributions	15,729.26	14,141.11
HCTF Investment Earnings Difference	186.32	2,758.49
HCTF Experience Difference		
HCTF Proportional Share Change	3,437.69	4,528.89
HCTF Change in Assumptions	630.23	1,048.85
LIABILITIES and EQUITY:		
Accounts Payable Trade	$ -	$ -
Lease Liability	983,583.15	1,193,187.43
Interest Payable-Leases	4,098.30	4,971.62
Deposit - Sub Lease	4,925.00	
Prepayment Payable		
Other Accrued Expenses	(2.40)	(0.82)
Flexplan Spending Withheld	3,701.83	(366.69)
Due to Authority		
Project Costs Payable - Long Term		
Accrued Vacation and Sick Leave	509,100.00	429,508.56
Pension Liability	2,905,361.67	3,565,077.32
HCTF Liability	54,960.08	89,191.01
Total Liabilities	4,465,727.63	5,281,568.43
Deferred Inflows:		
Proportional Share Change	$ 263,893.39	$ 116,448.51
Experience Difference	$ 12,123.09	$ 18,930.37
Change in Assumptions	22,528.51	
Investment Earnings Difference		
HCTF Experience Difference		18,280.56
HCTF Proportional Share Change	14,533.68	11,910.37
HCTF Change in Assumptions	17,567.98	9,457.25
HCTF Investment Earnings Difference		
Leases	151,719.72	190,456.68
Net Assets:	49,542,414.91	49,292,951.53
Net Income / (Loss)	(139,277.69)	115,483.79
TOTAL LIABILITIES and EQUITY	**$ 53,868,864.85**	**$ 54,690,003.75**

BACK TO AGENDA

BACK TO AGENDA

Colorado Water Resources and Power Development Authority

COMPARATIVE BALANCE SHEET

	As of 07/31/2026	As of 07/31/2025
ASSETS:		
Cash and Cash Equivalents:		
Cash - US Bank (Checking Account)	$ 30,611.69	$ 990,439.09
State Treasurers Cash Pool	1,760,338.28	1,650,966.28
COLOTRUST Checking Investment Account	28,804,477.10	27,896,760.29
State Treasurers Cash Pool-Self Insurance Fund	1,538,075.00	1,539,396.00
State Treasurers Cash Pool-La Plata River Escrow	139,228.73	134,718.73
COLOTRUST - Authority Project Accounts	136,596.33	135,987.10
COLOTRUST - Authority (Vilas) Project Account		-
COLOTRUST - SHLP Project Accounts	5,162,823.68	4,410,809.35
COLOTRUST - Interim Loan Projects	-	-
Total Cash and Cash Equivalents	37,572,150.81	36,759,076.84
Interest Receivable on Investments		
Interest Receivable on Loans:		
Interim Loans (I-Loans)		-
Small Hydro Loan Program (SHLP)	5,277.41	5,973.37
Authority Loans	-	-
ALP Water Rights Purchase Loan	3,705.00	7,410.00
Interest Receivable-Leases	838.75	1,016.43
Accounts Receivable - Misc		
Reimbursement Receivable - WPCRF	744,767.24	662,789.08
Reimbursement Receivable - DWRF	718,599.04	1,005,976.80
Loans Receivable:		
Interim Loans (I-Loans)		
Small Hydro Loan Program (SHLP)	5,523,713.86	5,958,579.45
Authority Loans	179,562.61	188,252.68
ALP Water Rights Purchase Loan	1,604,092.84	1,815,974.58
Loan Receivable - WPCRF State Match	2,538,200.00	1,306,000.00
Loan Receivable - DWRF State Match	3,821,000.00	5,051,357.69
Leases Receivable	201,299.87	243,943.47
Prepaid Expenses	1,580.67	
Deposits	21,592.16	21,592.16
Depreciable Assets	71,009.54	108,218.72
Less: Accumulated Depreciation	(52,242.88)	(92,206.11)
Lease Assets	746,280.46	936,820.15
TOTAL ASSETS	**$ 53,701,427.38**	**$ 53,980,775.31**
Deferred Outflows:		
Pension Contributions	$ 317,823.65	$ 285,456.30
Investment Earnings Difference	63,995.92	258,931.21
Experience Difference	85,272.40	58,274.88
Proportional Share Change	126,581.70	420,957.70
Change in Assumptions		
HCTF Contributions	15,729.26	14,141.11
HCTF Investment Earnings Difference	186.32	2,758.49
HCTF Experience Difference		
HCTF Proportional Share Change	3,437.69	4,528.89
HCTF Change in Assumptions	630.23	1,048.85
LIABILITIES and EQUITY:		
Accounts Payable Trade	$ -	$ -
Lease Liability	983,583.15	1,193,187.43
Interest Payable-Leases	4,098.30	4,971.62
Deposit - Sub Lease	4,925.00	
Prepayment Payable		
Other Accrued Expenses	(2.10)	(0.68)
Flexplan Spending Withheld	2,683.97	(1,151.99)
Due to Authority		
Project Costs Payable - Long Term		
Accrued Vacation and Sick Leave	509,100.00	429,508.56
Pension Liability	2,905,361.67	3,565,077.32
HCTF Liability	54,960.08	89,191.01
Total Liabilities	4,464,710.07	5,280,783.27
Deferred Inflows:		
Proportional Share Change	$ 263,893.39	$ 116,448.51
Experience Difference	$ 12,123.09	$ 18,930.37
Change in Assumptions	22,528.51	
Investment Earnings Difference		
HCTF Experience Difference		18,280.56
HCTF Proportional Share Change	14,533.68	11,910.37
HCTF Change in Assumptions	17,567.98	9,457.25
HCTF Investment Earnings Difference		
Leases	151,719.72	190,456.68
Net Assets:	49,542,414.91	49,292,951.53
Net Income / (Loss)	(174,406.80)	87,654.20
TOTAL LIABILITIES and EQUITY	**$ 53,832,718.18**	**$ 54,661,389.00**

BACK TO AGENDA

BACK TO AGENDA

Colorado Water Resources and Power Development Authority

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

	Budget For 2026	Actual Year-To-Date	Balance	% Actual/ Budget
INCOME:				
Interest on investments - COLOTRUST	$ -	$ 834,535.40	$ (834,535.40)	0%
Interest on investments - COLOTRUST-Interim Loan Project	-	861.24	(861.24)	0%
Interest on investments - STCP	-	53,910.00	(53,910.00)	0%
Investment interest income - from WPCRF	-	-	-	0%
Investment interest Income - from WRBP	-	-	-	0%
Subtotal Interest on Investments	930,000.00	889,306.64	40,693.36	96%
Interest on Investments - STCP-La Plata River Escrow	-	2,224.00	(2,224.00)	0%
Interest on loans	354,500.00	65,544.39	288,955.61	18%
Interest on leases	-		-	0%
Lease income	64,000.00	45,808.39	18,191.61	72%
Gain/Loss on sale of assets	-		-	0%
Miscellaneous income	-	1,075.94	(1,075.94)	0%
TOTAL INCOME	$ 1,348,500.00	$ 1,003,959.36	$ 344,540.64	74%
EXPENSES:				
Board Expenses:				
Per diems & PERA on per diems	$ 25,000.00	$ 12,900.00	$ 12,100.00	52%
Travel, lodging, meals, etc.	50,000.00	32,595.45	17,404.55	65%
Meeting expenses	25,000.00	4,232.90	20,767.10	17%
Memberships	15,000.00	7,145.00	7,855.00	48%
Board insurance	30,000.00		30,000.00	0%
Total Board Expenses	145,000.00	56,873.35	88,126.65	39%
Salary Expenses:				
Staff salaries	1,822,000.00	1,109,555.49	712,444.51	61%
Temporary services	60,000.00	20,760.39	39,239.61	35%
Third Party Payroll & HR Services	8,000.00	3,449.41	4,550.59	43%
Annual vacation and sick leave accrual	100,000.00		100,000.00	0%
Total Salary Expenses	1,990,000.00	1,133,765.29	856,234.71	57%
Employee Benefits:				
Pension expense*	382,000.00	237,346.85	144,653.15	62%
Healthcare trust expense	19,000.00		19,000.00	0%
Medical and dental insurance	316,000.00	144,681.28	171,318.72	46%
HRA reimbursement	-	7,363.92	(7,363.92)	0%
LTD/Life insurance	15,500.00	15,634.47	(134.47)	101%
Medicare - employer's match	28,000.00	15,646.53	12,353.47	56%
Denver city tax - employer's match	800.00	496.00	304.00	62%
401k Match	52,000.00	26,022.51	25,977.49	50%
State Workman's Comp. Insurance	4,000.00	2,267.00	1,733.00	57%
Tuition reimbursement	25,000.00	10,000.00	15,000.00	40%
Public transportation incentive	1,400.00		1,400.00	0%
Total Employee Benefits	843,700.00	459,458.56	384,241.44	54%
Outside Services Employed:				
General legal fees	100,000.00	28,057.52	71,942.48	28%
General consulting services	70,000.00	16,276.00	53,724.00	23%
Audit and budgetary fees	30,000.00	22,218.00	7,782.00	74%
Total Outside Services	200,000.00	66,551.52	133,448.48	33%
Employee / Administrative Expenses:				
Travel, lodging, meals, etc.	25,000.00	14,159.87	10,840.13	57%
Registration and training fees	15,000.00	5,362.00	9,638.00	36%
Contributions and sponsorships	45,000.00	29,625.00	15,375.00	66%
Dues, subscriptions and publications	15,000.00	7,974.26	7,025.74	53%
Total Employee / Administrative Expenses	100,000.00	57,121.13	42,878.87	57%

BACK TO AGENDA

BACK TO AGENDA

Colorado Water Resources and Power Development Authority

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

	Budget For 2026	Actual Year-To-Date	Balance	% Actual/ Budget
General Office Expenses:				
Office rent and deposits	352,000.00	238,798.98	113,201.02	68%
Interest expense-leases*	70,000.00		70,000.00	0%
Telephone and internet charges	20,000.00	7,758.81	12,241.19	39%
Postage and delivery fees	3,500.00	123.75	3,376.25	4%
Copying and printing costs	9,000.00	1,681.31	7,318.69	19%
Office supplies	19,000.00	12,237.66	6,762.34	64%
Technical support activities	110,000.00	52,321.50	57,678.50	48%
Office insurance	9,000.00	6,788.33	2,211.67	75%
Records retention	30,000.00	1,218.76	28,781.24	4%
Total General Office Expenses	622,500.00	320,929.10	301,570.90	52%
Office Assets Expenses:				
Furniture & fixtures	25,000.00	13,741.77	11,258.23	55%
Machines	58,000.00	16.86	57,983.14	0%
Computer software	90,000.00	62,522.46	27,477.54	69%
Depreciation expense	-		-	0%
Machine maintenance & maintenance contracts	15,000.00	507.09	14,492.91	3%
Other expense	-		-	0%
Office improvements	100,000.00	79,271.87	20,728.13	79%
Total Office Assets Expenses	288,000.00	156,060.05	131,939.95	54%
TOTAL OPERATING EXPENSES	$ 4,189,200.00	$ 2,250,759.00	$ 1,938,441.00	54%
Expenses Allocated to Programs:				
Salaries allocated to project expenses	(43,000.00)	(9,920.00)	(33,080.00)	23%
Allocated salaries expense - WPCRF	(495,000.00)	(292,481.00)	(202,519.00)	59%
Allocated employee benefits - WPCRF	(301,000.00)	(166,834.65)	(134,165.35)	55%
Allocated overhead expense - WPCRF	(294,000.00)	(161,435.19)	(132,564.81)	55%
Allocated salaries expense - DWRF	(468,000.00)	(259,731.00)	(208,269.00)	55%
Allocated employee benefits - DWRF	(284,000.00)	(148,565.66)	(135,434.34)	52%
Allocated overhead expense - DWRF	(257,000.00)	(131,973.13)	(125,026.87)	51%
Total Allocated Expenses to Programs	(2,142,000.00)	(1,170,940.63)	(971,059.37)	55%
NET OPERATING EXPENSES	$ 2,047,200.00	$ 1,079,818.37	$ 967,381.63	53%
Approved Projects Expenses:				
WRBP Expenses	120,000.00	55,938.71	64,061.29	47%
La Plata River Escrow Expenses	-		-	0%
Small Hydro Loan Program expenses	25,000.00	7,479.97	17,520.03	30%
Small Hydro Loan Program Planning & Design Grants	165,000.00	-	165,000.00	0%
Watershed Protection & Forest Health Program Expenses	65,000.00	-	65,000.00	0%
Principal Forgiven -Loans Receivable	-	-	-	0%
Other Potential Projects	1,000,000.00	-	1,000,000.00	
Total Project Expenses	$ 1,375,000.00	$ 63,418.68	$ 1,311,581.32	5%
TOTAL EXPENSES	$ 3,422,200.00	$ 1,143,237.05	$ 2,278,962.95	33%
OPERATING INCOME / (LOSS)		**$ (139,277.69)**		
Transfers In / (Out)				
Change in Net Position		**$ (139,277.69)**		

*These numbers are based on contributions instead of budgeted amounts

DWRF - Drinking Water Revolving Fund
PERA - Public Employees' Retirement Association
STCP - State Treasurer Cash Pool
WPCRF - Water Pollution Control Revolving Fund
WRBP - Water Revenue Bonds Program

BACK TO AGENDA

BACK TO AGENDA

Colorado Water Resources and Power Development Authority

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

	Budget For 2026	Actual Year-To-Date	Balance	% Actual/ Budget
INCOME:				
Interest on investments - COLOTRUST	$ -	$ 725,780.59	$ (725,780.59)	0%
Interest on investments - COLOTRUST-Interim Loan Project	-	423.70	(423.70)	0%
Interest on investments - STCP	-	53,910.00	(53,910.00)	0%
Investment interest income - from WPCRF	-	-	-	0%
Investment interest Income - from WRBP	-	-	-	0%
Subtotal Interest on Investments	930,000.00	780,114.29	149,885.71	84%
Interest on Investments - STCP-La Plata River Escrow	-	2,224.00	(2,224.00)	0%
Interest on loans	354,500.00	49,712.16	304,787.84	14%
Interest on leases	-		-	0%
Lease income	64,000.00	39,091.39	24,908.61	61%
Gain/Loss on sale of assets	-		-	0%
Miscellaneous income	-	822.50	(822.50)	0%
TOTAL INCOME	$ 1,348,500.00	$ 871,964.34	$ 476,535.66	65%
EXPENSES:				
Board Expenses:				
Per diems & PERA on per diems	$ 25,000.00	$ 9,000.00	$ 16,000.00	36%
Travel, lodging, meals, etc.	50,000.00	29,209.86	20,790.14	58%
Meeting expenses	25,000.00	4,232.90	20,767.10	17%
Memberships	15,000.00	7,145.00	7,855.00	48%
Board insurance	30,000.00		30,000.00	0%
Total Board Expenses	145,000.00	49,587.76	95,412.24	34%
Salary Expenses:				
Staff salaries	1,822,000.00	967,172.49	854,827.51	53%
Temporary services	60,000.00	17,943.23	42,056.77	30%
Third Party Payroll & HR Services	8,000.00	3,068.20	4,931.80	38%
Annual vacation and sick leave accrual	100,000.00		100,000.00	0%
Total Salary Expenses	1,990,000.00	988,183.92	1,001,816.08	50%
Employee Benefits:				
Pension expense*	382,000.00	206,384.68	175,615.32	54%
Healthcare trust expense	19,000.00		19,000.00	0%
Medical and dental insurance	316,000.00	126,596.12	189,403.88	40%
HRA reimbursement	-	6,772.26	(6,772.26)	0%
LTD/Life insurance	15,500.00	14,415.18	1,084.82	93%
Medicare - employer's match	28,000.00	13,604.07	14,395.93	49%
Denver city tax - employer's match	800.00	428.00	372.00	54%
401k Match	52,000.00	22,768.75	29,231.25	44%
State Workman's Comp. Insurance	4,000.00	2,267.00	1,733.00	57%
Tuition reimbursement	25,000.00	10,000.00	15,000.00	40%
Public transportation incentive	1,400.00		1,400.00	0%
Total Employee Benefits	843,700.00	403,236.06	440,463.94	48%
Outside Services Employed:				
General legal fees	100,000.00	28,049.72	71,950.28	28%
General consulting services	70,000.00	14,276.00	55,724.00	20%
Audit and budgetary fees	30,000.00	22,218.00	7,782.00	74%
Total Outside Services	200,000.00	64,543.72	135,456.28	32%
Employee / Administrative Expenses:				
Travel, lodging, meals, etc.	25,000.00	11,014.57	13,985.43	44%
Registration and training fees	15,000.00	5,362.00	9,638.00	36%
Contributions and sponsorships	45,000.00	29,625.00	15,375.00	66%
Dues, subscriptions and publications	15,000.00	7,805.45	7,194.55	52%
Total Employee / Administrative Expenses	100,000.00	53,807.02	46,192.98	54%

BACK TO AGENDA

BACK TO AGENDA

Colorado Water Resources and Power Development Authority

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

	Budget For 2026	Actual Year-To-Date	Balance	% Actual/ Budget
General Office Expenses:				
Office rent and deposits	352,000.00	211,256.51	140,743.49	60%
Interest expense-leases*	70,000.00		70,000.00	0%
Telephone and internet charges	20,000.00	6,744.32	13,255.68	34%
Postage and delivery fees	3,500.00	123.75	3,376.25	4%
Copying and printing costs	9,000.00	1,681.31	7,318.69	19%
Office supplies	19,000.00	10,516.31	8,483.69	55%
Technical support activities	110,000.00	46,621.25	63,378.75	42%
Office insurance	9,000.00	790.33	8,209.67	9%
Records retention	30,000.00	1,131.66	28,868.34	4%
Total General Office Expenses	622,500.00	278,865.44	343,634.56	45%
Office Assets Expenses:				
Furniture & fixtures	25,000.00	13,741.77	11,258.23	55%
Machines	58,000.00	16.86	57,983.14	0%
Computer software	90,000.00	55,551.88	34,448.12	62%
Depreciation expense	-		-	0%
Machine maintenance & maintenance contracts	15,000.00	335.34	14,664.66	2%
Other expense	-		-	0%
Office improvements	100,000.00	79,271.87	20,728.13	79%
Total Office Assets Expenses	288,000.00	148,917.72	139,082.28	52%
TOTAL OPERATING EXPENSES	$ 4,189,200.00	$ 1,987,141.64	$ 2,202,058.36	47%
Expenses Allocated to Programs:				
Salaries allocated to project expenses	(43,000.00)	(9,363.00)	(33,637.00)	22%
Allocated salaries expense - WPCRF	(495,000.00)	(252,650.00)	(242,350.00)	51%
Allocated employee benefits - WPCRF	(301,000.00)	(144,787.07)	(156,212.93)	48%
Allocated overhead expense - WPCRF	(294,000.00)	(141,429.48)	(152,570.52)	48%
Allocated salaries expense - DWRF	(468,000.00)	(215,660.00)	(252,340.00)	46%
Allocated employee benefits - DWRF	(284,000.00)	(124,225.21)	(159,774.79)	44%
Allocated overhead expense - DWRF	(257,000.00)	(108,517.42)	(148,482.58)	42%
Total Allocated Expenses to Programs	(2,142,000.00)	(996,632.18)	(1,145,367.82)	47%
NET OPERATING EXPENSES	$ 2,047,200.00	$ 990,509.46	$ 1,056,690.54	48%
Approved Projects Expenses:				
WRBP Expenses	120,000.00	48,381.71	71,618.29	40%
La Plata River Escrow Expenses	-		-	0%
Small Hydro Loan Program expenses	25,000.00	7,479.97	17,520.03	30%
Small Hydro Loan Program Planning & Design Grants	165,000.00	-	165,000.00	0%
Watershed Protection & Forest Health Program Expenses	65,000.00	-	65,000.00	0%
Principal Forgiven -Loans Receivable	-	-	-	0%
Other Potential Projects	1,000,000.00	-	1,000,000.00	
Total Project Expenses	$ 1,375,000.00	$ 55,861.68	$ 1,319,138.32	4%
TOTAL EXPENSES	$ 3,422,200.00	$ 1,046,371.14	$ 2,375,828.86	31%
OPERATING INCOME / (LOSS)		**$ (174,406.80)**		
Transfers In / (Out)				
Change in Net Position		**$ (174,406.80)**		

*These numbers are based on contributions instead of budgeted amounts

DWRF - Drinking Water Revolving Fund
PERA - Public Employees' Retirement Association
STCP - State Treasurer Cash Pool
WPCRF - Water Pollution Control Revolving Fund
WRBP - Water Revenue Bonds Program

BACK TO AGENDA

BACK TO AGENDA

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

Account Balances:	YIELD:	BALANCE:
Unrestricted:		
Cash - US Bank (Checking Account)	0.00%	$ 256,402.50
State Treasurers Cash Pool	3.64%	$ 1,760,338.28
COLOTRUST Checking Investment Account (Average Daily Yield)	3.82%	$ 28,396,694.53
COLOTRUST Authority Loan Account (Average Daily Yield)	3.82%	$ 137,033.87
Board Designated:		
State Treasurers Cash Pool - La Plata River Escrow	3.64%	$ 139,228.73
State Treasurers Cash Pool - Self Insurance Fund	3.64%	$ 1,538,075.00
Restricted:		
COLOTRUST - I Loan Projects (Average Daily Yield)	3.82%	$ -
SHLP Loan Program	3.82%	$ 5,301,674.50
SHLP Project Accounts	3.82%	$ -

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

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

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

	1/1/2026 Balance	Misc Additions/ Subtractions	Admin Draws	St Match Loan Payment	8/31/2026 Balance
Admin Fee Accounts					
WPCRF - COLOTRUST	$ 19,474,330.69	6,454,746.85	(2,298,137.30)		$ 23,630,940.24
DWRF - COLOTRUST	$ 20,741,995.97	6,609,880.33	(525,192.32)		$ 26,826,683.98

	8/31/2026 Reloan Balance	Project Grant Funds Available	Bond Proceeds Available	Project Costs Payable (obligated)	8/31/2026 Unobligated Funds
SRF Reloan Accounts					
WPCRF - COLOTRUST	$ 105,538,174.14	46,445,744.34	13,134,398.47	(62,442,438.12)	$ 102,675,878.83
DWRF - COLOTRUST	$ 105,009,692.01	157,503,560.60	21,700,530.19	(131,370,512.16)	$ 152,843,270.64

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BACK TO AGENDA

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

Account Balances:	YIELD:	BALANCE:
Unrestricted:		
Cash - US Bank (Checking Account)	0.00%	$ 30,611.69
State Treasurers Cash Pool	3.64%	$ 1,760,338.28
COLOTRUST Checking Investment Account (Average Daily Yield)	3.77%	$ 28,804,477.10
COLOTRUST Authority Loan Account (Average Daily Yield)	3.77%	$ 136,596.33
Board Designated:		
State Treasurers Cash Pool - La Plata River Escrow	3.64%	$ 139,228.73
State Treasurers Cash Pool - Self Insurance Fund	3.64%	$ 1,538,075.00
Restricted:		
COLOTRUST - I Loan Projects (Average Daily Yield)	3.77%	$ -
SHLP Loan Program	3.77%	$ 5,162,823.68
SHLP Project Accounts	3.77%	$ -

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

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

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

	1/1/2026 Balance	Misc Additions/ Subtractions	Admin Draws	St Match Loan Payment	7/31/2026 Balance
Admin Fee Accounts					
WPCRF - COLOTRUST	$ 19,474,330.69	6,097,376.35	(2,298,137.30)		$ 23,273,569.74
DWRF - COLOTRUST	$ 20,741,995.97	6,034,610.98	(525,192.32)		$ 26,251,414.63

	7/31/2026 Reloan Balance	Project Grant Funds Available	Bond Proceeds Available	Project Costs Payable (obligated)	7/31/2026 Unobligated Funds
SRF Reloan Accounts					
WPCRF - COLOTRUST	$ 105,174,795.20	50,639,843.74	13,134,398.47	(60,036,537.52)	$ 108,912,499.89
DWRF - COLOTRUST	$ 104,664,828.61	136,458,325.58	22,389,488.96	(135,127,282.82)	$ 128,385,360.33

BACK TO AGENDA

BACK TO AGENDA

DWRF

Statement of Net Position

As of August 31, 2026

Current Assets:	
Cash & Equivalents	$ 131,836,376
Federal Grants Receivable	415,624
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	475
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	132,252,475
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	74,076,836
Investments	7,030,100
Advance Receivable	-
Loans Receivable	501,569,990
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	582,676,926
Total Total Assets	**714,929,401**
Deferred Outflows-Refundings	**59,596**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	4,826,656
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	4,826,656
Noncurrent Liablities	

Created on 09/24/2026

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BACK TO AGENDA

DWRF

Statement of Net Position

As of August 31, 2026

Project Costs Payable - Long Term	83,425,385
Advance Payable	3,821,000
Bonds Payable, net	109,275,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	1,022,560
Total Noncurrent Liablities	197,543,945
Total Liabilities	**202,370,601**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	512,618,396
Unrestricted	-
Fund Net Position	**$ 512,618,396**

Created on 09/24/2026

BACK TO AGENDA

BACK TO AGENDA

DWRF

Statement of Changes in Net Position

As of August 31, 2026

Operating Income	
Operating Revenues:	
Administrative Fee	3,645,255
Total Operating Revenues	3,645,255
Total Operating Income (Loss)	3,645,255
Noncapital Subsidies Received (Provided)	
EPA Grants - Pass Through	25,649,783
EPA Grants	4,606,834
EPA Set Asides	(4,606,834)
Loan Principal Forgiven	(10,867,280)
Operating Transfers In/(Out)	6,275
Total Noncapital Subsidies	14,788,778
Total Operating Income (Loss) & Noncapital Subsidies	18,434,033
Other Nonoperating Revenues (Expenses):	
Interest on Investments	3,754,186
Interest on Bonds	(783,428)
Interest on Loans	2,506,445
Total Nonoperating Revenues (Expenses)	5,477,203
Total Change in Net Position	**23,911,236**
Fund Net Position-Beginning of Year	**488,707,160**
Fund Net Position	$ 512,618,396

Created on 09/24/2026

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DWRF

Statement of Net Position

As of July 31, 2026

Current Assets:	
Cash & Equivalents	$ 130,916,243
Federal Grants Receivable	415,624
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	475
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	131,332,342
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	70,612,601
Investments	7,838,105
Advance Receivable	-
Loans Receivable	503,714,680
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	582,165,386
Total Total Assets	**713,497,728**
Deferred Outflows-Refundings	**59,596**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	4,918,415
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	4,918,415
Noncurrent Liablities	

Created on 08/27/2026

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DWRF

Statement of Net Position

As of July 31, 2026

Project Costs Payable - Long Term	85,722,709
Advance Payable	3,821,000
Bonds Payable, net	109,275,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	1,022,560
Total Noncurrent Liablities	199,841,269
Total Liabilities	**204,759,684**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	508,797,640
Unrestricted	-
Fund Net Position	**$ 508,797,640**

Created on 08/27/2026

BACK TO AGENDA

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DWRF

Statement of Changes in Net Position

As of July 31, 2026

Operating Income	
Operating Revenues:	
Administrative Fee	3,151,186
Total Operating Revenues	3,151,186
Total Operating Income (Loss)	3,151,186
Noncapital Subsidies Received (Provided)	
EPA Grants - Pass Through	21,241,019
EPA Grants	1,742,231
EPA Set Asides	(1,742,231)
Loan Principal Forgiven	(8,466,592)
Operating Transfers In/(Out)	6,275
Total Noncapital Subsidies	12,780,702
Total Operating Income (Loss) & Noncapital Subsidies	15,931,888
Other Nonoperating Revenues (Expenses):	
Interest on Investments	3,091,661
Interest on Bonds	(783,428)
Interest on Loans	1,850,358
Total Nonoperating Revenues (Expenses)	4,158,591
Total Change in Net Position	**20,090,479**
Fund Net Position-Beginning of Year	**488,707,160**
Fund Net Position	$ 508,797,640

Created on 08/27/2026

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Water Pollution Control Revolving Fund

Statement of Net Position

As of August 31, 2026

Current Assets:	
Cash & Equivalents	$ 129,169,114
Federal Grants Receivable	71,063
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	-
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	129,240,177
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	83,496,793
Investments	-
Advance Receivable	-
Loans Receivable	566,537,304
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	650,034,097
Total Total Assets	**779,274,274**
Deferred Outflows-Refundings	**93,336**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	6,131,417
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	6,131,417
Noncurrent Liablities	

Created on 09/09/2026

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Water Pollution Control Revolving Fund

Statement of Net Position

As of August 31, 2026

Project Costs Payable - Long Term	53,876,567
Advance Payable	2,538,200
Bonds Payable, net	133,635,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	3,992,672
Total Noncurrent Liablities	194,042,439
Total Liabilities	**200,173,856**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	579,193,754
Unrestricted	-
Fund Net Position	**$ 579,193,754**

Created on 09/09/2026

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Water Pollution Control Revolving Fund

Statement of Changes in Net Position

As of August 31, 2026

Operating Income	
Operating Revenues:	
Administrative Fee	3,593,680
Total Operating Revenues	3,593,680
Total Operating Income (Loss)	3,593,680
Noncapital Subsidies Received (Provided)	
EPA Grants - Pass Through	16,693,572
Loan Principal Forgiven	(4,090,626)
Operating Transfers In/(Out)	(6,274)
Total Noncapital Subsidies	12,596,672
Total Operating Income (Loss) & Noncapital Subsidies	16,190,352
Other Nonoperating Revenues (Expenses):	
Interest on Investments	3,751,768
Interest on Bonds	(960,601)
Interest on Loans	2,908,913
Total Nonoperating Revenues (Expenses)	5,700,080
Total Change in Net Position	**21,890,432**
Fund Net Position-Beginning of Year	**557,303,322**
Fund Net Position	$ 579,193,754

Created on 09/09/2026

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Water Pollution Control Revolving Fund

Statement of Net Position

As of July 31, 2026

Current Assets:	
Cash & Equivalents	$ 128,448,365
Federal Grants Receivable	71,062
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	-
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	128,519,427
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	81,551,926
Investments	-
Advance Receivable	-
Loans Receivable	563,291,010
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	644,842,936
Total Total Assets	**773,362,363**
Deferred Outflows-Refundings	**93,336**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	6,076,222
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	6,076,222
Noncurrent Liablities	

Created on 08/11/2026

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Water Pollution Control Revolving Fund

Statement of Net Position

As of July 31, 2026

Project Costs Payable - Long Term	53,679,940
Advance Payable	2,538,200
Bonds Payable, net	133,635,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	3,992,671
Total Noncurrent Liablities	193,845,811
Total Liabilities	**199,922,033**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	573,533,666
Unrestricted	-
Fund Net Position	**$ 573,533,666**

Created on 08/11/2026

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Water Pollution Control Revolving Fund

Statement of Changes in Net Position

As of July 31, 2026

Operating Income	
Operating Revenues:	
Administrative Fee	3,306,082
Total Operating Revenues	3,306,082
Total Operating Income (Loss)	3,306,082
Noncapital Subsidies Received (Provided)	
EPA Grants - Pass Through	12,499,473
Loan Principal Forgiven	(3,999,898)
Operating Transfers In/(Out)	(6,275)
Total Noncapital Subsidies	8,493,300
Total Operating Income (Loss) & Noncapital Subsidies	11,799,382
Other Nonoperating Revenues (Expenses):	
Interest on Investments	3,180,780
Interest on Bonds	(960,600)
Interest on Loans	2,210,781
Total Nonoperating Revenues (Expenses)	4,430,961
Total Change in Net Position	**16,230,343**
Fund Net Position-Beginning of Year	**557,303,322**
Fund Net Position	$ 573,533,666

Created on 08/11/2026

BACK TO AGENDA

BACK TO AGENDA

Water Revenue Bonds Pgm

Statement of Net Position

As of August 31, 2026

Current Assets:	
Cash & Equivalents	$ -
Federal Grants Receivable	-
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	-
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	-
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	7,145,768
Investments	-
Advance Receivable	-
Loans Receivable	46,660,000
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	128,825
Total Noncurrent Assets	53,934,593
Total Total Assets	**53,934,593**
Deferred Outflows-Refundings	**141,199**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	3,277,575
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	3,277,575
Noncurrent Liablities	

Created on 09/09/2026

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Water Revenue Bonds Pgm

Statement of Net Position

As of August 31, 2026

Project Costs Payable - Long Term	1,029,662
Advance Payable	-
Bonds Payable, net	47,630,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	960,750
Other Liabilities	-
Total Noncurrent Liablities	49,620,412
Total Liabilities	**52,897,987**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	1,177,805
Unrestricted	-
Fund Net Position	**$ 1,177,805**

Created on 09/09/2026

BACK TO AGENDA

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Water Revenue Bonds Pgm

Statement of Changes in Net Position

As of August 31, 2026

Other Nonoperating Revenues (Expenses):	
Interest on Bonds	(530,606)
Interest on Loans	1,249,403
Total Nonoperating Revenues (Expenses)	718,797
Total Change in Net Position	**718,797**
Fund Net Position-Beginning of Year	**459,008**
Fund Net Position	$ 1,177,805

Created on 09/09/2026

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Water Revenue Bonds Pgm

Statement of Net Position

As of July 31, 2026

Current Assets:	
Cash & Equivalents	$ -
Federal Grants Receivable	-
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	-
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	-
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	7,961,670
Investments	-
Advance Receivable	-
Loans Receivable	46,660,000
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	128,825
Total Noncurrent Assets	54,750,495
Total Total Assets	**54,750,495**
Deferred Outflows-Refundings	**141,199**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	3,254,752
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	3,254,752
Noncurrent Liablities	

Created on 08/17/2026

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Water Revenue Bonds Pgm

Statement of Net Position

As of July 31, 2026

Project Costs Payable - Long Term	1,029,662
Advance Payable	-
Bonds Payable, net	48,350,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	960,750
Other Liabilities	-
Total Noncurrent Liablities	50,340,412
Total Liabilities	**53,595,164**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	1,296,530
Unrestricted	-
Fund Net Position	**$ 1,296,530**

Created on 08/17/2026

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Water Revenue Bonds Pgm

Statement of Changes in Net Position

As of July 31, 2026

Other Nonoperating Revenues (Expenses):	
Interest on Bonds	(411,881)
Interest on Loans	1,249,403
Total Nonoperating Revenues (Expenses)	837,522
Total Change in Net Position	**837,522**
Fund Net Position-Beginning of Year	**459,008**
Fund Net Position	$ 1,296,530

Created on 08/17/2026

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BACK TO AGENDA

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY
EXECUTIVE DIRECTOR'S REPORT
October 2, 2026 Board Meeting

MAJOR ACTIVITIES SINCE THE LAST BOARD MEETING

Federal Affairs

Staff attended the Colorado Water Congress federal affairs committee briefing on September 4, 2026.

Staff attended a federal legislation briefing from the Council of Infrastructure Financing Authorities (CIFA) on September 17, 2026. CIFA's lobbyist noted that CIFA is currently not supporting the Clean Water Allotment Modernization Act until they understand the formula better. CIFA's concern is funding instability for certain states. The lobbyist noted the mid-term campaign break and was hopeful that WRDA would pass after the break.

On September 21, 2026 staff was copied on a draft response from the Colorado Water Utility Council to the U.S. Forest Service regarding changes in federal land management policy. CWUC was generally opposed to the proposed changes to public lands largely due to watershed concerns.

Jim Griffiths, Christine Arbogast and I prepared a letter for the Colorado delegation to potentially send to members of the U.S. House and Senate in support of the Clean Water Allotment Modernization Act and its inclusion in the WRDA bill. If approved, it would more than double funds provided under the CWSRF.

U.S. House of Representatives left session on September 16, 2026 so that lawmakers could return to their districts to campaign. The Senate will remain in session until October 2, 2026 before heading out. Both the U.S. House and Senate will return on November 9, 2026. The U.S. House and Senate each have a version of the Water Resources Development Act (WRDA) that will need to be reconciled, possibly by staff during the break, and voted on after the break.

Arkansas Valley Conduit (AVC)

The SRF Program and District are working on the loan agreement and various technical issues and hold frequent check-in meetings. SECWCD is drawing AVC funds from the CWCB while also working to complete its grant agreement for the jointly funded spur line project.

SECWCD and Otero County were able to reach agreement on a recent loan agreement issue. Loan closing is tentatively scheduled for early November 2026.

Enable Software Development & Implementation (CEOS Replacement Project)

The project team continues to work on software configuration and is meeting two to three times per week. TechPG has been able to add the capabilities that the Colorado team has indicated that are needed. The project team indicates that things are going well and on track to meet the May 2027 deadline.

BACK TO AGENDA

BACK TO AGENDA

Special Districts Association Annual Conference

Several staff and I attended SDA in Keystone, CO September 15-17 and provided information to many districts on our loan programs. Giorgi Gazashvili and Sean Oliver (WQCD) presented SRF program information at a one-hour session at the conference on September 16, 2026.

October 9, SRF Workshop – Using the SRFs for Wildfire and Watershed Resilience Projects

SRF staff from three agencies will participate in this workshop as presenters. The Workshop is sponsored by WaterNow and the Keystone Policy Center and will be held on October 9, 2026 in Keystone, CO. Topics include using SRF funding for post wildfire mitigation, watershed resiliency including forest thinning, and protecting utility infrastructure from wildfires. WaterNow will provide example SRF projects from other western states.

Meeting with WQCD

On August 25, 2026, I met with the Water Quality Control Division (WQCD) Director Nicole Rowan. The WQCD previously requested a one-week budget extension to address concerns Director Vandiver raised at the August 19, 2026, Board meeting. Ms. Rowan and I discussed the WQCD's revised budget, general SRF issues, and long-term strategies to ensure the long-term perpetuity of the DWRF. Ms. Rowan and I plan to meet regularly to better align SRF priorities and long-term strategy.

Harassment Training

On September 10, all Authority staff attended harassment training. In addition, separate harassment training for supervisors and managers was held immediately following the whole staff training. The training was provided by the Authority's Employment Law counsel Taft (formerly Sherman and Howard).

Future Meetings

October 2, 2026- Board meeting (8 am, Durango)

December 3, 2026- Board Program Work Session (3 pm, Denver)

December 4, 2026- Board Meeting (9 am, Denver)

2027 Board meeting dates

All Meeting Dates are subject to change by the Board Chair.

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-36

APPOINTMENT OF COUNSEL

WHEREAS, the Bylaws of the Authority (Article IV, Section 1) provide for the service of counsel to the Authority as the Board may appoint annually; and

WHEREAS, in order to allow the efficient functioning and operations of the Authority, the Board has determined to appoint Carlson, Hammond & Paddock, L.L.C., as counsel;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority, at a regular meeting of the Authority on October 2, 2026, as follows:

1. Carlson, Hammond & Paddock, L.L.C., and Karl Ohlsen as principal, are hereby appointed to act as counsel to the Authority to perform the functions of counsel at such times as may be necessary for the calendar year 2027.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-36 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors with a quorum present in Durango, Colorado on October 2, 2026.

_____
Chair

_____
Secretary

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-37

APPOINTMENT OF ASSISTANT TREASURER

WHEREAS, the Bylaws of the Authority provide for the service of such other officers of the Authority as the Board may from time to time appoint; and

WHEREAS, in order to allow the efficient functioning of the Authority, the Board has determined to appoint Justin Noll, Controller of the Authority, as Assistant Treasurer, for a two-year term;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority, at a regular meeting of the Authority on October 2, 2026, as follows:

1. Justin Noll is hereby appointed to act as Assistant Treasurer to perform the duties and functions of the Treasurer at such times as may be necessary for a two-year term.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-37 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors with a quorum present in Durango, Colorado on October 2, 2026.

_____
Chair

_____
Secretary

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-38

APPOINTMENT OF ASSISTANT SECRETARIES

WHEREAS, the Bylaws of the Authority provide for the service of such other officers of the Authority as the Board may from time to time appoint; and

WHEREAS, in order to allow the efficient functioning of the Authority, the Board has determined to appoint Jim Griffiths, Deputy Director of the Authority, Justin Noll, Controller of the Authority, Wesley Williams, Finance Director of the Authority, Ian Loffert, Assistant Finance Director of the Authority, and Heather Newton, Office Manager of the Authority, as Assistant Secretaries for a two-year term;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority, at a regular meeting of the Authority on October 2, 2026, as follows:

1. Jim Griffiths, Justin Noll, Wesley Williams, Ian Loffert, and Heather Newton are hereby appointed to act as Assistant Secretaries to perform the duties and functions of the Secretary at such times as may be necessary for a two-year term.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-38 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors with a quorum present in Durango, Colorado on October 2, 2026.

_____
Chair

_____
Secretary

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Finance Director's Report
October 2026 Board Meeting

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Current Interest Rates

Non-DAC Direct Loans
3.50%-30 yrs
3.25%-20 yrs

DAC 1 Direct Loans
2.75%-30 yrs
2.50%-20 yrs

DAC 2 Direct Loans
1.75%-30 yrs
1.50%-20 yrs

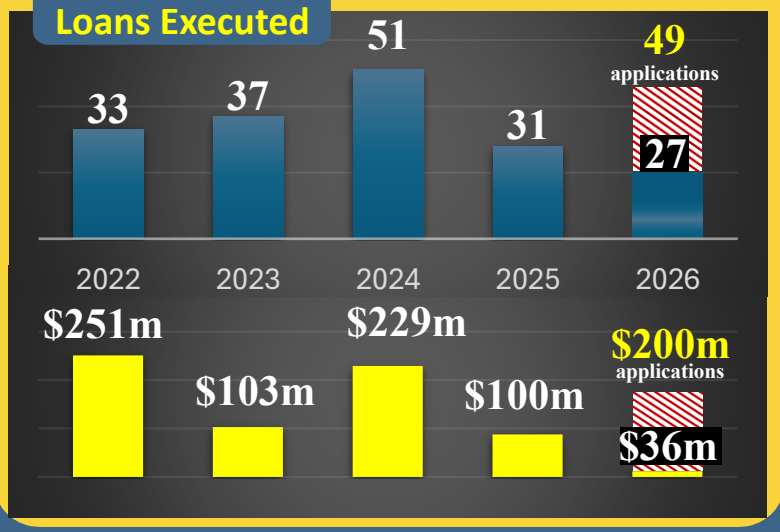
Leveraged Loans
Up to 85% of Authority's AAA rate

Current Capacity

DWRF Base	DWRF Supp	DWRF LSL	DWRF EC
$90m	$10m	$45m	$15m

WPCRF Base	WPCRF Supp	WPCRF EC
$160m	$30m	$3m

Last 5 Years Loans Executed



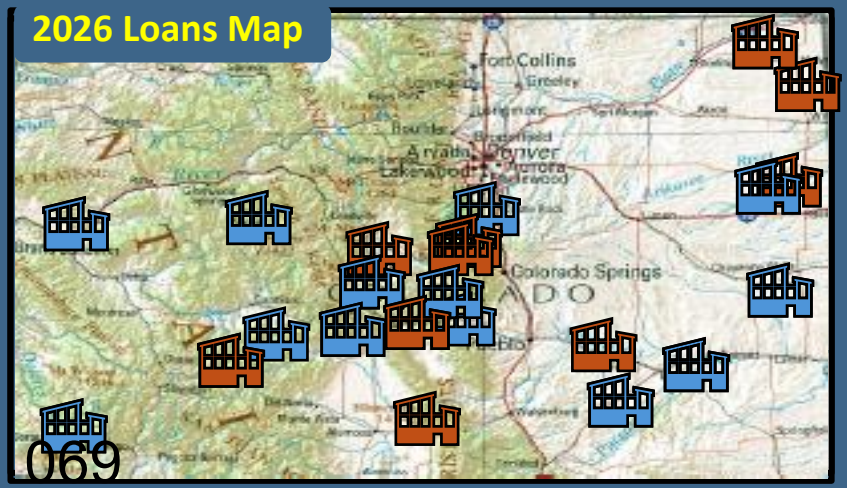
2026 Metrics

Pre-Quals	D&Es Closed	SRF Loans	DAC Loans	$ Paid Out	Amnt. Executed	CO Counties Helped	CO Pop Helped
38	13	27	22	$95m	$36m	13	150k

Loan Application Schedule

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

2026 Loans Map



Upcoming Items

- Working to close the 22 loans that have been approved but not yet executed.
- Beginning the process of selling the 2026A SRF Bond Issue this fall.
- Working to close the Southeastern WCD loan in October or November.
- Attended the SDA conference and continuing to promote and market the WPCRF program.

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REGION 8
DENVER, CO 80202

Mr. Keith McLaughlin
Executive Director
Colorado Water Resources & Power Development Authority
kmclaughlin@cwrpda.com

Dear Mr. McLaughlin:

The U.S. Environmental Protection Agency (EPA), Region 8, has conducted an annual review of the Colorado Drinking Water Revolving Fund (DWRF or DWSRF) for state fiscal year (SFY) 2025 (July 1, 2024 through June 30, 2025) in accordance with the EPA's State Revolving Fund (SRF) Annual Review Guidance.

The annual review includes consideration of legal, managerial, technical, financial, and operational capabilities of the Colorado Water Resources and Power Development Authority, the Colorado Department of Public Health and Environment, and the Colorado Department of Local Affairs. Please find attached the Program Evaluation Report of the program.

The Colorado DWRF assessment has been completed by SRF Coordinator, Jenn Berig, in collaboration with the EPA Region 8 SRF team. You may reach Jenn with any questions at (303) 312-6262 or Berig.Jennifer@epa.gov.

Sincerely,

Benjamin Bents
Manager, Technical and Financial Services Branch

ENCLOSURES
1. Colorado Drinking Water Revolving Fund - Program Evaluation Report SFY2025

cc: Armando Herald, Colorado Department of Public Health and Environment
Alex Hawley, Colorado Department of Public Health and Environment
Victor Chen, Colorado Department of Local Affairs

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STATE OF COLORADO

DRINKING WATER REVOLVING FUND

Program Evaluation Report

SFY 2025
(July 1, 2024 through June 30, 2025)

Completed by:
U.S. EPA Region 8
1595 Wynkoop Street
Denver, CO 80202-1129

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Executive Summary

The U.S. Environmental Protection Agency (EPA), Region 8, has conducted an annual review of the Colorado Drinking Water State Revolving Fund (DWSRF or DWRF) for state fiscal year 2025 (January 1, 2025 through December 31, 2025) in accordance with the EPA's State Revolving Fund (SRF) Annual Review Guidance.

The three coordinating agencies, Colorado Department of Public Health and Environment, Colorado Department of Local Affairs, and the Colorado Water Resources and Power Development Authority work well to ensure that communities are aware of the state revolving fund as a funding resource and support borrowers from initial outreach through project closeout. For the 2025 calendar year, Colorado's state fiscal year (SFY), the Colorado DWRF provided 23 separate funding agreements to 20 municipalities totaling $88.3 million with a range of effective interest rates from 1.5 to 3.825 percent. Of the 23 agreements, four provided full principal forgiveness to fund only design and engineering phases, two provided full principal forgiveness for construction, and 16 agreements funded construction loans for disadvantaged communities. By leveraging the DWRF, Colorado has been able to fund an additional $242.2 million in projects.

There were no significant changes to the program this year. Project demand remains high throughout the state. Colorado did receive the base, Infrastructure Investment and Jobs Act (IIJA) general supplemental, and IIJA emerging contaminant (EC) grants. Because there are still no Clean Water State Revolving Fund (CWSRF) IIJA EC projects that have applied for funding, Colorado transferred the fiscal year (FY) 2022 and 2023 CWSRF IIJA EC funds to the DWRF and also intends to transfer FY 2024 and FY 2025 funds in the upcoming year.

The fund use rate remains steady at 89 percent, which remains below the level Region 8 considers optimal for this metric to be. The Colorado DWRF program continues to conduct marketing and outreach efforts to fund projects and fully utilize all the IIJA funding, including the EC and lead service line replacement projects. The pace of construction is up this year following a significant increase in the annual disbursements. The rate of undisbursed funds to three-year average disbursements also improved as a result of the increased annual disbursements, bringing the metric to 4.1 years, which is within the 5-year threshold that EPA sets for disbursing all funds. The Colorado DWRF program is operating well and currently is meeting all of headquarters' timely and expeditious metrics.

Overall, the program is well managed and coordinated. All three agencies focus on outreach efforts, which ensures that they are funding a mix of urban, rural, and disadvantaged communities. The Department of Local Affairs is also focused on one-on-one outreach to communities under 10,000 people that have not yet accessed the state revolving fund programs. With the continued outreach, the state does not foresee any issues with project demand for the drinking water revolving fund.

There were no recommendations or required action items from last year and no new recommendations or required action items from this review.

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Introduction

In accordance with the Federal Water Pollution Control Act (Clean Water Act, CWA) and Safe Drinking Water Act (SDWA), the Environmental Protection Agency (EPA) provides funds to states to capitalize their Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs. The Colorado Department of Public Health and Environment (CDPHE), the Colorado Department of Local Affairs (DOLA), and the Colorado Water Resources and Power Development Authority (Authority) are responsible for administering the Colorado CWSRF and DWSRF programs. The collective program provides low interest loans to offset the financial burden of planning, designing, and constructing water and wastewater infrastructure. CDPHE also sets aside some of the DWSRF funds to supplement the Public Water System Supervision (PWSS) program and to provide technical assistance to public water supply systems.

As required by Title VI of the CWA and Section 1452 of SDWA, EPA conducts an annual oversight review of each state's DWSRF and CWSRF program. The purpose of the annual review process is to assess the cumulative program effectiveness and fiscal health of the SRF programs. EPA conducted its annual review of the Colorado DWSRF and CWSRF programs with CDPHE, DOLA, and Authority staff from June 23-25, 2026. EPA staff present for the annual review were Jenn Berig and Alyssa Azari. Emily Gillespie and Lindsey Phillips participated in the review remotely. The exit meeting took place on June 25, 2026.

This annual review includes consideration of the legal, managerial, technical, financial, and operational capabilities and overall performance in administering the DWSRF. Activities incorporated into the annual review were an analysis of the Intended Use Plans (IUPs), the Colorado Drinking Water Revolving Fund (DWRF) Summary Report covering the state's fiscal year (SFY) January 1, 2025 to December 31, 2025 (the next biennial report will be submitted next year), data from the Drinking Water National Information Management System (DWNIMS) and the State Revolving Fund (SRF) Data System, files for five projects, seven cash draws, 2025 financial statements, and Colorado's DWRF financial indicators. Following the annual review, EPA prepares a Program Evaluation Report (PER). The PER covers all program activities from program inception to the present, with major emphasis on the activities performed during the last state fiscal year. This PER correlates with Colorado's annual reports for the period ending December 31, 2025. This PER highlights the review observations and findings and identifies any follow-up actions.

The state of Colorado managed its DWRF program during SFY 2025 in accordance with applicable statutes, regulations, and guidance. The project demand remains high in Colorado. The SFY 2026 IUP lists approximately $2.1 billion in fundable projects for base and Infrastructure Investment and Jobs Act (IIJA) general supplemental grants. The fundable list projects are a priority for IIJA funding and have either recently received a loan, applied for a loan, or are projected to start within 12-18 months. There are $26.0 billion in projects on its overall project eligibility list (which includes the projects on the fundable list).

During Colorado's SFY 2025, the Colorado DWRF provided 23 separate funding agreements to 20 municipalities totaling $88.3 million with a range of effective interest rates from 1.5 to 3.825 percent. Of the 23 agreements, four were with full principal forgiveness to fund only design and engineering phases, two were with full principal forgiveness to fund construction, and 16 went to construction loans for disadvantaged communities. By leveraging the DWRF, Colorado has been able to fund an additional $242.2 million in projects.

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Program Management

A. General

The DWSRF is an EPA and state-funded water infrastructure program that provides public health benefits by assisting with delivery of clean and safe drinking water. While DWSRF set-asides are used for technical assistance to help public water supply systems with compliance issues and protect sources of drinking water, most of each capitalization grant (and loan repayments) are used to provide low interest loans to public water systems to help them maintain or achieve compliance with drinking water regulations.

Municipalities and other eligible loan recipients depend on the DWSRF program designed to provide low-interest rate loans for construction of drinking water facilities. Projects are funded with a combination of federal dollars (via capitalization grants), state match, revenue bond monies, earnings, repayments, and loan forgiveness. EPA's SRF loan program has been successfully operated since the CWSRF was established in 1987, and the DWSRF in 1996.

Three separate state agencies have distinct roles in the management of the Colorado DWRF program. The grantee is the Authority, which provides state match and conducts various financial functions for the SRF programs, including working with loan recipients on financial and audit issues and coordinating an annual financial audit of the DWRF program. Responsibilities of the CDPHE staff include primacy duties for the SDWA, working with communities in completing necessary planning, design, and construction activities associated with each DWRF project, providing technical review of the proposed construction projects, and managing the set-asides. Responsibilities of DOLA include outreach to local communities and conducting financial analyses of potential and existing loan borrowers.

Colorado DWRF staff (at the Authority, CDPHE, and DOLA) continue to implement a successful program and remain in compliance with all SRF regulations. There were no major changes to the Colorado DWRF program this year. They continue to implement the changes from federal fiscal year (FY) 2022 to the disadvantaged community definition and the wider eligibilities for the IIJA grants, which include poverty indicators and points for persons over the age of 65.

B. Capitalization Grants

Through the end of SFY 2025, EPA has awarded $814.6 million total in capitalization grants and Colorado has provided $99.0 million in matching funds, for a total of $913.6 million in revolving fund capitalization. The value of the Colorado DWRF is increasing every year due to this annual capitalization process, as well as from loan repayments, interest earned on its loan portfolio, and interest earned on the invested cash balance.

In November 2021, IIJA was signed into law, which appropriated federal DWSRF funding for FY 2022 through FY 2026 for three types of DWSRF infrastructure projects: general supplemental, lead service line (LSL) replacement, and emerging contaminants (EC). In March 2022, EPA issued IIJA Implementation Guidance and FY 2022 allotments.

During SFY 2025, Colorado DWRF applied for and was awarded the capitalization grants and amounts shown in Table 1, which included two awards for the funds transferred from the FY

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2022 and FY 2023 CWSRF EC grants to the DWSRF EC grants.

Table 1: Colorado DWSRF Federal Capitalization Summary		
Grant #	**Grant Award Date**	**Grant Award Amount**
FY 2024 General Supplemental	2/28/2025	$40,265,000
FY 2024 Lead Service Line	2/28/2025	$32,800,000
FY 2024 Emerging Contaminant	2/28/2025	$13,384,000
FY 2022 Emerging Contaminant*	6/10/2025	$747,000
FY 2023 Emerging Contaminant*	6/10/2025	$1,701,000
FY 2025 Base	9/10/2025	$19,105,000
FY 2025 General Supplemental	9/11/2025	$43,616,000
FY 2025 Emerging Contaminant	9/10/2025	$13,384,000
Total		$165,002,000

*Indicates a transfer from the respective CWSRF EC grant

The FY 2025 IIJA LSL grants were applied for and awarded during the summer of calendar year 2026.

C. Set-Aside Uses

Section 1452(g)(2) of SDWA (40 CFR 35.3535) allows the DWSRF program the option of utilizing up to 31 percent of their capitalization grant for activities that protect sources of drinking water, enhance water systems management, and improve capacity development strategies. Colorado SRF works closely with the PWSS program to identify water systems in need of SDWA compliance or capacity assistance. Colorado SRF elected to utilize set asides in the following manner:

Program Administration (four percent)
Funds are used to cover administrative and technical assistance expenses related to projects and activities authorized under SDWA. Program administration can be calculated by three different methods, whichever the state chooses, to cover the reasonable costs of administration of the DWSRF programs: (1) $400,000, (2) four percent of the capitalization grant, or (3) 1/5 percent of the current valuation of the fund. Colorado DWRF elected to utilize $2.5 million. They opted to use the full four percent of the IIJA general supplemental grant, and less than four percent of the IIJA LSL and EC grants for program administration expenses. There was no administration set-aside from the base grant.

Small System Technical Assistance (two percent)
SDWA allows funds for technical assistance (TA) and training to help small public water supply systems build the capacity they need to provide safe drinking water. The base, IIJA LSL, and IIJA EC grants did not include any two percent set-aside funds. Colorado DWRF elected to utilize $741,472, slightly less than two percent, from the IIJA general supplemental grant for TA, which funded contracts with the Colorado Rural Water Association and the Midwest Assistance Program to provide TA services to small systems. Activities under this set-aside include:

- Drinking water on-site and group training on regulatory compliance, asset management,

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emergency response, physical and cybersecurity concerns, lead and copper rule revision, public notice, decision making and board responsibilities, operator certification and ethics, and financial planning;
- Drinking water technical, managerial, and financial assistance and coaching; and
- PWSS program administration focusing on drinking water ECs of concern.

State Program Management (10 percent)

A state may reserve up to 10 percent of the capitalization grant to implement its drinking water protection, capacity development, operator certification and source water protection programs. Colorado DWRF elected to utilize $4.4 million (eight percent) from the IIJA general supplemental grant, $0.9 million (seven percent) of the IIJA EC grant, and $3.3 million (10 percent) of the IIJA LSL grant for state program management to support staff in accomplishing the requirements of the program. Activities under this set-aside include:

- Drinking water training and assistance to public water systems on compliance responsibilities and meeting new regulations;
- PWSS administration including compliance, enforcement, new rule/policy development, and oversight and compliance activities to ensure systems have a certified operator;
- Drinking water acute response and assistance;
- Continuity of operations and supporting Colorado's water and wastewater agency response network;
- Development and implementation of public water system training curriculum; and
- Training to focus on managerial and financial capacity building.

Local Assistance (15 percent)

SDWA allows the local assistance set-aside to be utilized for various assistance, including technical, financial, and managerial capacity assistance to public water systems as a part of a capacity development strategy and for source water protection activities. Colorado DWRF uses these funds for assistance in capacity development and to help fund the state's wellhead protection program. The base, IIJA LSL, and IIJA EC grants did not include any 15 percent set-aside funds. Colorado has elected to reserve $5.7 million (13 percent) of the IIJA general supplemental grant. Activities under this set-aside include:

- Develop workplans, manage, and implement the wellhead protection program;
- Source water protection activities;
- Drinking water sanitary surveys;
- Drinking water design reviews; and
- Drinking water technical assistance and support.

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Colorado DWRF total set-aside designations from awarded grants are outlined below:

Table 2. Colorado DWSRF Set-Aside Summary (cumulative) As of December 31, 2025 (SFY) ($ millions)			
Set-Aside	**Set-Aside Amount**	**Set-Aside Amount Expended**	**% of Set-Aside Expended**
Administrative	$28.8	$23.9	83%
Small System TA	$10.8	$8.8	81%
State Program	$55.2	$43.0	78%
Local Asst.	$70.0	$58.2	83%
TOTALS	$164.8	$133.9	81%

D. Biennial Report

The purpose of the biennial report is to describe how the state's program has met the goals and objectives of the previous fiscal year as stated in the IUP and capitalization grant agreements, including the most recent audit of the fund and the entire state allotment. Colorado's SFY 2023-2024 biennial report was received by EPA Region 8 on June 24, 2025. For the off years between the biennial report submissions, Colorado drafts a DWRF Summary Report, which was submitted to Region 8 June 9, 2026. Both reports are available on the Authority website at: https://www.cwrpda.com/reports.

E. Intended Use Plans (IUP)

The IUP is a document prepared annually by a state, which identifies intended uses of all DWSRF program funds and describes how those uses support the overall goals of the DWSRF program. The IUPs contain the PPL for all awarded DWSRF federal capitalization grants: base, IIJA general supplemental, IIJA LSL, and IIJA EC in accordance with federal statute 40 CFR § 35.3150. The IUP and PPL are subject to public review and comment, only after which can the document be adopted. Colorado's draft IUP was received by EPA Region 8 on September 2, 2025. Colorado's SFY 2025 Final IUP was posted for public comment on September 12, 2025 and was approved at a public hearing on October 14, 2025. The IUPs are available on the Authority website at: https://www.cwrpda.com/reports.

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F. Equivalency

Equivalency is a unique feature of the SRF programs wherein certain program requirements apply only to a subset of SRF assistance agreements and activities. The equivalency requirements must be met by assistance agreements and activities whose total dollar amount equals the amount of the federal SRF capitalization grant in question. Colorado DWRF has funded projects to meet the equivalency requirement for the base FY 2024 grants and prior. For the IIJA general supplemental grants, they have funded projects to meet the FY 2022 grant requirement and they are 76 percent of the way toward meeting the requirement for the FY 2023 grant. For the IIJA EC, the equivalency requirement has been fully met for the FY 2023 grant, and they are 91 percent of the way toward meeting the FY 2024 requirement. For the IIJA LSL grants, they have funded projects to meet the FY 2022 grant requirement and are 86 percent of the way toward meeting the requirement for the FY 2023 grant and 74 percent for the FY 2024 grant.

Each year's IUP must identify the projects that will meet equivalency. Additionally, the biennial report must report the signed assistance agreements selected to meet equivalency requirements and whether the state fell short of the total equaling the capitalization grant amount.

The projects meeting equivalency requirements have been entered, as required, into the Sam.gov database, formerly known as the Federal Funding Accountability and Transparency Act database.

G. Additional Subsidization

The amount of required subsidy changes from year to year and can be provided in the form of principal forgiveness, grants, negative interest loans, and refinancing of debt. It is important to note it often takes time for loans that contain subsidy to be signed, move to construction and request disbursements. Colorado continues to work diligently with Disadvantaged Communities to provide additional subsidy through varying levels of principal forgiveness.

Colorado met additional subsidy funding levels through its FY 2024 base and IIJA general supplemental grants and prior. They are working toward meeting the additional subsidy goal for the FY 2025 base and IIJA general supplemental grants. The state has met the additional subsidy requirement for the FY 2022 and FY 2023 grants for the IIJA EC grant. They have met the requirements for the FY2022 IIJA LSL grants and have made significant progress meeting the FY 2023 and FY2024 requirement.

H. DWSRF Staffing

Colorado SRF continues to operate with a stable workforce at each of their respective agencies that directly support both the CWSRF and DWRF. However, workloads have increased significantly with the addition of IIJA funding. CDPHE has 11.25 full time equivalent (FTE) employees, and one term limited, who will be providing support during IIJA. DOLA has 2.5 FTE staff and one FTE term limited employee. DOLA has a new manager who is excited to be taking on this new role. The Authority has 16 permanent staff members, which remains manageable for the remainder of the IIJA funding. Overall, the three agencies believe they have adequate staffing able to meet the program needs.

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Project Management

A. Project Progress

The Colorado DWRF project progress is summarized below with the following table, which presents fund use rate and pace of construction as of June 30, 2025.

Table 3. Colorado DWRF Program Summary – June 30, 2025 ($ millions)

DWSRF Funds Available for Projects	Assistance Provided	Fund Use Rate	Project Disbursements	Pace of Construction
$1,321.1	$1,182.0	89%	$969.1	82%

Colorado DWRF project milestones accomplishments as of June 30, 2025, as provided from DWNIMS, are as follows (in $ millions).

As of June 30, 2025 data (in millions), project progress was as follows:

- Construction Starts: 348 at $1,177.5
- Project Completions: 285 at $707.7

Colorado funded $137.2 million in projects during the reporting period, following annual amounts of $137.6 million and $132.3 million for the two years prior. This is an excellent accomplishment and demonstrates how hard the state is working to sustain increased funding levels required due to the additional IIJA grants. The annual disbursements in 2025 were $148.6 million, which is almost double the disbursements from the year prior. Overall, the Colorado DWRF is performing well in getting drinking water projects built to further the goals of SDWA.

B. EPA Project Review

EPA would like to thank the Colorado SRF staff for making themselves available for interviews, meetings, and questions during the programmatic review. The information gathered during the interviews with state staff was used to complete the Annual Review Checklist and Project File Review Checklists, developed by EPA Headquarters (HQ). Project documentation illustrated compliance with federal requirements.

EPA examined project, construction, and administrative loan files to ensure that the projects were managed consistent with federal regulations and policies governing the DWSRF. Files were checked for inclusion of documentation supporting the following federal requirements: American Iron and Steel (AIS), Build America Buy America (BABA), the bidding process, environmental cross-cutters, socio-economic cross-cutters, super (Civil Rights) cross-cutters, Davis-Bacon wage requirements, Disadvantaged Business Enterprise, Federal Funding Accountability and Transparency Act reporting, generally accepted accounting standards, site inspection reports, environmental review based on state environmental review process, project eligibility, project useful life, signage, single audit, prohibition on certain telecommunication equipment and services, and technical, financial and managerial capacity. See Table 4, below,

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for the list of projects that were reviewed.

Table 4. DWSRF Project Reviews					
Project Title & Summary	**Total SRF Funding**	**Loan Terms**	**Environmental Review Determination***	**Equivalency? Add Sub**?**	**Associated Cap Grant**
City of Trinidad, water storage tank replacement and rehabilitation	$3,450,000	2.5%, 20 years	Cat Ex	Non-Equivalency and Add Sub ($2.3 million)	DWSRF IIJA General Supplemental
City of Fort Lupton, new elevated storage tank, new pump station, and related pipelines	$6,000,000	1.75%, 30 years	EA & FONSI	Equivalency and Add Sub ($3.0 million)	DWSRF Base & IIJA General Supplemental
	$12,908,932	3.83%, 30 years		Equivalency and no Add Sub	DWSRF Base and IIJA General Supplemental
Cucharas Sanitation and Water District, rehabilitating water treatment plant	$1,259,300	2.5%, 20 years	EA & FONSI	Non-Equivalency and Add Sub ($0.8 million)	DWSRF IIJA General Supplemental
Town of Boone, relining backwash ponds and replacement of media to treat for Manganese	$1,005,000	NA, 100% principal forgiveness loan	Cat Ex	Equivalency and Add Sub ($1.0 million)	DWSRF IIJA EC
City of Greeley, identifying and replacing LSL	$20,910,725	3.5%, 30 years	Cat Ex	Equivalency and Add Sub ($10.0 million)	DWSRF IIJA LSL

** The state of Colorado utilizes the National Environmental Policy Act (NEPA) process for their State Environmental Review Process (SERP). NEPA involves an evaluation of potential environmental impacts, with three possible levels of evaluation: (1) Categorical Exclusion (Cat Ex) with the least potential for environmental impact, (2) Environmental Assessment (EA) with moderate potential environmental impact, and (3) Environmental Impact Statement (EIS) with high potential environmental impact. The Colorado SRF program has funded several common infrastructure projects that fall into the Cat Ex category. There are also new infrastructure*

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projects that warrant an EA. Note: if the EA results in minimal impact a Finding of No Significant Impact (FONSI) is issued. An infrastructure proposal requiring an EIS is rare. The Colorado SRF program has not funded a project requiring an EIS to date.

***"Add Sub" references Additional Subsidy, which is provided in addition to reduced interest rate. Colorado SRF provides their Additional Subsidy in the form of principal forgiveness.*

C. American Iron and Steel (AIS)

The Colorado SRF has complied with AIS requirements for many years. The consulting engineers, construction contractors associated with SRF projects are familiar with the AIS requirements and CDPHE staff verify the AIS project documentation. AIS documentation is submitted and reviewed with each pay request. The state reported no issues with complying with AIS at this time.

D. Build America Buy America (BABA)

During SFY 2025, the Colorado DWRF did not sign any equivalency projects utilized the EPA Adjustment Period Planning Waiver of Section 70914(a) of P.L. 117-58, Build America, Buy America Act (BABA), 2021 for SRF Projects that have Initiated Design Planning, which was approved September 2, 2022.

Note: An amended (final) Public Interest Waiver was issued by EPA in November, which replaces the earlier Adjustment Period Waiver and applies to FY22 and FY23 capitalization grants awarded to state on or after November 13, 2023.The state did not receive any FY22 or FY23 capitalization grant awards on or after November 13, 2023, and the earlier EPA Adjustment Period Planning Waiver applies.

Equivalency loan recipients provided documentation to the Colorado DWRF illustrating that their project started designated planning and design activities prior to May 14, 2022.

Beginning in SFY 2024, Colorado began implementing BABA for projects using FY 2024 funding. The state reported that there were no domestic preference concerns for any projects for SFY 2025. The state SRF staff and communities continue to seek additional BABA guidance from EPA Office of Water and the Office of Management and Budget Made in America Office, particularly regarding the manufactured goods category.

E. Signage

Prior to the rescinding of the IIJA signage requirements, all Colorado DWRF equivalency projects receiving IIJA funding provided documentation of the compliant signs posted on the work site.

With the rescinding of the IIJA signage requirements, all projects should return to complying with the original 2015 SRF public notification requirements. Non-IIJA equivalency funding recipients provided documentation to the Colorado SRF program demonstrating conformance with SRF signage requirements, which the state is meeting through project postings on the state website.

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Financial Management

A. Overall Fund Management and Loan Terms

The DWRF shows sound financial health and management. There have been no defaults and all loans are secured by revenues from user charges and/or full faith and credit of the borrowing entities. The net position (including undrawn loan fund grants) as of December 31, 2025 was $488.7, an increase of 9.2 percent over the 2024 net position of $447.7 million.

The Authority manages the Colorado DWRF fund and sets loan terms. Loan interest rates range from 1.5 percent to 3.8 percent, which includes the interest rate and the administrative fee. An administrative fee of up to 1.5 percent is added to the interest rate. Interest rates range from 1.5 to 2.5 percent for disadvantaged communities. Loan terms are typically for 20 years. However, extended loan terms of 30 years are offered to disadvantaged communities.

B. State Match

The Colorado DWRF uses administrative fees and bonds to meet state match requirements. The total state match contribution through SFY 2025 is $111.9 million, meeting the capitalization grant state match requirements through FY 2025. The administrative fee funds are used to fund the state match loan to the Authority for the base grant and the IIJA general supplement match was paid by funds from the state legislature.

C. Financial Statements and Audits

Colorado SRF financial statements and audit reports were received on April 30, 2026.

On April 24, 2026, Forvis Mazars, LLP issued audited financial statements on the DWRF for the year ending December 31, 2025. No issues or recommendations were identified with this document.

D. Cash Draw Transaction Testing

The DWSRF regulations (40 CFR 35.3560) once required cash disbursed to borrowers be drawn proportionately from the EPA capitalization grants and the state's matching contributions. With the implementation of IIJA, the proportionality requirement was terminated. Therefore, EPA simply requires that the state demonstrate that it has deposited the required state match.

In FY 2024, EPA updated the SRF transacting testing process. The cash draws were selected using a statistical sample approach similar to the procedure approved by the Office of the Chief Financial Officer in 2017. EPA HQ ran the draw selection protocol and provided the list to regional staff for review. EPA HQ conducted all transaction testing and completed Transaction Testing Worksheets that were reviewed by regional staff.

All seven cash draws listed below were completed with a 100 percent federal proportionality ratio; the full state match was disbursed prior to federal draws. Furthermore, the payment requests for the cash draws were for eligible costs and were adequately documented. No costs were questioned, and there were no improper payments.

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Table 5. Cash Draw Transaction Tests			
Cap Grant	**Grant Number**	**Cash Draw Date**	**Cash Draw Amount**
DWSRF Base	FS998832-23	January 31, 2025	$1,551,756.12
DWSRF IIJA General Supplemental	4D968946-02	May 13, 2025	$819,325.93
DWSRF IIJA EC	4E968861-23	February 5, 2025	$3,013,627.99
DWSRF IIJA LSL	4L968949-01	January 21, 2025	$2,439,355.11
DWSRF IIJA LSL	4L968949-01	January 23, 2025	$2,624,019.68
DWSRF IIJA LSL	4L968949-23	June 18, 2025	$2,562,386.50
DWSRF IIJA LSL	4L968949-24	September 26, 2025	$338,522.47

E. Program Financial Indicators

Colorado's DWRF staff input project information for each SRF project into EPA's SRF Data System on a quarterly basis, as required. Additionally, they input annual summary values into EPA's SRF Data System. The SRF Data System inputs are then compiled into annual report called DWNIMS, which outputs program summary data for each state SRF program and the national summary. DWNIMS data was used in this PER for trend analysis of the program and the financial indicators below.

1. Fund Use Rate (Program Pace) (%)

The cumulative fund use rate (cumulative program pace) is calculated as the ratio of the cumulative assistance provided (signed loan agreements) over the cumulative funds available. This measures how well the state is putting its available funds into loans. The value can exceed 100 percent if the state has adopted an advanced loan approval approach, which makes use of the lag time between signing of loan agreements and the disbursement of monies to reimburse construction project costs.

The January 21, 2024 "Maximizing Water Quality and Public Health Benefits by Ensuring Expeditious and Timely Use of all State Revolving Fund Resources" memorandum (which is based on SRF Policy Memo's 99-03, 99-05 and 99-09), indicate a goal of having all available funds committed within one year and having all committed funds disbursed within five years.

The fund use rate for the Colorado DWRF for the year ending June 30, 2025 remained steady at 89 percent. The remaining uncommitted eleven percent equaled $139.1 million. The fund use rate for Colorado has remained relatively steady despite the large influx of funding associated with IIJA. As noted above, Colorado funded $137.2 million in projects during the 2025 DWNIMS reporting period, following annual amounts of $137.6 million and $132.3 million for the two years prior. This is an excellent achievement and demonstrates how hard the state continues to work to sign all the DWSRF funds available into closed loans. The Colorado DWRF continues to have an excellent project pipeline, so there is no concern at this time. See Graph 1, below, for the fund use rate from DWNIMS.

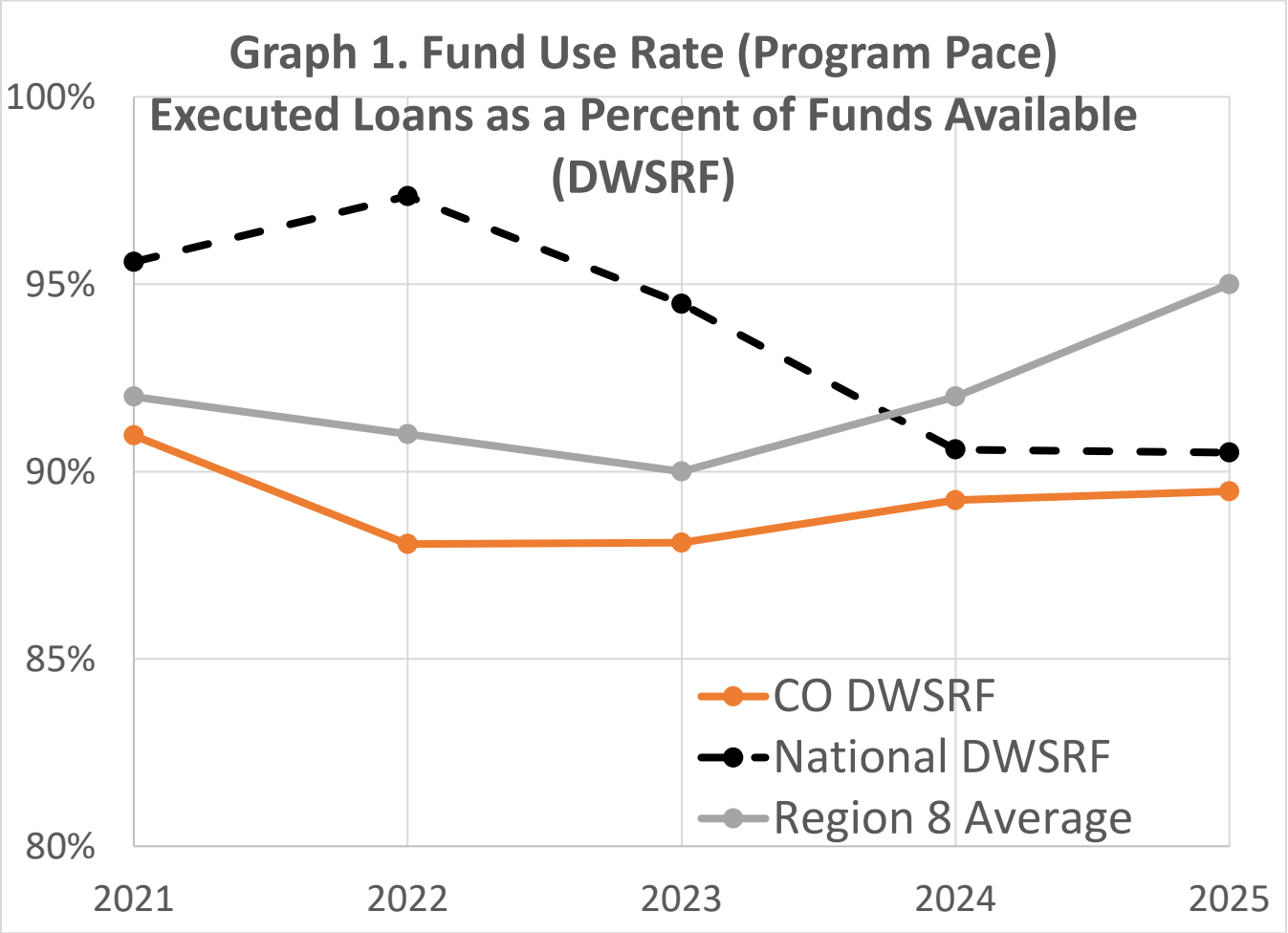
In addition to program pace, this year EPA is evaluating state SRF programs using a proxy

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calculation to more directly assess the number of years to commit all funds. The proxy is calculated by taking the uncommitted fund balance as of June 30, 2025 ($126.0 million) to the assistance provided as of June 30, 2025 ($137.2 million). This ratio indicated that it would take 0.9 years to commit all funds at the current spending rate, which is below the goal of committing all funds in less than one year.

Graph 1. Fund Use Rate (Program Pace)



2. Pace of Construction (%)

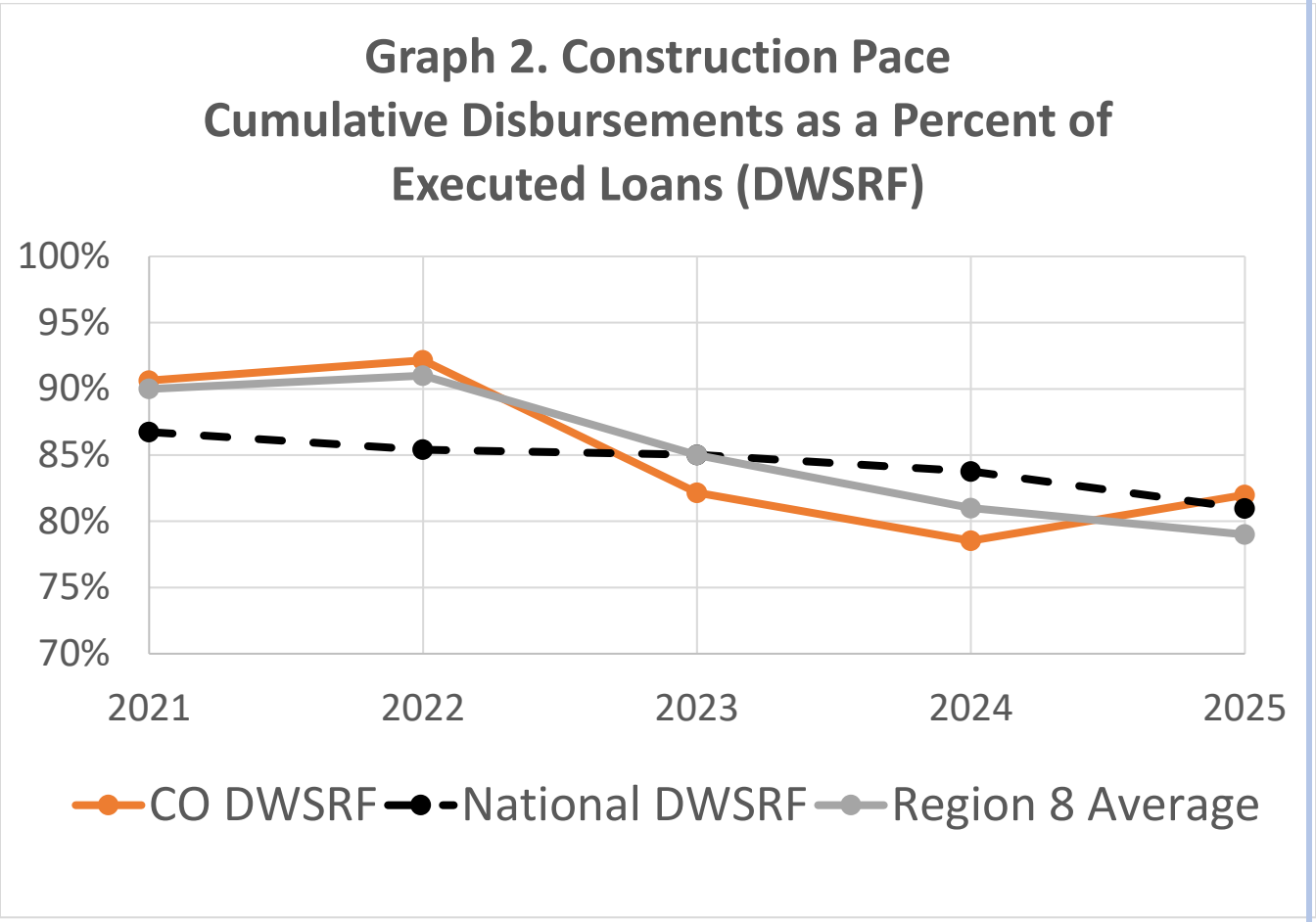
The cumulative pace of construction is calculated as the ratio of cumulative disbursements (construction cash draws) over cumulative assistance provided (signed loan agreements). It measures the speed at which projects are proceeding to construction completion after loans agreements are signed. Note that the denominator is not the same as program pace, which compares total funds available.

The pace of construction increased from 79 percent to 82 percent during the year ending June 30, 2025, which is above the regional and national averages. The annual disbursements in the 2025 NIMS reporting year nearly doubled from the previous year of $75.2 million to $148.6 million. These numbers demonstrate how effectively the state moves grant dollars into

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completed projects. Overall, Colorado DWRF staff manages projects well. See Graph 2, below, for the pace of construction.

Graph 2. Pace of Construction



3. Ratio of Undisbursed Funds to Disbursements

The cumulative ratio of undisbursed funds to disbursements (also known as the revolving rate) is calculated as the ratio of cumulative funds available (total funds available minus project disbursements) over the average disbursements over the last three years. This ratio evaluates how efficiently the SRF funds are revolving (balancing cash inflows and outflows) by examining a program's disbursement rate over a set period and comparing to the cash on hand. The result reflects the number of years it would take to spend cash on hand assuming the future disbursements are consistent with the average of the last three years.

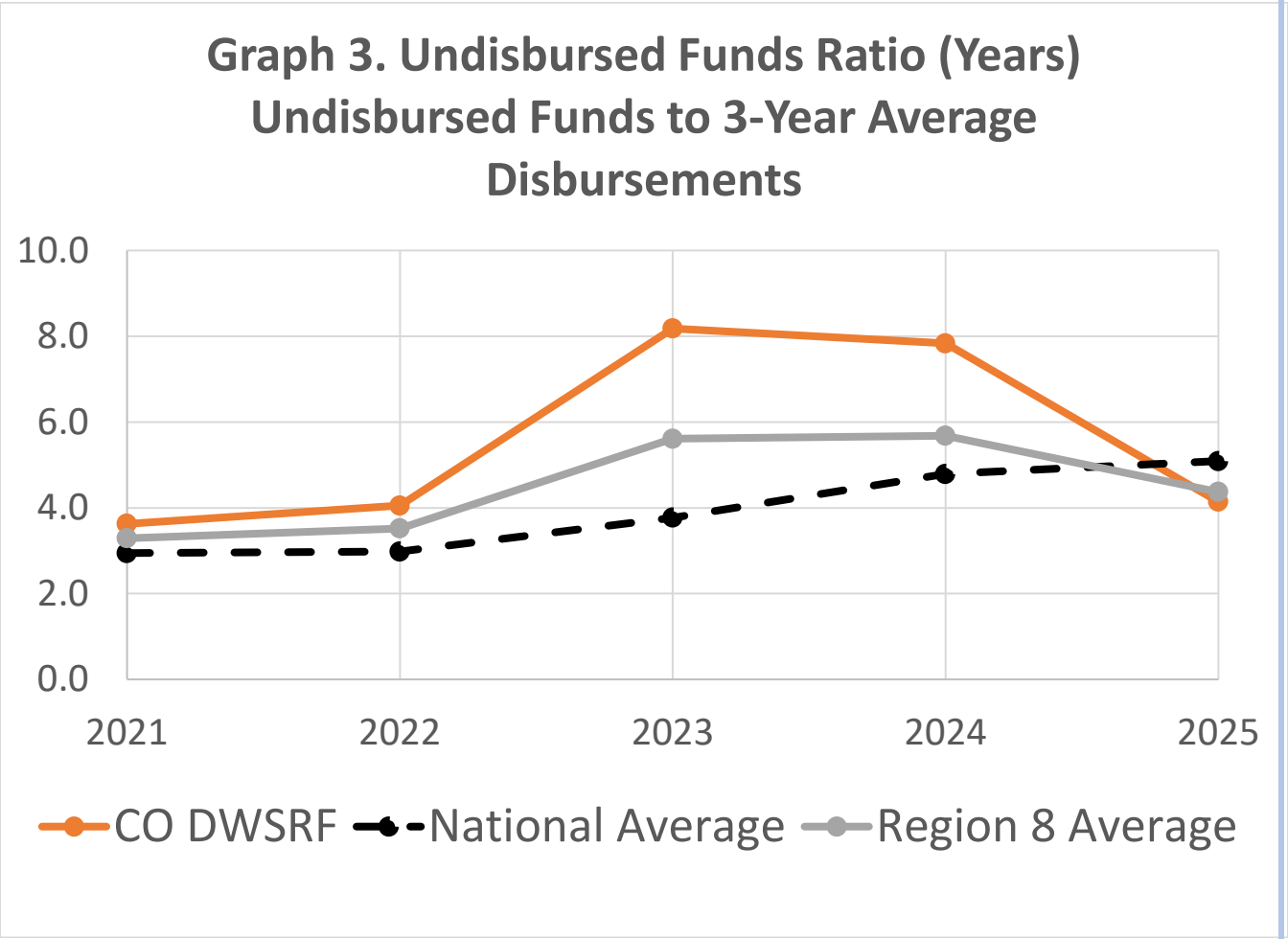
The January 21, 2024 "Maximizing Water Quality and Public Health Benefits by Ensuring Expeditious and Timely Use of all State Revolving Fund Resources" memorandum (which is based on SRF Policy Memo's 99-03, 99-05 and 99-09), indicate a goal of having all available funds committed within one year and having all committed funds disbursed within five years.

For the year ending June 30, 2025, the ratio was calculated by subtracting total project

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disbursements ($969.1 million) from total funds available ($1,321.1 million) and comparing this number ($352.0 million) to the average annual disbursements over the past three years ($85.0 million). For the Colorado DWRF, this ratio is 4.1 (years), which shows that it would take 4.1 years to use all the available funds at the current spending rate. This metric decreased substantially from 8.2 and 7.8 the past two years due to the significant increase in annual disbursements in 2025, an excellent improvement. This raised the three-year annual disbursements value from $44.7 million to $85.0 million. The resulting undisbursed funds ratio is below regional and national averages and is now below the timely and expeditious spending goal set by HQ of 5 years. See Graph 3, below, for the undisbursed funds ratio.

Graph 3. Ratio of Undisbursed Funds to Disbursements



4. Federal Return

The cumulative federal return is the assistance disbursed for each federal dollar. Federal return shows how many cumulative dollars of assistance were disbursed to communities (borrowers) for each cumulative federal dollar spent. This value reflects how successful the SRF program has been at turning capitalization grants into loans that revolve and earn interest.

For the period ending June 30, 2025, the $148.6 million in construction expenses relative to $118.1 million in federal cash draws (loan fund and administrative), caused Colorado's

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cumulative DWRF federal return to decrease slightly from 2.2 to 2.1, which is still a good result, illustrating that for every federal dollar of capitalization grant awarded, $2.10 of drinking water infrastructure is constructed.

5. Net Return (after repaying match bonds and excluding subsidy) ($)

The cumulative net return shows the net earnings of the DWSRF after any state match bonds are repaid and any loan principal is forgiven, thereby showing how well the DWSRF is maintaining its invested and contributed capital. This value is expressed in dollar amounts. A positive value indicates that the revenues of the fund are meeting expenses after any state match bonds are repaid and any loan principal is forgiven and shows the DWSRF is maintaining contributed capital. Conversely, a negative value indicates that expenses are exceeding revenues after the state match bonds are repaid and any loan principal is forgiven.

The Colorado DWRF's net return increased $5.8 million to $32.7 million as of June 30, 2025. For the period ending June 30, 2025, the state collected $3.0 million in interest payments, $6.2 million in interest earnings, and paid $3.4 million in bond interest expense. Colorado DWRF performs cash flow modeling that assists with leveraging decisions and continuously evaluates interest earnings and expenses, while providing the maximum loan capacity to drinking water systems. The DWRF loan program is in high demand and net return remains positive.

6. Sustainability (Retained Earnings) as a Percent of Contributed Capital (excluding subsidy) (%)

The cumulative sustainability (also referenced as net return on contributed capital or retained earnings) is expressed as a percentage. Sustainability is a ratio of the cumulative net return on investment over cumulative contributed capital after repaying any state match bonds and after forgiving any loan principal. This value estimates the growth of the DWSRF relative to the investment earnings and to the federal and state contributed capital. Negative sustainability indicates that funds being used for interest on bonds and state match repayments exceed the interest earnings on funds.

The Colorado DWRF sustainability (net return on contributed capital) decreased slightly from 9.1 percent to 8.6 percent but remains a good result. This metric has been stable and demonstrates how well the state is managing the DWRF.

7. Set Aside Spending Rate (%)

The set aside spending rate indicates the rate at which states are utilizes their set aside funds to provide program administration and other technical assistance that compliments the SRF program and assists with drinking water system compliance. The set aside spending rate is calculated as the ratio of cumulative set aside expenses (disbursed) over cumulative set aside amounts awarded. Region 8 tracks the set aside spending rate for each open capitalization grant as well as evaluating the cumulative DWNIMS value.

As illustrated in Table 2 on page 10 (above), Colorado DWRF spent 81 percent of all set aside funds, a slight decrease from 84 percent last year. This remains a good value given the large set-side amounts elected with IIJA grants, which are intended to especially target small, disadvantaged, and underserved communities. It will take time to utilize these funds through contracts and additional staff. The LSL set-asides take especially long to expend through

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contracts, whose intent is to assist communities with completion of LSL inventories and LSL replacement planning, required under SDWA Lead and Copper Rule. Since FY 2026 is the last year of IIJA funding, this metric is expected to improve over time.

8. Total Net ($)

Total net measures the extent by which internal growth is generating additional funding for new projects. Total net is shown in dollars and is calculated using annual values (not cumulative). This value is calculated by taking the total cash inflows generated by ongoing loan and investment activity and subtracting debt service payments from outstanding match and leveraged bonds. New federal capitalization grants and leveraged bond issues are excluded from this calculation.

For the period ending June 30, 2025, the Colorado DWRF's total net was $26.5 million, which is an increase over the 2024 NIMS reporting period amount of $25.7 million. Internal program growth is strong at Colorado DWRF and the state is managing their debt well.

9. Net Interest Margin (%)

Net interest margin measures net rate of return, as a percentage, that the SRF is generating from its total assets through loans and investments less interest expenses associated with match and leveraged bonds. *Note: net interest margin differs from retained earnings because it does not include match bond principal as an expense.* Net interest margin is calculated using the sum of annual values of loan interest income and investment interest income minus bond interest expense divided by the two-year average of program total assets.

As of June 30, 2025, the Colorado DWRF's net interest margin was 0.9 percent, based on an annual net interest amount of $5.8 million and an average total assets of $663.3 million. This remains steady following a one-year negative dip back in 2022.

10. Unliquidated Obligations (ULO)

As of June 30, 2025, the Colorado DWRF had approximately $137.1 million in unspent federal funds, also known as unliquidated obligations (ULOs), which equals an 81 percent federal outlay expenditure rate. This is down from $155.8 million as of June 30, 2024. Historically, the state has met the spending targets outlined in the ULO policy prior to the IIJA awards, and given project demand, they should return to those levels in the next couple of years.

Overall, EPA encourages all state DWSRF programs to utilize several strategies to improve ULO metrics, including First-In First-Out (FIFO) disbursements methods, use of project bypass procedures when projects are not ready to advance to construction, and using equivalence for additional subsidy. Cash draws by states for particular projects are not tied to a particular capitalization grant, and the actual funds used to meet the Additional Subsidy requirements do not need to come from that particular capitalization grant. *Please see the September 12, 2013 "Maximizing the Benefits of the Drinking Water State Revolving Fund' memorandum. Additionally, see the November 2, 2021 "Policy Change Regarding Additional Subsidization and Closeout of SRF Capitalization Grants" memorandum, which allows capitalization grants to be closed before the state meets the required minimum additional subsidization requirement.* The additional subsidy metric will be verified through the state's IUPs and biennial reports.

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F. Leveraging

Leveraging through issuance of bonds can be an effective tool for providing additional project assistance for state SRF programs with demand that exceeds their funds available. Leveraged programs have the responsibility of being sophisticated financial planners. Effective management of the SRF is also necessary to ensure the leveraging levels match the demand for funding. SRF programs that leverage must work towards a variety of SRF financial objectives, including sound debt management, ensuring high pace levels of all funds and effective management of investments.

Additional Assistance Provided Due to Leveraging

By leveraging the DWRF, Colorado has been able to fund an additional $242.2 million in projects.

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Follow-up and Corrective Action

This section documents all recommendations, required action items, and associated follow-up responsibilities arising from the EPA Region 8 annual review of the Colorado DWRF program. Region 8 will track progress on all items identified below during the year and will document resolution status in the SFY 2026 program report. Items remain open until the state demonstrates full compliance or satisfactory implementation.

A. Recommendations

Recommendations are items not directly required by statute or regulation but would improve program efficiency, financial performance, or compliance readiness. Region 8 encourages the state to implement these recommendations and will revisit them at the next annual review.

Prior Recommendations

There were no recommendations from last year's annual review.

New Recommendations

There are no recommendations for this year's annual review.

B. Required Action Items

Required Action Items are identified when we find inconsistencies with statutory, regulatory, or policy requirements. The state is expected to resolve each item within the timelines listed below. Region 8 will check in during the year, provide support as needed, and document progress and resolution in subsequent PERs. Some issues may be significant and could place the SRF program at risk of noncompliance or misuse of funds. For these more consequential or systemic issues, Region 8 may request a Resolution Plan that identifies underlying management factors and sets clear steps, roles, and milestones the state and region will follow to strengthen processes and systems. Those action items that require a Resolution Plan will be identified below.

Prior Required Action Items

There were no required action items from last year's annual review.

New Required Action Items

There are no new required action items for this year's annual review.

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Financial Indicator Tables

See Attachment 1: Financial Indicator Tables.

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Colorado Drinking Water SRF
Attachment 1. Financial Indicator Table *as of June 30, 2025

LOAN AGREEMENTS

1. Loan Commitments: Executed Loans as a Percent of Funds Available

Source: SRF Data System	Annual Report Data Line	2021	2022	2023	2024	2025
STATE Executed Loans as a Percent of Funds Available - Cumulative (Programmatic Pace)	419	91%	88%	88%	89%	89%

2. Timely & Expeditious Use: Uncommitted Funds Balance

Source: SRF Data System		2021	2022	2023	2024	2025
Funds Available for Projects - Cumulative	395	$ 832,723,527	$ 880,010,449	$ 1,029,831,590	$ 1,170,887,332	$ 1,321,092,990
Assistance Provided - Cumulative	130	$ 757,451,583	$ 774,990,185	$ 907,275,175	$ 1,044,860,115	$ 1,182,012,114
Assistance Provided - Annual	129	$ 24,368,094	$ 17,538,602	$ 132,284,989	$ 137,584,941	$ 137,151,999
Uncommitted Funds Balance (Funds Not in Signed Loan Agreements)	426.1	$ 75,271,944	$ 105,020,264	$ 122,556,415	$ 126,027,217	$ 139,080,876
Years to Commit funds (Uncommitted funds balance/Annual Assistance)		3.09	4.29	0.79	0.89	0.92
Funds Available for Projects - Annual	394	$ 24,454,456	$ 47,286,922	$ 149,821,141	$ 141,055,742	$ 150,205,658
Is Uncommitted Funds GREATER THAN Annual Funds Available?	Yes/No	YES	YES	NO	NO	NO

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LOAN DISBURSEMENTS

3. Disbursements as a Percent of Executed Loans

Source: SRF Data System		2021	2022	2023	2024	2025
Disbursements as a Percent of Executed Loans - Cumulative (Construction Pace)	420	91%	92%	82%	79%	82%

4. Undisbursed Funds Balance

Source: SRF Data System		2021	2022	2023	2024	2025
Funds Available for Projects - Cumulative	395	$ 832,723,527	$ 880,010,449	$ 1,029,831,590	$ 1,170,887,332	$ 1,321,092,990
Project Assistance Disbursed - Cumulative	276	$ 686,394,659	$ 714,212,289	$ 745,367,834	$ 820,549,227	$ 969,122,603
Undisbursed Funds Balance		$ 146,328,868	$ 165,798,160	$ 284,463,756	$ 350,338,105	$ 351,970,387

5. Rate of Undisbursed Funds to 3-Year Average Disbursements

Source: SRF Data System		2021	2022	2023	2024	2025
Undisbursed Funds Balance (copies from above)		$ 146,328,868	$ 165,798,160	$ 284,463,756	$ 350,338,105	$ 351,970,387
3-Year Average Annual Disbursements (current + previous 2 years)	275	$ 40,358,131	$ 40,918,950	$ 34,773,589	$ 44,718,189	$ 84,970,105
Rate of Undisbursed Funds to 3-Year Average (Years)		3.6	4.1	8.2	7.8	4.1

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FUND SUSTAINABILITY AND GROWTH

6. Sustainability as a Percent of Contributed Capital / Operating Net

Source: SRF Data System		2021	2022	2023	2024	2025
Interest Payments on Loans - Annual	282	$ 2,715,850	$ 2,278,074	$ 1,985,830	$ 1,771,963	$ 2,963,898
Interest Earnings on Investments - Annual	296	$ 2,493,746	$ 108,475	$ 4,368,540	$ 6,860,680	$ 6,246,370
Match Bond Principal Repaid	267	$ -	$ -	$ -	$ -	$ -
Interest Paid on Leveraged and Match Bonds - Annual	271	$ 4,013,799	$ 2,896,065	$ 2,495,081	$ 2,182,467	$ 3,367,940
Sustainability (Annual)		1,195,797	(509,516)	3,859,289	6,450,176	5,842,328
Sustainability as % of Contributed Capital (Cumulative)	426	5.3%	4.9%	6.6%	9.1%	8.6%

7. Total Net

Source: SRF Data System		2021	2022	2023	2024	2025
Sustainability (Annual) - copies from above)		$ 1,195,797	$ (509,516)	$ 3,859,289	$ 6,450,176	$ 5,842,328
Loan Principal Repayments (Annual)	281	$ 23,691,175	$ 27,421,796	$ 27,153,750	$ 25,724,986	$ 26,711,435
Leveraged Bond Principal Repaid + SWIFIA Principal Repaid (Annual)	254	$ 10,255,000	$ 7,920,000	$ 11,045,000	$ 6,515,000	$ 6,080,000
	254.1	$ -	$ -	$ -	$ -	$ -
Total Net		$ 14,631,972	$ 18,992,280	$ 19,968,039	$ 25,660,162	$ 26,473,763

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8. Net Interest Margin

Source: SRF Data System, Statement of Net Position		2021	2022	2023	2024	2025
Interest Payments on Loans - Annual (copies from above)		$ 2,715,850	$ 2,278,074	$ 1,985,830	$ 1,771,963	$ 2,963,898
Interest Earnings on Investments - Annual (copies from above)		$ 2,493,746	$ 108,475	$ 4,368,540	$ 6,860,680	$ 6,246,370
Interest Paid on Leveraged and Match Bonds - Annual (copies from above)		$ 4,013,799	$ 2,896,065	$ 2,495,081	$ 2,182,467	$ 3,367,940
Net Interest Earnings		$ 1,195,797	$ (509,516)	$ 3,859,289	$ 6,450,176	$ 5,842,328
2-Year Average Total Assets	426.6	$ 471,143,983	$ 475,432,712	$ 518,149,463	$ 584,986,095	$ 663,301,361
Net Interest Margin		0.25%	-0.11%	0.74%	1.10%	0.88%

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REGION 8
DENVER, CO 80202

Mr. Keith McLaughlin
Executive Director
Colorado Water Resources & Power Development Authority
kmclaughlin@cwrpda.com

Dear Mr. McLaughlin:

The U.S. Environmental Protection Agency (EPA), Region 8, has conducted an annual review of the Colorado Water Pollution Control Revolving Fund (WPCRF or CWSRF) for state fiscal year (SFY) 2025 (July 1, 2024 through June 30, 2025) in accordance with the EPA's State Revolving Fund (SRF) Annual Review Guidance.

The annual review includes consideration of legal, managerial, technical, financial, and operational capabilities of the Colorado Water Resources and Power Development Authority, the Colorado Department of Public Health and Environment, and the Colorado Department of Local Affairs. Please find attached the Program Evaluation Report of the program.

The Colorado WPCRF assessment has been completed by SRF Coordinator, Jenn Berig, in collaboration with the EPA Region 8 SRF team. You may reach Jenn with any questions at (303) 312-6262 or Berig.Jennifer@epa.gov.

Sincerely,

Benjamin Bents
Manager, Technical and Financial Services Branch

ENCLOSURES
1. Colorado Water Pollution Control Revolving Fund - Program Evaluation Report SFY2025

cc: Armando Herald, Colorado Department of Public Health and Environment
Alex Hawley, Colorado Department of Public Health and Environment
Victor Chen, Colorado Department of Local Affairs

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STATE OF COLORADO

WATER POLLUTION CONTROL REVOLVING FUND

Program Evaluation Report

SFY 2025
(July 1, 2024 through June 30, 2025)

Completed by:
U.S. EPA Region 8
1595 Wynkoop Street
Denver, CO 80202-1129

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Executive Summary

The U.S. Environmental Protection Agency (EPA), Region 8, has conducted an annual review of the Colorado Water Pollution Control Revolving Fund (WPCRF or CWSRF) for state fiscal year 2025 (January 1, 2025 through December 31, 2025) in accordance with the EPA's State Revolving Fund (SRF) Annual Review Guidance.

The three coordinating agencies, Colorado Department of Public Health and Environment, Colorado Department of Local Affairs, and the Colorado Water Resources and Power Development Authority (CWRPDA) work well to ensure that communities are aware of the state revolving fund as a funding resource and support borrowers from initial outreach through project closeout. There were no significant changes to the program in state fiscal year (SFY) 2025. During SFY 2025, Colorado received the federal fiscal year (FY) 2024 Infrastructure Investment and Jobs Act (IIJA) general supplemental and IIJA emerging contaminant (EC) grants, as well as the FY 2025 base, IIJA general supplemental, and IIJA EC grants. Because there are still no IIJA EC projects that have applied for funding, Colorado intends to transfer the FY 2024 and potentially FY 2025 CWSRF IIJA EC funds to the drinking water revolving fund.

The Colorado WPCRF program had much lower funding levels during SFY 2025. As indicated in the Clean Water National Information Management System (CWNIMS) data, for the year ending June 20, 2025WPCRF provided $15.8 million of new assistance, as compared to $64.1 million for the year ending June 30, 2024. This decline was the result of an inadvertent communication error. The state had authorized commitments in excess of available funding during SFY 2023 and SFY 2024. As the CWRPDA board adopted a more conservative approach, the state began informing borrowers that the CWSRF program had limited funds. While the state immediately recognized the error, and has made proactive efforts to boost applications, the messaging contributed to a decline in borrower applications and demand has been slow to recover.

Due to the low amount of assistance provided as of June 30, 2025 the fund use rate reported in CWNIMS decreased to 91 percent. This also caused the proxy calculation of the number of years to commit all program funds to increase to 7.2 years, which is significantly over the EPA goal of committing funds within one year. As a result, the PER includes a required action item to improve current commitment levels. The state will be required to submit a resolution plan to EPA documenting how they will improve this timely and expeditious metric over time.

Despite this recent loan activity decline, Colorado's WPCRF program remains financially strong. The program is still doing well at disbursing funds and saw an increase in the construction pace to 96 percent. This demonstrates how well Colorado is ensuring that communities are ready to proceed through construction following loan closing. The undisbursed funds ratio was 3.1 years, a solid performance, which has continued to improve over the last four years and remains well below the EPA goal of five years. This strong performance in the total time to disburse all funds is an indication of the program's effectiveness, despite one year of slowing commitments.

Additionally, the state has proactively implemented several program changes throughout the past year to help promote the program and encourage borrowers to apply for funding, including increasing loan limits, lowering interest rates, and offering additional subsidy to non-disadvantaged borrowers. Region 8 commends the state for their proactive approach and looks forward to seeing improvements in the timely and expeditious metrics in upcoming years.

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Overall, the program is well managed and coordinated. All three agencies focus on outreach efforts, which ensures that they are funding a mix of urban, rural, and disadvantaged communities. The Department of Local Affairs is also focused on one-on-one outreach to communities under 10,000 people that have not yet accessed the SRF programs.

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Introduction

In accordance with the Federal Water Pollution Control Act (Clean Water Act, CWA) and Safe Drinking Water Act (SDWA), the Environmental Protection Agency (EPA) provides funds to states to capitalize their Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs. The Colorado Department of Public Health and Environment (CDPHE), the Colorado Department of Local Affairs (DOLA), and the Colorado Water Resources and Power Development Authority (Authority) are responsible for administering the Colorado CWSRF and DWSRF programs. The collective program provides low interest loans to offset the financial burden of planning, designing, and constructing water and wastewater infrastructure.

As required by Title VI of the CWA and Section 1452 of the SDWA, EPA conducts an annual oversight review of each state's CWSRF and DWSRF program. The purpose of the annual review process is to assess the cumulative program effectiveness and fiscal health of the SRF programs. EPA conducted its annual review of the Colorado DWSRF and CWSRF programs with CDPHE, DOLA, and Authority staff from June 23-25, 2026. EPA staff present for the annual review were Jenn Berig and Alyssa Azari. Emily Gillespie and Lindsey Phillips participated in the review remotely. The exit meeting took place on June 25, 2026.

This annual review includes consideration of the legal, managerial, technical, financial, and operational capabilities and overall performance in administering the CWSRF. Activities incorporated into the annual review were an analysis of the intended use plans (IUPs), the Colorado Water Pollution Control Revolving Fund (WPCRF) Annual Report (covering January 1, 2025 to December 31, 2025), data from the Clean Water National Information Management System (CWNIMS) and the State Revolving Fund (SRF) Data System (covering July 1, 2024 through June 30, 2025), files for three projects, two cash draws, financial statements (covering January 1, 2025 through December 31, 2025), independent auditor's report for the Authority, and Colorado's CWSRF financial indicators. For both the Annual Report and the financial statements, Colorado follows the calendar year 2025 (Authority fiscal year) for reporting, instead of the state fiscal year (SFY) ending on June 30, 2025. Following the annual review, EPA prepares a program evaluation report (PER). The PER covers all program activities from program inception to the present, with major emphasis on the activities performed during the last state fiscal year, as well as the Authority fiscal year. This PER highlights the review observations and findings and identifies any follow-up actions.

The state of Colorado managed its WPCRF program during SFY 2025 in accordance with applicable statutes, regulations, and guidance. The SFY 2026 IUP lists approximately $1.3 billion in fundable projects for base and Infrastructure Investment and Jobs Act (IIJA), general supplemental grants. The fundable list projects are a priority for IIJA funding and have either recently received a loan, applied for a loan, or are projected to start within 12-18 months. There is approximately $23.3 billion in projects on its overall project eligibility list (which includes the projects on the fundable list).

Despite projects identified on the fundable project list for the CWSRF IIJA emerging contaminant (EC) grant, and initial interest expressed in the program, no projects have advanced. Therefore, Colorado has opted to transfer the CWSRF IIJA EC funds to the DWSRF, where there are more than enough projects on the DWSRF IIJA EC fundable list to utilize all the IIJA EC funds. The state has already transferred fiscal year (FY) 2022 and 2023 CWSRF IIJA EC grant funds to the DWSRF, and plans to transfer the FY 2024 and FY 2025 CWSRF IIJA EC funds later this calendar year.

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For the calendar year (Authority fiscal year), the Colorado WPCRF provided eight separate funding agreements to seven communities totaling $11.4 million with a range of effective interest rates from zero to 2.5 percent. Of the eight agreements, three were with full principal forgiveness to fund only design and engineering phases, and all the communities funded in SFY 2025 were disadvantaged communities. By leveraging the WPCRF, Colorado has been able to fund an additional $738.9 million in projects throughout program history.

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Program Management

A. General

The CWSRF is an EPA and state-funded water quality infrastructure program that helps communities meet the goals of the CWA by improving water quality, achieving and maintaining compliance with environmental laws, protecting aquatic wildlife, protecting and restoring drinking water sources, and preserving the nation's waters for recreational use.

Municipalities and other eligible loan recipients depend on the CWSRF program to provide low-interest rate loans for the construction of publicly owned wastewater treatment facilities, non-point source pollution projects, and national estuary program projects. Projects are funded with a combination of federal dollars (via capitalization grants), state match, revenue bond monies, earnings, repayments, and loan forgiveness. EPA's SRF loan program has been successfully operated since the CWSRF was established in 1987, and the DWSRF in 1996.

Three separate state agencies have distinct roles in the management of the Colorado WPCRF program. The grantee is the Authority, which provides state match and conducts various financial functions for the SRF programs, including working with loan recipients on financial and audit issues and coordinating an annual financial audit of the WPCRF program. Responsibilities of the CDPHE staff include assisting communities in completing necessary planning, design, and construction activities associated with each WPCRF project. Responsibilities of DOLA include outreach to local communities and conducting financial analyses of potential and existing loan borrowers.

Colorado CWSRF staff (at CDPHE, DOLA, and the Authority) continue to implement a successful program and remain in compliance with all SRF regulations. The three agencies continue to coordinate well to support borrowers at various stages ranging from pre-application support to project close-out. It's clear that the roles and responsibilities are well defined and the communication among the agencies is effective.

The WPCRF program had much lower funding levels during the last year. There was only $15.8 million of new assistance provided for the year ending June 30, 2025, as compared to $64.1 million for the year ending June 20, 2024. This reduction in new assistance was the result of a communication error. The state had authorized more funds than were available in SFY 2023 and SFY 2024. As the board started taking a more conservative approach, the state began to tell borrowers that the CWSRF program was out of funds. This caused borrowers to stop applying to the CWSRF program, and as a result demand has been slow to recover. The state has implemented several program changes throughout the past year to help promote the program and encourage borrowers to apply for funding. This will be discussed further in the Financial Management Section of the PER. Despite these challenges, all three agencies are effectively outreaching to communities with a common message. Staff outreach to many communities, including urban, rural, and disadvantaged. Additionally, they reach out regularly to communities one on one that are under 10,000 people and are not currently on the IUP.

B. Capitalization Grants

Through the end of SFY 2025, EPA has awarded $540.0 million total in capitalization grants and

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Colorado has provided $91.1 million in matching funds, for a total of $631.1 million in revolving fund capitalization. The value of the Colorado CWSRF is increasing every year due to this annual capitalization process, as well as from loan repayments, interest earned on its loan portfolio, and interest earned on the invested cash balance.

In November 2021, IIJA was signed into law, which appropriated federal CWSRF funding for FY 2022 through FY 2026 for two types of CWSRF infrastructure projects: general supplemental and EC. In March 2022, EPA issued IIJA Implementation Guidance and FY 2022 allotments.

During SFY 2025 (January 1, 2025-December 31, 2025), Colorado CWSRF applied for and was awarded the capitalization grants and amounts shown in Table 1.

Table 1: Colorado CWSRF Federal Capitalization Summary		
Grant #	**Grant Award Date**	**Grant Award Amount**
FY 2024 IIJA General Supplemental	02/28/2025	$18,191,000
FY 2024 IIJA EC	03/18/2025	$1,701,000
FY 2025 Base	09/11/2025	$12,691,000
FY 2025 IIJA General Supplemental	9/10/2025	$19,705,000
FY 2025 IIJA EC	9/10/2025	$1,701,000
Total		$53,989,000

C. Program Assistance Fund Uses

The CWA, along with the IIJA, allows states the opportunity to utilize funds from the program to provide support for the administration of the CWSRF and to provide technical assistance to qualifying systems.

2% Technical Assistance

With the passing of IIJA, states now have the flexibility to use up to an amount equal to two percent of their annual CWSRF capitalization grant for the purpose of assisting rural, small, and tribal publicly owned treatment works. Types of assistance could include, but is not limited to, community outreach, technical evaluation of wastewater solutions, preparation of applications and preliminary engineering reports. Colorado has chosen to utilize $225,000, which is less than the allowable two percent, from the FY 2025 IIJA general supplemental capitalization grant for technical assistance activities, including technical assistance to rural communities for project identification and funding including but not limited to coaching assistance regarding technical, managerial, and financial assistance through the WPCRF. They opted not to utilize any portion of the base capitalization grant for these activities but reserved the right to take the set-aside if needed.

Administrative Funds

In addition to technical assistance, funds may also be used for the reasonable costs of administering the program, provided that the amount does not exceed four percent of all grant awards received by the program, $400,000 per year, or 1/5 percent per year of the current valuation of the fund, whichever amount is greatest. Colorado opted not to take any administrative funds from any of the FY 2025 capitalization grant.

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D. Annual Report

The purpose of the annual report is to describe how the state's program has met the goals and objectives of the previous fiscal year as stated in the IUP and capitalization grant agreements, including the most recent audit of the fund and the entire state allotment. Colorado's SFY 2025 annual report was received by EPA Region 8 on June 9, 2026. The annual report is available on the Authority website at: https://www.cwrpda.com/reports.

E. Intended Use Plans

The IUP is a document prepared annually by a state, which identifies intended uses of all CWSRF program funds and describes how those uses support the overall goals of the CWSRF program. The IUPs contain the project priority list (PPL) for all awarded CWSRF federal capitalization grants: base, IIJA general supplemental, and IIJA EC in accordance with federal statute 40 CFR § 35.3150. The IUP and PPL are subject to public review and comment, only after which can the document be adopted. Colorado's draft SFY 2026 IUP was received by EPA Region 8 on September 2, 2025. Colorado's SFY 2026 Final IUP was posted for public comment on September 12, 2025 and was approved at a public hearing on October 14, 2025. The IUPs are available on the Authority website at: https://www.cwrpda.com/reports.

F. Equivalency

Equivalency is a unique feature of the SRF programs wherein certain program requirements apply only to a subset of SRF assistance agreements and activities. The equivalency requirements must be met by assistance agreements and activities whose total dollar amount equals the amount of the federal SRF capitalization grant in question.

Additionally, each year's IUP must identify the projects that will meet equivalency. The annual report must report on the signed assistance agreements selected to meet equivalency requirements and whether the state fell short of the total equaling the capitalization grant amount.

The projects meeting equivalency requirements have been entered, as required, into the Sam.gov database, formerly known as the Federal Funding Accountability and Transparency Act database. Colorado CWSRF has funded projects to meet the equivalency requirement for the base FY 2024 grant and prior. For the IIJA grants, the equivalency requirement has been fully met for the FY 2024 IIJA general supplemental grant and prior. There is no longer equivalency reporting for the IIJA EC grant because the state has opted to transfer the IIJA EC funds to the DWSRF. The FY 2022 and FY 2023 grants were transferred in June 2025, and the state intends to transfer the FY 2024 grant and potentially FY 2025 IIJA EC grant later in 2026 or early 2027.

G. Additional Subsidization

The amount of required subsidy changes from year to year and can be provided in the form of principal forgiveness, grants, and negative interest loans. It is important to note it often takes time for loans that contain subsidy to be signed, move to construction, and request disbursements. Colorado continues to work diligently with disadvantaged communities to provide additional subsidy through varying levels of principal forgiveness.

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The state has met the additional subsidy reporting requirements for the FY 2023 base grant and prior. They met the requirement for the FY 2023 IIJA general supplemental grant and prior. The state has started making progress toward meeting the additional subsidy for the FY 2024 IIJA general supplemental grant (75 percent of the required subsidy level is reported) and progress toward meeting the FY 2024 base grant will soon follow. Due to the transfer of IIJA EC CWSRF funds to the DWSRF there is currently no additional subsidy reporting for the CWSRF IIJA EC grants.

H. Green Project Reserve

Beginning with the American Recovery and Reinvestment Act of 2009, CWSRF programs are required to use a portion of their federal grant for projects that address green infrastructure, water and energy efficiency, or other environmentally innovative activities. This requirement has been referenced as the Green Project Reserve (GPR) requirement. For each capitalization grant, 10 percent of the funds must be directed to GPR project improvements. Colorado CWSRF has met the GPR requirements for the FY 2024 base grants and prior. They have also met GPR for the FY 2024 IIJA general supplemental grant and prior. The state is working to identify GPR projects to meet the requirements for the FY 2025 base and IIJA general supplemental grants. Due to the transfer of IIJA EC CWSRF funds to the DWSRF there is no GPR reporting for the CWSRF IIJA EC grants.

I. CWSRF Staffing

Colorado SRF continues to operate with a stable workforce at each of their respective agencies that directly support both the CWSRF and DWSRF. However, workloads have increased significantly with the addition of IIJA funding. CDPHE has 13 full-time equivalent (FTE) employees. DOLA has 2.5 FTE staff and one FTE term-limited employee who will be providing additional support during IIJA funding. The Authority has 16 permanent staff members, which is sufficient level for the current workload. Overall, the three agencies believe they have adequate staff able to meet the program needs.

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Project Management

A. Project Progress

The Colorado CWSRF project progress is summarized below with the following table, which presents fund use rate and pace of construction as of June 30, 2025 (the end of the CWNIMS reporting cycle). See Table 2, below.

Table 2. Colorado CWSRF Program Summary – June 30, 2025 ($ millions)

CWSRF Funds Available for Projects	Assistance Provided	Fund Use Rate	Project Disbursements	Pace of Construction
$1,783.8	$1,621.3	91%	$1,555.6	96%

Colorado WPCRF project milestones accomplishments as of June 30, 2025, as provided from CWNIMS, are as follows (in $ millions). The percentage of project completions to funds available remained constant at 73 percent, remaining well above the national average of 66 percent, indicating an efficient process of moving funds through loan closing and construction.

As of June 30, 2025 data (in millions), project progress was as follows:

- Project Assistance: 348 at $1,621.3 million
- Construction Starts: 347 at $1,616.1 million
- Project Completions: 304 at $1,298.0 million

Overall, the Colorado WPCRF is performing well in working with local entities on water infrastructure projects built to further the goals of the CWA.

B. EPA Project Review

EPA would like to thank the Colorado SRF staff for making themselves available for interviews, meetings, and questions during the programmatic review. The information gathered during the interviews with state staff was used to complete the Annual Review Checklist and Project File Review Checklists, developed by EPA Headquarters (HQ). Project documentation for the three project files reviewed demonstrated compliance with all federal requirements.

EPA examined project, construction, and administrative loan files to ensure that the projects were managed consistently with federal regulations and policies governing the CWSRF. Files were checked for inclusion of documentation supporting the following federal requirements: American Iron and Steel (AIS), Build America Buy America (BABA), the bidding process, environmental cross-cutters, socio-economic cross-cutters, super (civil rights) cross-cutters, Davis-Bacon wage requirements, disadvantaged business enterprise, Sam.gov equivalency reporting, generally accepted government accounting standards, site inspection reports, environmental review based on state environmental review process, project eligibility, project useful life, cost and effectiveness, fiscal sustainability plan, architectural and engineering services procurement, signage, single audit, prohibition on certain telecommunication

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equipment and services, and technical, financial and managerial capacity. See Table 3, below, for the list of projects that were reviewed.

Table 3. CWSRF Project Reviews					
Project Title & Summary	**Total Assistance**	**Loan Terms**	**Environmental Review Determination***	**Equivalency? Add Sub**?**	**Associated Cap Grant**
Town of Manzanola, new wastewater treatment facility	$2,728,225	1.75 %, 30 years	FONSI	Add Sub $1.0M	CWSRF IIJA General Supplemental
Town of Limon, collection system upgrades and repairs	$3,400,000	2.5%, 20 years	Cat Ex	Equivalency and Add Sub $1.0M	CWSRF IIJA General Supplemental
Town of Sedgewick, wastewater treatment upgrades	$2,700,065	1.75%, 30 years	FONSI	Non-equivalency and Add Sub $1.0M	CWSRF IIJA General Supplemental
	$1,418,000	1.75%, 30 years	FONSI	Non-equivalency and Add Sub $500k	CWSRF IIJA General Supplemental
The FY 2022 and FY 2023 CWSRF IIJA EC were already transferred to the DWSRF and the FY 2024 and FY 2025 will be transferred in the next few months.					CWSRF IIJA EC

** The state of Colorado utilizes the National Environmental Policy Act (NEPA) process for their State Environmental Review Process (SERP). NEPA involves an evaluation of potential environmental impacts, with three possible levels of evaluation: (1) Categorical Exclusion (Cat Ex) with the least potential for environmental impact, (2) Environmental Assessment (EA) with moderate potential environmental impact, and (3) Environmental Impact Statement (EIS) with high potential environmental impact. The Colorado SRF program has funded several common infrastructure projects that fall into the Cat Ex category. There are also new infrastructure projects that warrant an EA. Note: if the EA results in minimal impact a Finding of No Significant Impact (FONSI) is issued. An infrastructure proposal requiring an EIS is rare. The Colorado SRF program has not funded a project requiring an EIS to date.*

***"Add Sub" references Additional Subsidy, which is provided in addition to reduced interest rate. Colorado SRF provides their Additional Subsidy in the form of principal forgiveness.*

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C. American Iron and Steel

The Colorado SRF has complied with AIS requirements for many years. The consulting engineers and construction contractors associated with SRF projects are familiar with the AIS requirements and CDPHE staff verify the AIS project documentation. AIS documentation is submitted and reviewed with each pay request. The state reported no issues with complying with AIS at this time.

D. Build America Buy America

During SFY 2025, the Colorado CWSRF did not sign any equivalency projects that utilized the EPA Adjustment Period Planning Waiver of Section 70914(a) of P.L. 117-58, Build America, Buy America Act, 2021 for SRF Projects that have Initiated Design Planning, which was approved September 2, 2022.

> *Note: An amended (final) Public Interest Waiver was issued by EPA in November, which replaces the earlier Adjustment Period Waiver and applies to FY 2022 and FY 2023 capitalization grants awarded to state on or after November 13, 2023.The state did not receive any FY 2022 or FY 2023 capitalization grant awards on or after November 13, 2023, and the earlier EPA Adjustment Period Planning Waiver applies.*

Colorado CWSRF project loans signed in SFY 2025 did not qualify for the Planning Adjustment Period waiver, as the amended (final) Public Interest Waiver limits applicability to FFY 2022 and FFY 2023 capitalization grants, which have been previously committed. Therefore, BABA applies directly to all equivalency projects. The Colorado CWSRF program had previously developed standard SRF specifications related to BABA requirements to be included in equivalency projects, where the BABA Adjustment Period Planning Waiver did not apply. The state reported that there were no domestic preference concerns for any projects for SFY 2025. The state also reported a robust process for reviewing BABA material certifications on each project.

E. Signage

Prior to the rescinding of the IIJA signage requirements, all Colorado WPCRF equivalency projects receiving IIJA funding provided documentation of the compliant signs posted on the work site.

With the rescinding of the IIJA signage requirements, all projects should return to complying with the original 2015 SRF public notification requirements. All equivalency funding recipients provided documentation to the Colorado SRF program demonstrating conformance with SRF signage requirements, which the state is meeting through project postings on the state website.

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Financial Management

A. Overall Fund Management and Loan Terms

The CWSRF shows sound financial health and management. There have been no defaults, and all loans are secured by revenues from user charges and/or full faith and credit of the borrowing entities. The net position (including undrawn loan fund grants) as of December 31, 2025 was $557.3 million, a four percent increase over the 2024 net position of $538.4 million.

The Authority manages the Colorado CWSRF fund and sets loan terms. The CWSRF IUP outlines the interest rate range for potential loans, ranging from 1.5 percent to 2.75 percent. An administrative fee, currently 1.5 percent and subject to change, is added to the interest rate for a maximum of 2.50 percent interest rate charges on subrecipient loans. Loans provided during SFY 2025 had interest rates ranging from 0.75 percent to 1.50 percent. Loan terms are typically for 20 years, however extended loan terms of 30 years are offered to disadvantaged communities. All the loans in SFY 2025 went to disadvantaged communities.

B. State Match

The Colorado CWSRF uses administrative fees and bonds to meet state match requirements for the base grants. IIJA general supplemental match was paid by funds from the state legislature. The total state match contribution through SFY 2025 is $91.1 million, meeting the capitalization grant state match requirements for all FY 2025 grants.

C. Financial Statements and Audits

Colorado SRF financial statements and audit reports were received on April 30, 2026. On April 24, 2026, Forvis Mazars, LLP issued audited financial statements on the WPCRF for the year ending December 31, 2025. No issues or recommendations were identified with this document.

D. Cash Draw Transaction Testing

The CWSRF regulations (40 CFR 35.3155(d)(5)(i) and (ii)) set the rate at which states can draw federal funds for loan disbursements to assistance recipients at 83.33 percent of incurred project costs. With the implementation of the IIJA, the proportionality requirement was terminated. Proportionality was verified for transactions for grants FY 2022 and prior. For subsequent grants, EPA simply requires that the state demonstrate that it has deposited the required state match.

In FY 2024, EPA updated the SRF transacting testing process. The cash draws were selected using a statistical sample approach like the procedure approved by the Office of the Chief Financial Officer in 2017. EPA HQ ran the draw selection protocol and provided the list to regional staff for review. EPA HQ conducted all transaction testing and completed Transaction Testing Worksheets that were reviewed by regional staff.

Two cash draws listed below were completed with a 100 percent federal proportionality ratio; the full state match was disbursed prior to federal draws. Furthermore, the payment requests for the cash draws were for eligible costs and were adequately documented. No costs were questioned, and there were no improper payments.

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Table 4. Cash Draw Transaction Tests			
Cap Grant	**Grant Number**	**Cash Draw Date**	**Cash Draw Amount**
CWSRF Base	CS08000124	7/11/2025	$166,945.85
CWSRF IIJA GS	4C96894802	6/6/2025	$1,287,015.06

E. Program Financial Indicators

Colorado's CWSRF staff input project information for each SRF project into EPA's SRF Data System on a quarterly basis, as required. Additionally, they input annual summary values into EPA's SRF Data System. The SRF Data System inputs are then compiled into annual report called CWNIMS, which outputs program summary data for each state SRF program and the national summary. CWNIMS data was used in this PER for trend analysis of the program and the financial indicators below.

1. Fund Use Rate (Program Pace) (%)

The cumulative fund use rate (cumulative program pace) is calculated as the ratio of the cumulative assistance provided (signed loan agreements) over the cumulative funds available. This measures how well the state is putting its available funds into loans. The value can exceed 100 percent if the state has adopted an advanced loan approval approach, which makes use of the lag time between signing of loan agreements and the disbursement of monies to reimburse construction project costs.

The January 21, 2024 "Maximizing Water Quality and Public Health Benefits by Ensuring Expeditious and Timely Use of all State Revolving Fund Resources" memorandum (which is based on SRF Policy Memo's 99-03, 99-05 and 99-09), indicate a goal of having all available funds committed within one year and having all committed funds disbursed within five years.

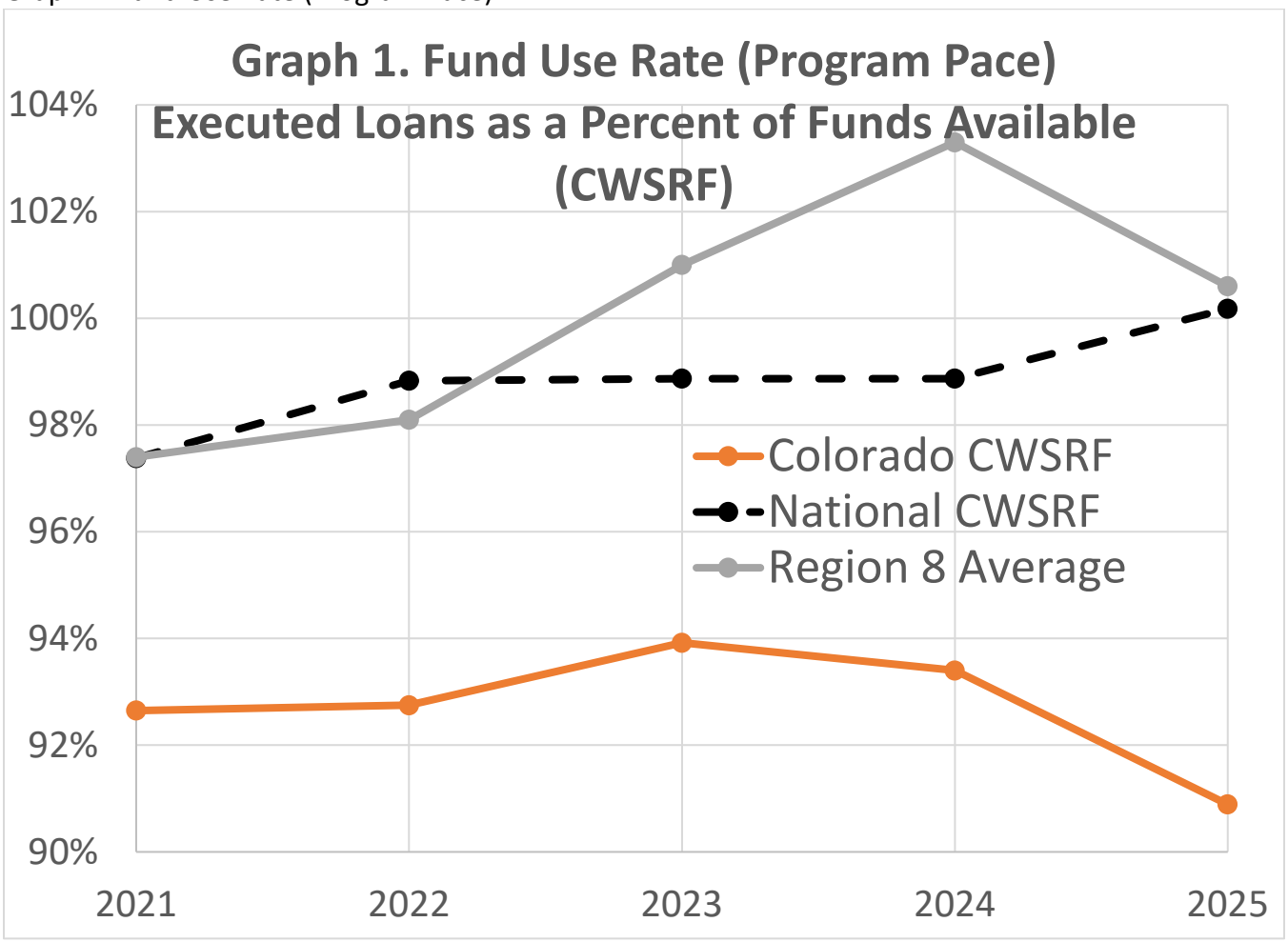
The fund use rate for the Colorado WPCRF in the FY 2025 CWNIMS reporting cycle decreased from 93 to 91 percent, as can be seen in the indicator table. This is below both the national and Region 8 average of 100 percent. The remaining uncommitted nine percent equaled $162.5 million, an increase of $49.0 million from SFY 2024. Region 8 discussed with the state the need to increase their fund use rate as a part of the timely and expeditious spending policy. WPCRF provided $15.8 million of new assistance for the year ending June 30, 2025, causing the fund use rate to drop. The state openly explained that the CWRPDA board authorized commitments in excess of available funding in SFY 2023 and SFY 2024. As the board adopted a more conservative approach, the state began informing borrowers that the CWSRF program had limited funds. This resulted in a multi-year decrease in applications, even when the state had adequate new funding available. The state realized the error in communication, and CDPHE, CWRPDA, and DOLA have all worked hard to increase marketing and educate potential borrowers that the CWSRF program has funds available.

At the time of the review, it appeared approximately $20 million in annual assistance would be provided as of June 30, 2026, a week after the annual review ended. However, the state has already begun implementing changes in the program to address their pipeline issues and close more loans. The state increased the loan limits on wastewater projects from $18 million to $25

million per project. Additionally, interest rates were decreased, and the CWSRF program started offering principal forgiveness to non-disadvantaged borrowers. All these changes were implemented prior to the annual review demonstrating the state's proactive approach, and Region 8 commends Colorado's commitment to program improvement. The state is estimating that the FY 2027 CWNIMS reporting cycle should top $100 million in new assistance provided based on the current projects in their pipeline, which would be a five-fold increase to the funding levels seen in the years ending June 30, 2025 and June 30, 2026. The fund use rate graph below (Graph 1) reports fund use rate from CWNIMS, which reports on the state fiscal year.

In addition to program pace, this year EPA is evaluating state SRF programs using a proxy calculation to more directly assess the number of years to commit all funds. The proxy is calculated by taking the uncommitted fund balance as of June 30, 2024 ($113.5 million) to the assistance provided as of June 30, 2025 ($15.8 million). This ratio indicated that it would take 7.2 years to commit all funds at the current spending rate, which is well above the goal of committing all funds in less than one year. Because the state is not meeting the timely and expeditious goal, this metric will be discussed as a corrective action item in the Recommendations Section.

Graph 1. Fund Use Rate (Program Pace)



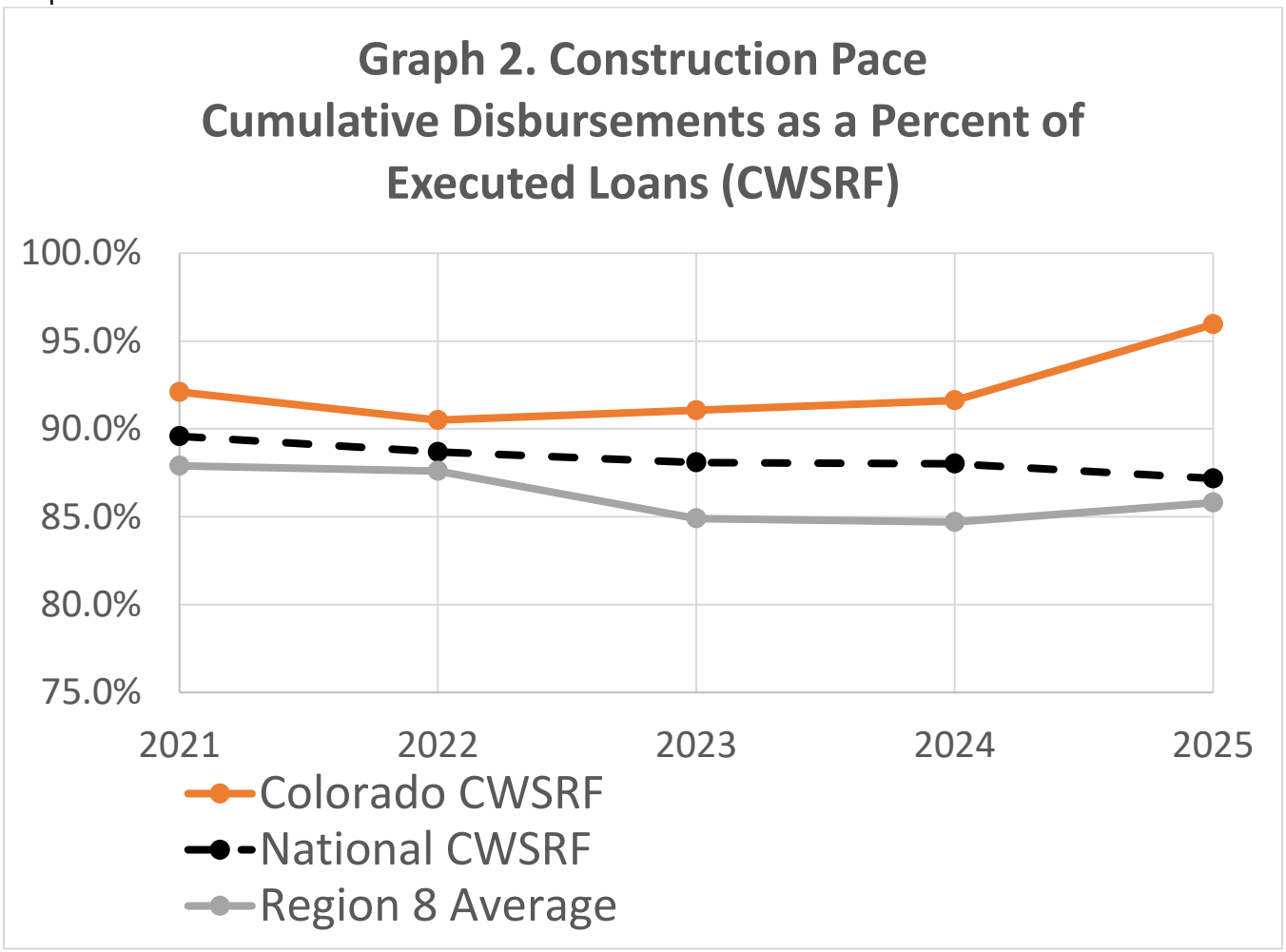
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2. Pace of Construction (%)

The cumulative pace of construction is calculated as the ratio of cumulative disbursements (construction cash draws) over cumulative assistance provided (signed loan agreements). It measures the speed at which projects are proceeding to construction completion after loans agreements are signed. Note that the denominator is not the same as program pace, which compares total funds available.

The pace of construction increased significantly from 92 percent to 96 percent as of June 30, 2025, as seen in the indicator table, which is well above the national and regional averages. This was due to a combination of factors including a substantial increase in annual construction disbursements coupled with a slow year of new assistance provided. The state disbursed $84.5 million in project expenses as of June 30, 2025 as compared to $67.5 million in 2024. This metric will likely remain high as the IIJA funded projects continue construction through project completion. Overall, Colorado WPCRF staff manages projects well, ensuring that projects are ready to proceed so they move efficiently through construction following loan signing. See Graph 2, below, for the pace of construction comparison graph using CWNIMS values.

Graph 2. Pace of Construction



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3. Ratio of Undisbursed Funds to Disbursements

The cumulative ratio of undisbursed funds to disbursements (also known as the revolving rate) is calculated as the ratio of cumulative funds available (total funds available minus project disbursements) over the average disbursements over the last three years. This ratio evaluates how efficiently the SRF funds are revolving (balancing cash inflows and outflows) by examining a program's disbursement rate over a set period and comparing it to the cash on hand. The result reflects the number of years it would take to spend cash on hand assuming the future disbursements are consistent with the average of the last three years.

The January 21, 2024 "Maximizing Water Quality and Public Health Benefits by Ensuring Expeditious and Timely Use of all State Revolving Fund Resources" memorandum (which is based on SRF Policy Memo's 99-03, 99-05 and 99-09), indicate a goal of having all available funds committed within one year and having all committed funds disbursed within five years.

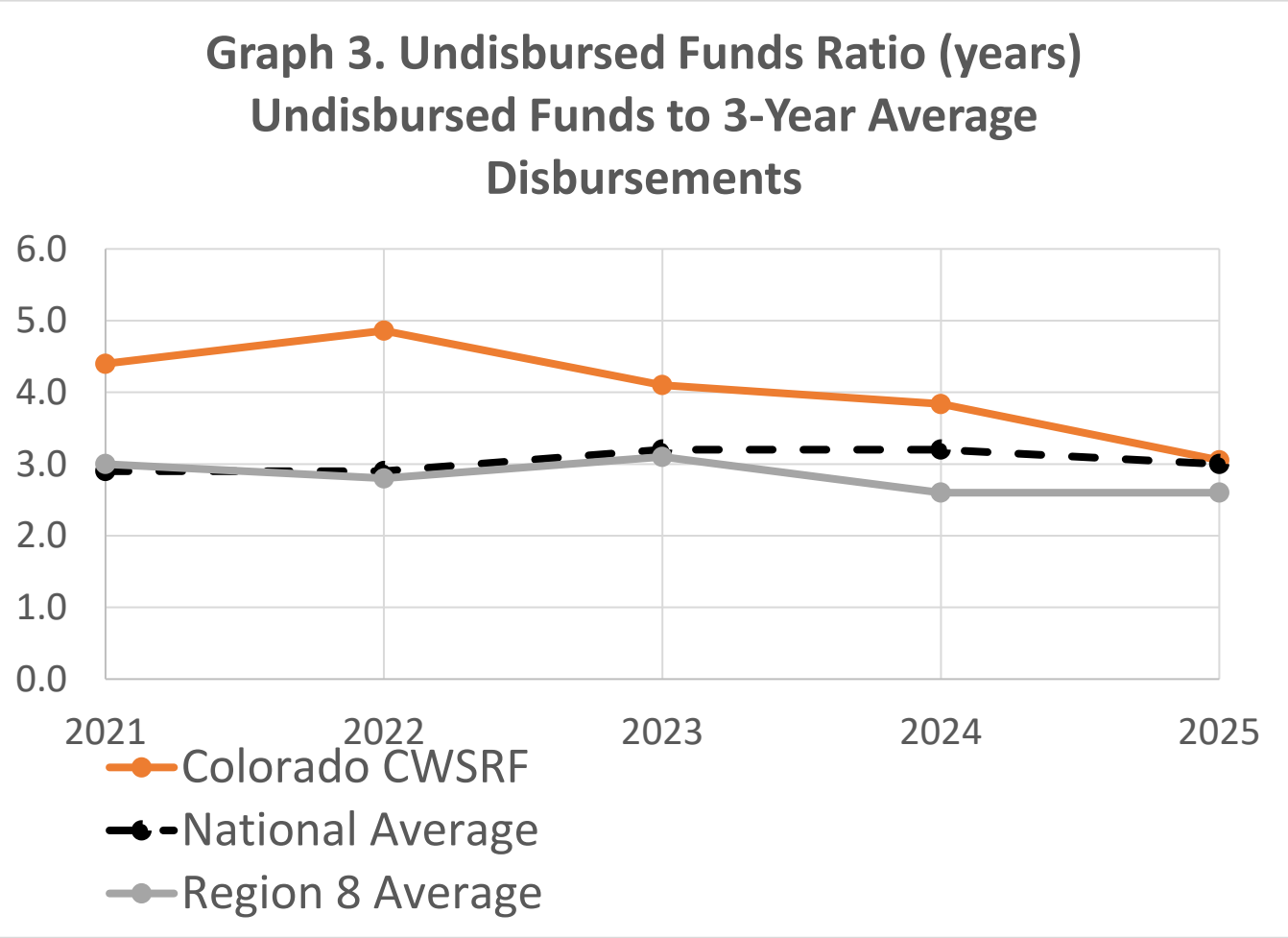
The ratio was calculated by subtracting total project disbursements ($1,555.6 million) from total funds available ($1,783.8 million) and comparing this number ($228.2 million) to the average annual disbursements over the past three years ($74.7 million), see Attachment 1: Financial Indicator Tables. For the Colorado WPCRF, this ratio is 3.1 (years), which shows that this program in the FY 2025 CWNIMS reporting year was using all funds in less than four years, which a good result and below the target of five years. This metric has continued this improving trend since 2022. While Colorado continues to have a slower disbursement ratio pace than the Region 8 average, the state has caught up to the national average. See Graph 3, below, for the CWNIMS comparison of undisbursed funds ratio.

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Graph 3. Ratio of Undisbursed Funds to Disbursements



4. Federal Return

The cumulative federal return is the assistance disbursed for each federal dollar. Federal return shows how many cumulative dollars of assistance were disbursed to communities (borrowers) for each cumulative federal dollar spent. This value reflects how successful the SRF program has been at turning capitalization grants into loans that revolve and earn interest.

As of June 30, 2025, the $84.5 million in construction expenses relative to $16.8 million in annual federal cash draws (loan fund and administrative), caused Colorado's cumulative CWSRF federal return to slightly increase from 3.50 to 3.59, which maintains the consistent strong, upward trend.

5. Sustainability (Net Return) (after repaying match bonds and excluding subsidy) ($)

The cumulative net return shows the net earnings of the CWSRF after any state match bonds are repaid and any loan principal is forgiven, thereby showing how well the CWSRF is maintaining its invested and contributed capital. This value is expressed in dollar amounts. A positive value indicates that the revenues of the fund are meeting expenses after any state match bonds are repaid and any loan principal is forgiven and shows the CWSRF is maintaining

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contributed capital. Conversely, a negative value indicates that expenses exceed revenues after the state match bonds are repaid and any loan principal is forgiven.

The Colorado CWSRF's Net Return had an annual increase of $5.1 million bringing the cumulative total to $50.0 million as of June 30, 2025. The state collected $5.7 million in interest payments, $6.1 million in interest earnings, and paid $6.7 million in bond interest expense. Colorado WPCRF performs cash flow modeling that assists with leveraging decisions and continuously evaluates interest earnings and expenses, while providing the maximum loan capacity to wastewater systems. Net return remains positive.

6. Sustainability (Retained Earnings) as a Percent of Contributed Capital (excluding subsidy) (%)

The cumulative sustainability (also referenced as net return on contributed capital or retained earnings) is expressed as a percentage. Sustainability is a ratio of the cumulative net return on investment over cumulative contributed capital after repaying any state match bonds and after forgiving any loan principal. This value estimates the growth of the CWSRF relative to the investment earnings and to the federal and state contributed capital. Negative sustainability indicates that funds being used for interest on bonds and state match repayments exceed the interest earnings on funds.

The Colorado WPCRF sustainability (net return on contributed capital) increased from 9.4 percent to 9.9 percent. The metric remains strong overall and shows that Colorado has strong investment earnings while managing the impact of their bond interest expense.

7. Total Net ($)

Total net measures the extent by which internal growth is generating additional funding for new projects. Total net is shown in dollars and is calculated using annual values (not cumulative). This value is calculated by taking the total cash inflows generated by ongoing loan and investment activity and subtracting debt service payments from outstanding match and leveraged bonds. New federal capitalization grants and leveraged bond issues are excluded from this calculation.

As of June 30, 2025, the Colorado WPCRF's total net was $36.3 million, which is a consecutive increase after a decrease in 2022. Internal program growth remains strong for the Colorado WPCRF.

8. Net Interest Margin (%)

Net interest margin measures net rate of return, as a percentage, that the SRF is generating from its total assets through loans and investments less interest expenses associated with match and leveraged bonds. *Note: net interest margin differs from retained earnings because it does not include match bond principal as an expense.* Net interest margin is calculated using the sum of annual values of loan interest income and investment interest income minus bond interest expense divided by the two-year average of program total assets.

As of June 30, 2025, the Colorado WPCRF's net interest margin was 0.6 percent, based on an annual net interest earnings amount of $5.1 million and a CWNIMS estimated two-year average of total assets of $804.6. This is a slight decrease from 0.8 percent as of June 30, 2024. The

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Colorado CWSRF financial statements indicate actual total assets of 829.3 million and $769.5 million at the beginning and end of SFY 2025, respectively. The overall trend for the net interest margin is stable.

9. Unliquidated Obligations

As of June 30, 2025, the Colorado WPCRF had $38.2 million in unspent federal funds, also known as unliquidated obligations (ULOs), which equates to a 92 percent federal outlay expenditure rate. With the continued addition of IIJA funding, a temporary increase in ULOs is expected. Historically, the state has met the spending targets outlined in the ULO policy prior to the IIJA awards, and given project demand, they should eventually return to those levels.

Overall, EPA encourages all state SRF programs to utilize several strategies to improve ULO metrics, including First-In First-Out (FIFO) disbursements methods, use of project bypass procedures when projects are not ready to advance to construction, and using equivalence for additional subsidy. Cash draws by states for particular projects are not tied to a particular capitalization grant, and the actual funds used to meet the additional subsidy requirements do not need to come from that particular capitalization grant. *Please see the September 12, 2013 "Maximizing the Benefits of the Drinking Water State Revolving Fund' memorandum. Additionally, see the November 2, 2021 "Policy Change Regarding Additional Subsidization and Closeout of SRF Capitalization Grants" memorandum, which allows capitalization grants to be closed before the state meets the required minimum additional subsidization requirement.* The additional subsidy metric will be verified through the state's IUPs and annual reports.

F. Leveraging

Leveraging through issuance of bonds can be an effective tool for providing additional project assistance for state SRF programs with demand that exceeds their funds available. Leveraged programs have the responsibility of being sophisticated financial planners. Effective management of the SRF is also necessary to ensure the leveraging levels match the demand for funding. SRF programs that leverage must work towards a variety of SRF financial objectives, including sound debt management, ensuring high pace levels of all funds and effective management of investments.

Colorado continues their practice of selling bonds to fund projects over $3 million and utilizing direct loans for projects under $3 million.

Additional Assistance Provided Due to Leveraging

By leveraging the WPCRF, Colorado has been able to fund an additional $738.9 million in projects.

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Follow-up and Corrective Action

This section documents all recommendations, required action items, and associated follow-up responsibilities arising from the EPA Region 8 annual review of the Colorado CWSRF program. Region 8 will track progress on all items identified below during the year and will document resolution status in the SFY 2026 program report. Items remain open until the state demonstrates full compliance or satisfactory implementation.

A. Recommendations

Recommendations are items not directly required by statute or regulation but would improve program efficiency, financial performance, or compliance readiness. Region 8 encourages the state to implement these recommendations and will revisit them at the next annual review.

Prior Recommendations

There were no recommendations from last year's annual review.

New Recommendations

There are no recommendations for this year's annual review.

B. Required Action Items

Required Action Items are identified when we find inconsistencies with statutory, regulatory, or policy requirements. The state is expected to resolve each item within the timelines listed below. Region 8 will check in during the year, provide support as needed, and document progress and resolution in subsequent PERs. Some issues may be significant and could place the SRF program at risk of noncompliance or misuse of funds. For these more consequential or systemic issues, Region 8 may request a Resolution Plan that identifies underlying management factors and sets clear steps, roles, and milestones the state and region will follow to strengthen processes and systems. Those action items that require a Resolution Plan will be identified below.

Prior Required Action Items

There were no required action items from last year's annual review.

New Required Action Items

As was discussed in the Fund Use Rate Section, Colorado CWSRF did not meet the required timely and expeditious indicators of committing the funds within one year (Colorado's current commitment rate is 7.2 years). The state is required to draft a written resolution plan by November 16, 2026 which will outline their plan to increase loan commitments, which could include the proactive steps the program has already implemented such as the increased loan limits, lowering interest rates, and offering additional subsidy to non-disadvantaged borrowers. In addition, Region 8 plans to meet with the state staff on a quarterly basis to discuss project funding progress and determine if the actions the state previously implemented result in more loans closed. This also includes tracking the overall CWSRF pipeline to see if an adequate number of projects are proceeding through the application process from initial community contact to loan closing.

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Financial Indicator Tables

See Attachment 1: Financial Indicator Tables.

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Colorado Clean Water SRF
Attachment 1: Financial Indicator Table

*green = manual entry

LOAN AGREEMENTS

1. Loan Commitments: Executed Loans as a Percent of Funds Available

Source: SRF Data System	Annual Report Data Line	2021	2022	2023	2024	2025
STATE Executed Loans as a Percent of Funds Available - Cumulative	285	93%	93%	94%	93%	91%

2. Timely & Expeditious Use: Uncommitted Funds Balance

Source: SRF Data System		2021	2022	2023	2024	2025
Funds Available for Projects - Cumulative	283	$ 1,496,681,794	$ 1,586,164,569	$ 1,641,286,055	$ 1,719,078,338	$ 1,783,819,499
Assistance Provided - Cumulative	110	$ 1,386,683,702	$ 1,471,101,016	$ 1,541,433,593	$ 1,605,557,086	$ 1,621,310,274
Assistance Provided - Annual	109	$ 60,553,660	$ 84,417,313	$ 70,332,578	$ 64,123,493	$ 15,753,188
Uncommitted Funds Balance (Funds Not in Signed Loan Agreements)	309.1	$ 109,998,092	$ 115,063,553	$ 99,852,462	$ 113,521,252	$ 162,509,225
Years to commit funds (Uncommitted funds balance/Annual Assistance)		1.61	1.30	1.64	1.56	7.21
Funds Available for Projects - Annual	282	$ 72,947,141	$ 89,482,775	$ 55,121,486	$ 77,792,283	$ 64,741,161
Is Uncommitted Funds GREATER THAN Annual Funds Available?	Yes/No	YES	YES	YES	YES	YES

If Yes: State may not be signing loans within one year of having the funds under their control

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LOAN DISBURSEMENTS

3. Disbursements as a Percent of Executed Loans

Source: SRF Data System		2021	2022	2023	2024	2025
Disbursements as a Percent of Executed Loans - Cumulative	311	92.1%	90.5%	91.1%	91.6%	96.0%

4. Undisbursed Funds Balance

Source: SRF Data System		2021	2022	2023	2024	2025
Funds Available for Projects - Cumulative	283	$ 1,496,681,794	$ 1,586,164,569	$ 1,641,286,055	$ 1,719,078,338	$ 1,783,819,499
Project Assistance Disbursed - Cumulative	233	$ 1,277,126,920	$ 1,331,353,736	$ 1,403,567,276	$ 1,471,056,207	$ 1,555,589,045
Undisbursed Funds Balance	311.2	$ 219,554,874	$ 254,810,833	$ 237,718,779	$ 248,022,131	$ 228,230,454

5. Rate of Undisbursed Funds to 3-Year Average Disbursements

Source: SRF Data System		2021	2022	2023	2024	2025
Undisbursed Funds Balance (copied from above)		$ 219,554,874	$ 254,810,833	$ 237,718,779	$ 248,022,131	$ 228,230,454
3-Year Average Annual Disbursements (current + previous 2 years)	232	$ 49,922,288	$ 52,434,529	$ 57,971,277	$ 64,643,096	$ 74,745,103
Rate of Undisbursed Funds to 3-Year Average	311.1	4.4	4.9	4.1	3.8	3.1

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FUND SUSTAINABILITY AND GROWTH

6. Sustainability as a Percent of Contributed Capital / Operating Net

Source: SRF Data System		2021	2022	2023	2024	2025
Interest Payments on Loans - Annual	235	$ 6,674,748	$ 5,083,649	$ 5,897,327	$ 5,673,748	$ 5,668,343
Interest Earnings on Investments - Annual	241	$ 7,321,266	$ 1,607,567	$ 4,820,440	$ 7,080,011	$ 6,161,697
Match Bond Principal Repaid	224	$ -	$ -	$ -	$ -	$ -
Interest Paid on Leveraged and Match Bonds - Annual	228	$ 9,763,386	$ 6,295,305	$ 7,310,162	$ 6,812,487	$ 6,687,259
Sustainability (Annual)	318	$ 4,232,628	$ 395,911	$ 3,407,605	$ 5,941,272	$ 5,142,781
Sustainability as % of Contributed Capital (Cumulative)	320	8%	8%	8%	9.4%	9.9%

7. Total Net

Source: SRF Data System		2021	2022	2023	2024	2025
Sustainability (Annual) - copies from above)		$ 4,232,628	$ 395,911	$ 3,407,605	$ 5,941,272	$ 5,142,781
Loan Principal Repayments (Annual)	234	$ 50,226,112	$ 43,024,056	$ 44,383,174	$ 48,428,299	$ 52,174,400
Leveraged Bond Principal Repaid + SWIFIA Prinicipal Repaid (Annual)	211	$ 24,335,000	$ 20,050,000	$ 18,650,000	$ 20,825,000	$ 21,020,000
	211.1	$ -	$ -	$ -	$ -	$ -
Total Net	320.1	$ 30,123,740	$ 23,369,967	$ 29,140,779	$ 33,544,571	$ 36,297,181

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8. Net Interest Margin

Source: SRF Data System, Statement of Net Position		2021	2022	2023	2024	2025
Interest Payments on Loans - Annual (copies from above)		$ 6,674,748	$ 5,083,649	$ 5,897,327	$ 5,673,748	$ 5,668,343
Interest Earnings on Investments - Annual (copies from above)		$ 7,321,266	$ 1,607,567	$ 4,820,440	$ 7,080,011	$ 6,161,697
Interest Paid on Leveraged and Match Bonds - Annual (copies from above)		$ 9,763,386	$ 6,295,305	$ 7,310,162	$ 6,812,487	$ 6,687,259
Net Interest Earnings	320.2	$ 4,232,628	$ 395,911	$ 3,407,605	$ 5,941,272	$ 5,142,781
2-Year Average Total Assets	320.3	$ 740,460,444	$ 755,112,589	$ 775,828,870	$ 788,786,503	$ 804,638,998
Net Interest Margin	320.4	0.57%	0.05%	0.44%	0.75%	0.64%

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

MEMORANDUM

October 2, 2026

TO: Board of Directors and Karl Ohlsen

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

RE: Annual Review, Approval and Adoption of the Colorado Water Resources and Power Development Authority ("Authority") Investment Policy

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The Authority Investment Policy follows this memo and contains several staff recommended changes highlighted in yellow.

Section IX of the Investment Policy requires that "the investment policy be formally approved and adopted by the Authority's Board and reviewed annually". Therefore, any changes to the policy will need to be approved by the Authority Board.

Board Action: Motion to approve any, or all, of the staff recommendations and any other changes to the Authority's Investment Policy.

Attachment: Authority Investment Policy – Red lined

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Investment Policy
Status: ☐ Working Draft ☐ Approved x Adopted
Previous Review Date: August 20, 2025

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
INVESTMENT POLICY

I. Governing Authority

Legality: The Colorado Water Resources and Power Development Authority ("Authority") investment program shall be operated in conformance with federal, state, and other legal requirements, including Colorado Revised Statutes ("C.R.S.") Sections 24-75-601 through 605, and these guidelines.

II. Scope

This policy applies to the investment of all funds, excluding the investment of employees' retirement funds. The Authority contributes to the Combined State and School Division Trust Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The investment of retirement plan funds is the responsibility of the Board of Directors of the PERA.

III. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk, interest rate risk, custodial risk and concentration risk.

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority will minimize credit risk by:

- Limiting investments to the types of securities listed in Section VI of this Investment Policy.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. Direct obligations of, or guaranteed by, the U.S. Government are considered to be low credit risk. The aggregate amount of all other investments are limited to five percent (5%) of total investments, except for those investments described in Subparagraph (d) below.

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b. Interest Rate Risk

Interest rate risk is the risk that an investment may need to be liquidated prior to maturity and the fair value of that investments may be adversely affected by changes in interest rates at the time of that sale. The Authority will minimize interest rate risk by:

- Structuring the investment portfolio so that securities mature to meet expected cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds (money market mutual funds that seek to maintain a constant share price, also known as a $1 net asset value, as required by State statute), or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see Section VII, Paragraph 2).
- Limiting the investment of non-operating funds, to maturities of five years or less, except as noted below.
- Investments contained in debt service reserve funds may have final maturity dates of tentwenty years or more and require approval of the Authority's Board of Directors, pursuant to the terms of related bond resolutions.

c. Custodial Credit Risk

Custodial credit risk is the risk that (e.g., broker-dealer) to a transaction, the Authority will not be able to recover the value of its deposit, investment or collateral securities, in a timely manner, that is in the possession of another party (e.g., broker-dealer) in a transaction. The Authority is potentially exposed to custodial credit risk on balances in demand deposit accounts (checking), cash in accounts held by its trustee and three-party repurchase agreements, which are not held in the Authority's name.

- Demand deposit accounts are secured over and above the Federal Deposit Insurance Corporation primary insurance in accordance with the Colorado Public Deposit Protection Act (Article 10.5 of Title 11 C.R.S.).
- Accounts maintained by the Authority's trustee periodically contain "fiduciary funds awaiting investment or distribution" (or cash). Pursuant to OCC Regulation 12 CFR 9.10, the trustee is required to provide collateral that is pledged for all such cash balances; however, the collateral is not held in the Authority's name.
- At the direction of the Authority, the trustee may enters into three-party repurchase agreements and the trustee is considered both the purchaser and custodian of the investments. The investments are held in the collateral agent's account at the Federal Reserve Bank in book entry form. Custodial risk is minimized by complying with the terms of Section VI,

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Paragraph 2, Subparagraph (e) of this policy, which governs repurchase agreements as authorized investments.

d. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Due to the nature of the Authority's operations and investment preferences, as discussed below, no concentration limits are established in this policy, except as described in III.1.a. of this policy. In addition to direct obligations of, or guaranteed by, the U.S. Government, no concentration limits are established for the following:

- Colorado State Treasurer's Investment Pool – general Authority invested cash is invested in this pool. The State maintains its own investment policy to control concentration of credit risk.
- Local Government Investment Pools including Colorado Local Government Liquid Asset Trust (COLOTRUST) – in addition to general Authority invested cash, the Authority's loan programs use COLOTRUST for short-term investments of certain bond proceeds, borrower loan repayments held for debt service, re-loan funds and other funds on hand.
- Fully Collateralized Repurchase agreements – federal regulations control the bidding process for the investment of bond proceeds. Only ~~a limited number of~~ financial institutions~~,~~ that meet the Authority's criteria~~,~~ may participate in the bidding process. ~~Since~~ The Authority would require these repurchase agreements to b~~e~~ ~~are~~ fully collateralized by direct obligations of, or guaranteed by, the U.S. Government [or direct obligations of federal agencies backed by the full faith and credit of the U.S. Government]~~, a concentration limit is not established~~.

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2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating and financial requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with expected cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio will consist largely of securities with active secondary or resale markets or withdrawal flexibility. Alternatively, a portion of the portfolio may be placed in money market mutual funds (money market mutual funds that seek to maintain a constant share price, also known as a $1 net asset value, as required by State statute) or local government investment pools that offer same-day liquidity for short-term funds.

3. Yield

The investment portfolio shall be designed with the objective of attaining a competitive rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments are limited to relatively low risk securities in

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anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- Changing liquidity needs of the portfolio require that the security be sold.

IV. Standards of Care

1. Prudence

The standard of prudence to be used by investment officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officers shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Authority.

3. Delegation of Authority

Authority to manage the investment program is granted to the Investment Committee (Committee) established by the Board of Directors (Board). The Committee consists of the Treasurer, elected by the Board, and the Executive Director. The two Committee members are also referred to as investment officers in this policy. Responsibility for the operation of the investment program is hereby delegated to the investment officers, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: monitoring risks, safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and

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collateral/depository agreements. Furthermore, the Executive Director, Deputy Director and Finance Director shall be authorized to invest bond proceeds and bond resolution moneys to meet debt service payments, project draws and other expenses. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officers. The investment officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

V. **Safekeeping and Custody**

1. Delivery vs. Payment

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

2. Safekeeping

The Authority may make such arrangements for the custody, safekeeping and registration of investment securities as will enable the prompt delivery thereof upon maturity or in the event of sale.

Unless the securities are held in book-entry form, all securities purchased shall be delivered to and held by the Authority or a custodian designated by the Authority, which custodian shall be the State Treasurer, a Colorado bank or bank and trust company authorized to do business in Colorado, any trustee under a bond resolution or an agent of the Authority in New York, New York and such delivery shall be simultaneous with payment for the securities. The Authority recognizes that the custodian may designate an agent to act for it to receive and hold certain securities (for example, securities deliverable only in New York City). Deposits in interest bearing accounts shall be made in such manner as to assure that funds are held as deposits in the name of the Authority at all times.

3. Internal Controls

The investment officers shall establish a system of internal controls, which shall be documented in writing. The internal controls are subject to review by the independent auditor, during the normal course of the annual audit of the Authority's financial statements. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Authority.

VI. **Suitable and Authorized Investments**

1. Authority Cash

The Authority shall, in accordance with C.R.S. Section 24-75-601.1, restrict its investments of cash assets to one or more of the following instruments:

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a. Direct obligations of, or guaranteed by, the U.S. Government (i.e., Treasury bills, notes and bonds).

b. Direct obligations of federal agencies (i.e., Government National Mortgage Association) backed by the full faith and credit of the U.S. Government.

c. Direct obligations of other federal agencies rated in one of the two ~~the~~ highest rating categories~~y~~ by one or more nationally recognized statistical rating organizations ("NRSRO") that regularly rate such obligations.

- Federal Farm Credit Bank
- Federal Land Bank
- Federal Home Loan Bank
- Federal Home Loan Mortgage Corporation
- Federal National Mortgage Association
- Additional agencies approved in the future by the Board of Directors

d. Colorado State Treasurer's Investment Pool.

e. Money market funds registered as an investment company under the federal "Investment Company Act of 1940", as amended, and rated in the highest rating category by one or more NRSRO's that regularly rate such funds. Only money market mutual funds whose investment policy includes seeking to maintain a constant share price ($1 net asset value) as required by State statute will be used.

f. Local government investment pools organized pursuant to C.R.S. Section 24-75-703.

- The trust must have assets of five hundred million dollars ($500,000,000) or more and
- Must be rated in the highest rating category by one or more NRSRO's that regularly rate such funds.

g. Alternative Investments – Unless approved by the Board, the Authority is prohibited from investing in alternative investments (i.e., investments for which a readily determinable fair value does not exist).

2. Bond Proceeds and Other Funds Pursuant to the Terms of Bond Resolutions

The Authority shall, in accordance with Colorado and federal law and the authorizing bond resolution, restrict its investment of bond proceeds and bond resolution moneys to one or more of the following instruments:

a. Direct obligations of, or guaranteed by, the U.S. Government (i.e., Treasury bills, notes and bonds).

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b. Direct obligations of federal agencies (i.e., Government National Mortgage Association) backed by the full faith and credit of the U.S. Government.

c. Direct obligations of other federal agencies rated in one of the two ~~the~~ highest rating categories~~y~~ by one or more NRSRO's that regularly rate such obligations.

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- Federal Farm Credit Bank
- Federal Land Bank
- Federal Home Loan Bank
- Federal Home Loan Mortgage Corporation
- Federal National Mortgage Association
- Export-Import Bank
- Additional federal agencies approved in the future by the Board of Directors

d. Commercial Paper that, at the time of purchase, is rated in the highest rating category by one or more NRSRO's that regularly rate such obligations.

e. Repurchase agreements concerning any securities referred to in Subparagraphs (a), (b), (c) and (d) above that can otherwise be purchased under those paragraphs if all of the conditions of Section VII and all of the following conditions are met:

- The securities subject to the repurchase agreement must be marketable.
- The market value of such securities must at all times be at least equal to 102% of the funds invested by the Authority and marked to market value no less frequently than weekly.
- The title to or a perfected security interest in such securities along with the necessary transfer documents must be transferred to the Authority or to a custodian acting on behalf of the Authority.
- Such securities must be actually delivered to the Authority or to a third-party custodian or third-party trustee for safe keeping on behalf of the Authority.

f. Money market funds authorized by Colorado statutes (money market mutual funds that seek to maintain a constant share price ($1 net asset value)) and rated in the highest rating category by one or more nationally recognized organizations that regularly rate such obligations.

g. Local government investment pools organized pursuant to C.R.S. 24-75-703.

- The trust must have assets of five hundred million dollars ($500,000,000) or more and
- Must be rated in the highest rating category by one or more NRSRO's that regularly rate such funds.

h. Alternative Investments – Unless approved by the Board, the Authority is prohibited from investing in alternative investments (i.e., investments for which a readily determinable fair value does not exist).

VII. Investment Parameters

1. Diversification

The investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- Limiting investment in securities that have higher credit risks,
- Investing in the Colorado State Treasurer's Investment Pool that has varying maturities, and
- Investing a portion of the portfolio in readily available funds such as local government investment pools (e.g. COLOTRUST) or qualifying money market funds (money market mutual funds that seek to maintain a constant share price, also known as a $1 net asset value, as required by State statute) to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

2. Maximum Maturities

To the extent possible, the Authority shall attempt to match its investments with anticipated cash flow requirements. Unless approved by the Board, the Authority will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with Colorado statutes.

Bond debt service reserve funds may contain investments with terms similar to the bonds secured. For specific programs, the Board approves these long-term investments pursuant to certain bond resolutions. The investments may have partial, annual maturities over a period not exceeding the maturity of the bonds. Because of inherent difficulties in accurately forecasting cash flow requirements for specific programs, a portion of the portfolio may ~~should~~ be continuously invested in readily available funds such as the Colorado State Treasurer's Investment Pool, local government investment pools (e.g. COLOTRUST), or other qualified money market funds (money market mutual funds that seek to maintain a constant share price, also known as a $1 net asset value, as required by State statute) to ensure that appropriate liquidity is maintained to meet ongoing obligations.

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3. Competitive Bids

Excluding securities purchased through the State Treasurer's Office, the investment officer shall obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments purchased on the secondary market. The Committee may waive this requirement for amounts involving less than one million dollars ($1,000,000).

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Investment Policy
Status: ☐ Working Draft ☐ Approved x Adopted
Previous Review Date: August 20, 2025

Bond proceeds that are invested in repurchase agreements shall be done in accordance with the safe harbor provisions of 26 CFR Part 1, Section 1.148-5(d)(6)(iii). The Authority shall purchase repurchase agreements pursuant to a competitive bidding process (in which bids are solicited from at least three reasonably competitive providers and received from at least three providers with no material financial interest in the bonds being issued (at least one of which is a reasonably competitive provider)) from the provider offering the highest yield.

VIII. **Reporting**

The Treasurer shall report investment performance to the Board no less frequently than at regularly scheduled Board of Director meetings. These reports shall describe such items as investment balances, income and yields.

1. Investments, including deposit and investment risk disclosures, will be reported in the Authority's annual financial statements in accordance with all applicable Governmental Accounting Standards Board ("GASB") statements.

IX. **Approval of Investment Policy**

The investment policy shall be formally approved and adopted by the Authority's Board and reviewed annually.

Version History

Version	Modified Date	Approved Date	Approved By	Reason/Comments
1.0.0	N/A	Oct. 9, 2020	BOD	Annual Review
2.0.0	N/A	Oct. 8, 2021	BOD	Annual Review
3.0.0	N/A	Dec. 2, 2022	BOD	Annual Review
4.0.0	N/A	Dec. 1, 2023	BOD	Annual Review
5.0.0	August 20, 2025	August 20, 2025	BOD	Annual Review w minor changes
6.0.0	October 2, 2026		BOD	Annual Review w minor changes

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

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

TO: Project Finance Committee and Karl Ohlsen

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

RE: Review of Bristol Water and Sanitation District, Town of Saguache, and City of Trinidad Supplemental Loan Request
Drinking Water Revolving Fund ("DWRF")

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

Bristol Water and Sanitation District
The Bristol Water and Sanitation District (the "District"), located in Prowers County, is seeking a Disadvantaged Communities ("DAC") Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental direct loan through the DWRF loan program in the total amount of $1,659,000, (comprised of *$902,629 in IIJA/BIL Principal Forgiveness ("PF"), and a *$756,371 IIJA/BIL Loan). This project is to address combined radium for which the District was issued an enforcement order for exceeding the maximum contaminant level (MCL) in their potable water supply. The project consists of installing a new Water Treatment Plant, Hydrous Manganese Dioxide (HMO) equipment, constructing evaporative tanks for the waste stream, and complete site work. The District's project was authorized by SJR 10-004.

Recommendation
Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DAC DWRF IIJA/BIL General Supplemental direct loan with the District in the amount of $1,659,000, (comprised of *$902,629 in IIJA/BIL PF, and a *$756,371 IIJA/BIL Loan). The loan will be for a term of 30 years, at an interest rate of 1.75%, subject to increasing rates sufficiently to meet the Authority's coverage ratio requirement prior to loan execution. The Board will consider this request on October 2, 2026.

Town of Saguache
The Town of Saguache (the "Town"), located in Saguache County, is seeking a DAC IIJA/BIL General Supplemental direct loan through the DWRF loan program in the total amount of $2,500,000, (comprised of *$1,360,200 in IIJA/BIL PF, and *$1,139,800 in IIJA/BIL Loan). The project consists of the construction of a new water storage tank, rehabilitation of an existing water storage tank, and distribution system improvements. The Town's project was authorized by SJR 10-004.

Recommendation
Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DAC DWRF IIJA/BIL General Supplemental direct loan with the Town in the total amount of $2,500,000, (comprised of *$1,360,200 in IIJA/BIL Principal Forgiveness ("PF"), and *$1,139,800 in IIJA/BIL Loan). The loan will be for a term of 30 years, at an interest rate of 2.75%. The Board will consider this request on October 2, 2026.

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City of Trinidad

The City of Trinidad (the "City"), located in Las Animas County, is seeking a supplemental Base DAC direct loan through the DWRF loan program in the amount of $1,000,000. The City previously received DWRF funding for this project as a $3,450,000 direct loan with a 20-year term at an interest rate of 2.50% (comprised of $2,223,229 in IIJA/BIL PF, and $1,226,771 in IIJA/BIL Loan). The loan was executed on February 25, 2025. Due to cost adjustments, detailed engineering estimates, and an expanded project scope and requirements the total project cost increased and additional funds are needed to complete the project. This project consists of replacing or rehabilitating four municipal water storage tanks (North, South, Allendale, and Monument Lake Reservoir replacement), upgrading distribution system connections to maintain service continuity during tank repairs, and replacing a critical 1920s-era raw water transmission line. The City's project was authorized by SB 05-011.

Recommendation

Based on the attached credit report update, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a supplemental Base DAC direct loan with the City in the amount of $1,000,000. The loan will be for a term of 20 years, at an interest rate of 2.50%. The Board will consider this request on October 2, 2026.

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

Note: A Zoom conference call has been scheduled for **Friday, 9:00 a.m. September 25, 2026**. The link to join via online is: https://us06web.zoom.us/j/89619641367?pwd=5v0s3Oo6Vt6PnsySNbfB18LCuo2jMF.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **896 1964 1367**. The passcode is: **667568**.

Attachments: Bristol Water and Sanitation District 2026 DWRF Credit Report
Town of Saguache 2026 DWRF Credit Report
City of Trinidad 2026 DWRF Credit Report Update and 2024 DWRF Credit Report

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DWRF LOAN CREDIT REPORT (2026)

Bristol Water and Sanitation District ("The District"), Prowers County

Recommendation:	**CONDITIONAL APPROVAL**
Loan Request:	$1,659,000
Interest Rate & Term:	1.75% & 30 Years
Annual Debt Service:	$32,515
Pledge:	Water and Sewer Revenue
Current Rate:	$57.57 (Water and Sewer)
Estimated Rate Increase:	$30.54

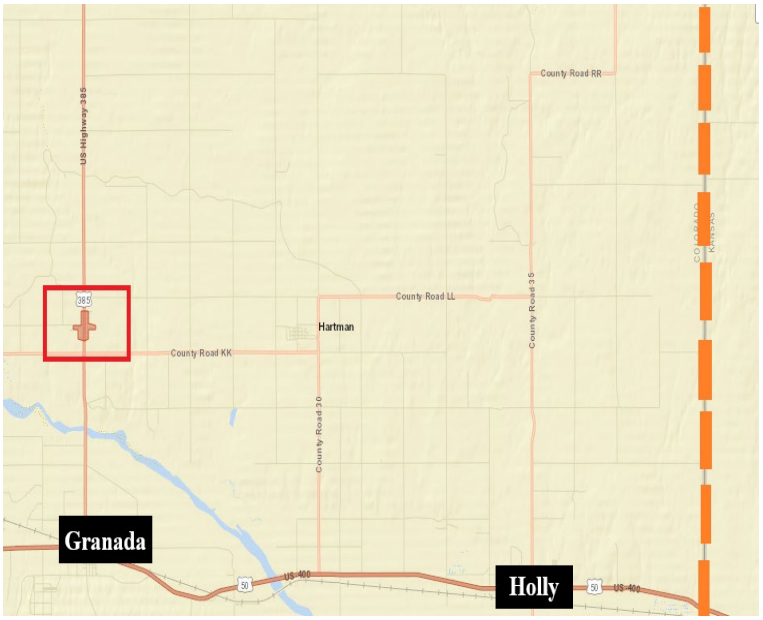
Project Budget

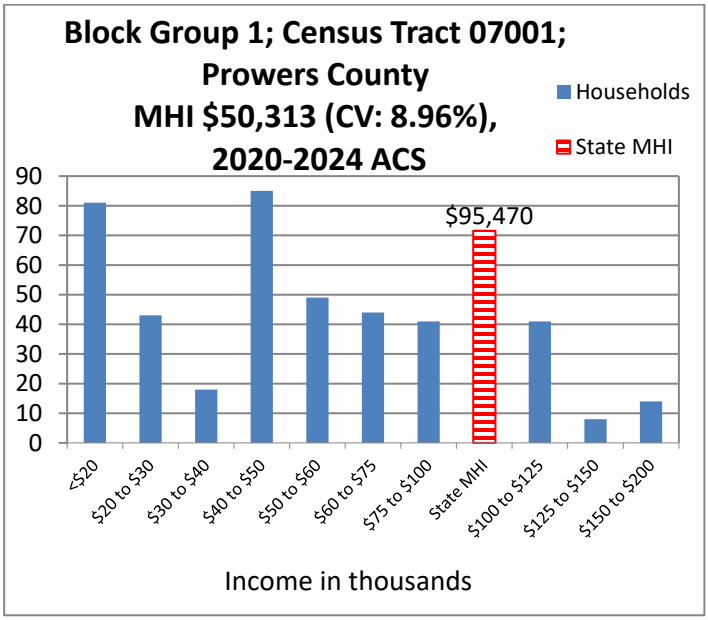
DWRF IIJA/BIL Loan:	$756,371
DWRF IIJA/BIL PF:	$902,629
2026 DOLA EIAF: 2026	$750,000
Planning Grant:	$10,000
Total:	$2,419,000

PROJECT DESCRIPTION: This project is to address combined radium for which the District was issued an enforcement order for exceeding the maximum contaminant level (MCL) in their potable water supply. The project consists of installing a new Water Treatment Plant, Hydrous Manganese Dioxide (HMO) equipment, constructing evaporative tanks for the waste stream, and complete site work.

COMMUNITY PROFILE: Bristol Water and Sanitation District	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
District Population			158	155	155	158	158	0.00%
Prowers County Population	12,013	11,937	11,825	11,779	11,994			-0.04%
Prowers County Jobs	6,000	6,093	6,309	6,511	6,630			2.53%
Number of Water Taps			63	62	62	63	63	0.00%
Number of Sewer Taps			55	55	56	56	57	0.90%
Assessed Value ($000)			438	451	386	384	476	2.10%
Actual Value ($000)			2,087	2,045	1,418	1,433	3,028	9.75%

BORROWER BRIEF: The District serves a small, unincorporated community in the southeastern plains, approximately 19 miles east of Lamar, and approximately six miles west of the Kansas state border.





RECOMMENDATION: The District serves a small rural community in Prowers County. This proposed loan is necessary to return the system to compliance as the District is currently under an Enforcement Order from the CDPHE for exceeding the radium limit. The project is large for the community and comes with substantial rate increases. However, the District is committed to abide by the enforcement order to reduce radium levels and are willing to work with the Authority. We therefore recommend the DWRF Committee approve a $756,371 disadvantaged communities IIJA/BIL direct loan and $902,629 in IIJA/BIL principal forgiveness to the Bristol Water and Sanitation District on the condition rates are increased to meet coverage ratio requirements.

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PROJECT SUMMARY:

System summary: The District's service area is located within Prowers County serving 61 taps with a population estimated at 149 residents. The District receives water from two wells. The water is pumped from the wells to the treatment plant and then delivered to two holding tanks for disinfection contact time using sodium hypochlorite before being sent out to distribution. The District was issued an Enforcement Order by the CDPHE, WQCD on March 28, 2022 for exceeding the maximum contaminant level (MCL) for combined Radium-226 and Radium-228. High levels of Radium-226 and Radium-228 were first observed in 2020.

Reason/need: The District has provided potable drinking water and sanitary sewer services to the community of Bristol since 1951. The District is currently under an Enforcement Order from the CDPHE for exceeding the maximum contaminant level for combined Radium-226 and Radium-228 levels.

System Compliance: The District (CO0150200) has an Enforcement Order (DW.03.22.150200) issued by CDPHE on March 28, 2022 to address exceedance of the combined Radium-226 and Radium-228 maximum contaminant level (MCL). The project is intended to return the system to compliance.

Project Delivery Method: Design/Bid/Build

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

CURRENT INDICATORS:	2023	2024	2025		Weak		Average		Strong
Total Debt per Capita ($):	516	473	430		>$2,000		$1,000 - 2,000	X	<$1,000
Total + New Debt/Capita ($):			5,310	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Tap ($):	1,290	1,183	1,058		>$5,000		$2,500 - 5,000	X	<$2,500
Total Debt + New Debt/Tap ($):			13,064	X	>$5,000		$2,500 - 5,000		<$2,500
Current W&S Debt/Tap ($):	1,290	1,183	1,058		>$2,000	X	$1,000 - 2,000		<$1,000
Current W&S + New W&S Debt/Tap ($):			13,064	X	>2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	18%	19%	17%		>50%		25-50%	X	<25%
Total Debt + New W&S Debt/Assessed Value:			214%	X	>50%		25-50%		<25%
Total Debt/Actual Value:	3.91%	5.17%	4.65%		>10%		5-10%	X	<5%
Total Debt + New W&S Debt/Actual Value:			57%	X	>10%		5-10%		<5%
Curr. W&S Debt + New Debt/Tap/MHI:			26%	X	>20%		10-20%		<10%
W&S Fund Current Ratio (CA/CL):	859%	1,065%	922%		<100%		100-200%	X	>200%
W&S Fund Reserves/Current Expense:	89%	162%	81%		<50%	X	50-100%		>100%
W&S Operating Ratio (OR/OE):	91%	133%	80%	X	<100%		100-120%		>120%
Coverage Ratio (TR-OE)/DS:	77%	315%	-55%	X	<110%		110-125%		>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	77%	315%	-55%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan:			-9%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan Excluding Tap Fees:			-9%	X	<110%		110-125%		>125%
Current Annual Water Rates/MHI:			1.37%		>3.0%		1.5-3.0%	X	<1.5%
Current W&S Rates + New W&S Debt Service/MHI:			2.40%		>3.0%	X	1.5-3.0%		<1.5%
Operation and Maintenance Reserve:			90%		<25%		25-50%	X	>50%
			Total:	**11**		**3**		**7**	

FINANCIAL ANALYSIS: Of the twenty-one indicators calculated, seven are rated strong, three are average, and eleven are considered weak. Overall, the indicators illustrate a system that is currently in sound financial condition on an existing debt basis, but the proposed debt would place a heavy burden on the community's ratepayers. Strong indicators reflect low existing debt relative to system size, affordable rates compared to median household income, and a solid operations and maintenance reserve. Weak indicators highlight the substantial impact of the proposed debt, which is large relative to the district's customer base and may create affordability challenges for ratepayers on a long-term basis.

- The operating ratio fell from 133% in 2024 to 80% in 2025. An increase in expenditure led to a decrease in this ratio, driven by higher maintenance and operating services costs that were not included in the 2024 audited numbers.
- The water and sewer Fund has a strong current ratio of 922% and a strong operations and maintenance reserve of 90%.
- Based on 2025 financial information, coverage with the proposed loan is -9%. Additional annual revenue of about $46,741, or $61.83 per tap per month, would increase the coverage ratio to 110%.
- The District is eligible to receive $902,629 in IIJA/BIL principal forgiveness. Without principal forgiveness, the coverage ratio moves to -5%. Additional annual revenue of about $89,896, or $118.91 per tap per month, would be needed to meet the coverage ratio requirement.

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- The District incurred a one-time expense of $15,350 in 2025 for the replacement of a well pump and motor. When that expense is removed, the coverage ratio for the proposed loan is 30%. Additional revenue of approximately $31,391, or $41.52 per tap per month, would increase the coverage ratio to the needed percentage when accounting for principal forgiveness.
- Without principal forgiveness and the removal of the one-time expense, the coverage ratio moves to 15%. Additional annual revenue of about $74,546, or $98.61 per tap per month, would be needed to meet the coverage ratio requirement.
- The District passed a resolution in August that increased base rates and volume charges by $10.98 for typical residential consumption, effective in October. With this adjustment, the removal of the one-time expense, and accounting for principal forgiveness, the projected rate increase drops to $30.54 when including principal forgiveness, and $87.63 when excluding it.
- The District plans to redirect property tax revenues, which are used for insurance, legal fees, office expenses, and contract employee expenses, from the enterprise fund into the General Fund, thereby reducing the enterprise's overall revenue and expenses. As a result, based on 2025 financial data, after removing property tax revenue, expenses related to those stated above, and the one-time expense, the coverage ratio for the proposed loan is 36%. Additional annual revenue of approximately $28,928, or $38.26 per tap per month, would be needed when accounting for principal forgiveness. Without principal forgiveness, additional annual revenue of approximately $72,083, or $95.35 per tap per month, would be needed.
- When considering the removal of property tax revenue, expenses related to those paid through property tax in the enterprise fund, the one-time expense, and the total increase in base rates and volume charges for typical residential consumption based on the August 2026 resolution, the per-tap estimated rate increase decreases to $27.28 when including principal forgiveness, and $84.37 when excluding it.

Additional Project Financing
The District received a planning grant for $10,000, which was awarded in January 2026. The District also submitted an application for an Energy/Mineral Impact Assistance (EIAF) grant for $750,000, which was awarded in May 2026.

DESCRIPTION OF THE LOAN:
An estimated $756,371 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the District approximately $32,515 in debt service annually. The District also qualifies for $902,629 in IIJA/BIL principal forgiveness.

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

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

	Benchmark		Borrower	Met?
P1: MHI	$76,376	>=	$50,313	Y
P2: MHV	$431,520	>=	$176,000	Y
P3: County Unemployment	5.35%	<=	3.15%	N
County Job Change	0.00%	>=	14.30%	N
S1: County MHI	$76,376	>=	$53,508	Y
S2: Ten Year % Change in Population	0.00%	>=	N/A	N/A
S3: Assessed Value per Housing unit	$24,337	>=	$6,198	Y
S4b: Curr. and Proj. System Debt	0.21%	<	15.56%	Y
S4b: 80th Percentile	0.77%	<	15.56%	Y
S5b: Proj. System Cost Per Tap to MHI	0.98%	<	6.08%	Y
S5b: 80th Percentile	1.58%	<	6.08%	Y

Based on 2020-2024 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 exceeding the 80th percentile, the District qualifies for the lowest interest rate available (Category 2 DAC, 1.75%).

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

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IIJA/BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.73%	>	0.00%	1
2a: County Job Change	0.00%	>	14.30%	
2b: County Unemployment	5.35%	<	3.15%	0
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	$95,470	>		
	$119,338	<	$50,313	1
4: Rates to MHI	0.76%	<	1.37%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	40.36%	1
7: % Households Housing Burdened	50.00%	<	21.66%	0
8: % Population under 200% Poverty Level	40.00%	<	41.43%	1
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	59.28%	1
10: Meets DAC criteria	Yes		Yes	3
			Total Points Scored:	9

The District qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 54.408%, the District qualifies for approximately $902,629 in principal forgiveness, leaving an estimated loan of $756,371.

ECONOMIC ANALYSIS: Based on the State Demographer's estimate of 2.5 people per tap, the District has a 2026 population estimated at 158, which has remained consistent since 2022. Prowers County has experienced a decrease of 0.04% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

The region's economy is dominated by agriculture, forestry, fishing, and hunting. Additional base industries include local government; retail trade; health care and social assistance; accommodation and food services. The area's largest employers consist of Prowers County, with 225 employees; Prowers Medical Center, with 200 employees; Lamar Community College, with 123 employees; High Plains Community Health Center, with 120 employees; and Dragon Products (industrial equipment manufacturer), with 100 employees.

The District does have customers who account for more than 3% of the system's total revenue. These are: Tracy Jensen, with 3.65% of the system's total revenue; Craig Shomaker, with 3.57%; and Connie DeForest, with 3.88%.

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

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

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

Organizational Structure

The District is a Title 32-1 special district governed by a five-member board of directors and was organized in 1966. The District only provides water and wastewater services. The utility does not have any full-time employees that staff the water utility. All individuals who perform work for the District (i.e., bookkeeper, meter reader, and the operator responsible charge (ORC)) are classified as contract workers. Additional oversight is provided by the board members, who are paid a nominal director fee. The water utility is overseen by the operator responsible charge (ORC) who reports to the board.

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

Technical/Managerial/Financial (TMF)

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

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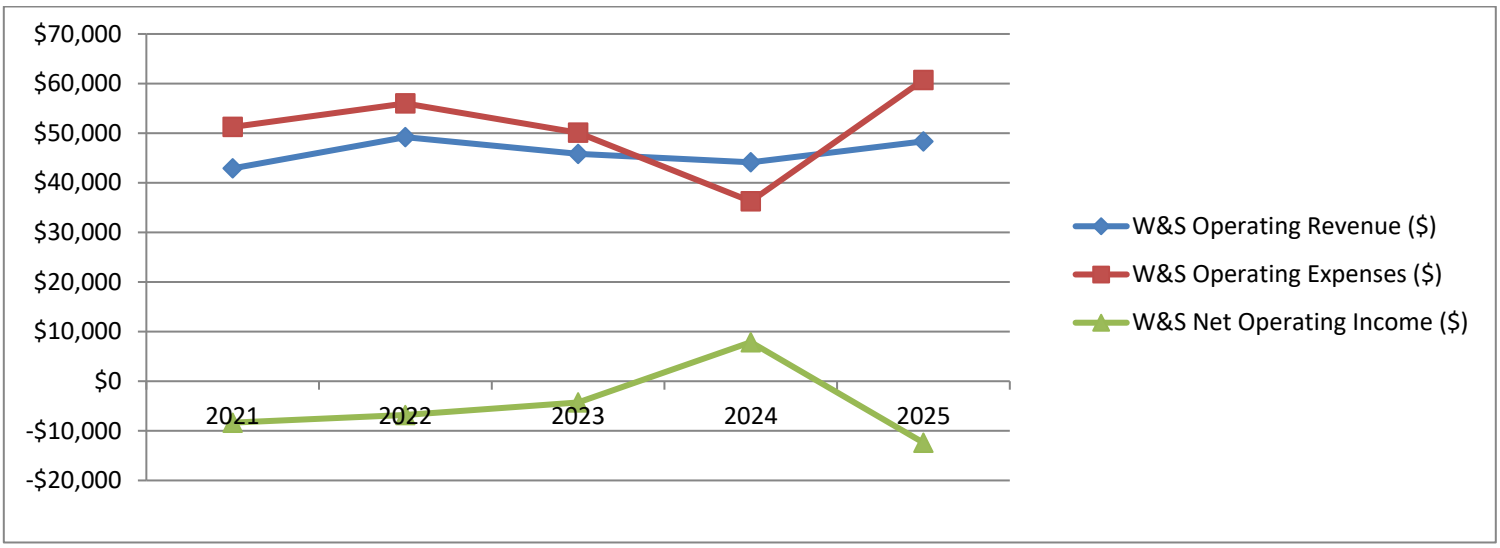
- **Financial Criterion #F-2:** Cash Flow Projection/Analysis/Financial Plan: The District should be prepared to raise rates as needed to meet loan coverage ratio requirements.

Capital Improvement Plan
As part of the application process, the District submitted a capital improvement schedule through 2050, which anticipates capital outlay of $35,000 for the replacement of treatment media and Water Treatment Plant feed pumps, to be funded from reserves.

REVENUE ANALYSIS:
Operating expenses have increased over the last five years due to higher electricity costs and quarterly radium laboratory water testing requirements (per the current CDPHE enforcement order). A billing error made expenses appear lower in 2024: the District charged the full amount for chlorine, which is used to meet CDPHE standards, in 2025 instead of splitting the cost between 2024 and 2025. The audit also excluded expense increase adjustments for insurance and the hiring of a new operator, who required higher fees. Thus, the expenses for 2025 appeared much higher than those seen in 2024. Moreover, there was a one-time expense for the replacement of a well pump, which further increased expenses.

TRENDS	2021	2022	2023	2024	2025	2026
Monthly Water and Sewer Rate ($)	52.57	57.57	57.57	57.57	57.57	57.57
Residential Water Tap Fee ($)	1,500	1,500	1,500	1,500	1,500	1,500
Mill Levy	18.090	18.059	18.008	18.497	18.908	
Total W&S Revenue ($)	51,370	58,238	55,264	54,122	57,095	
Tap/Development Fees ($)	0	0	0	0	0	
Property Tax Revenue ($)	7,599	8,019	9,129	9,143	8,453	
S.O. Tax Revenue ($)	843	827	0	0	0	
W&S Operating Revenue ($)	42,910	49,197	45,836	44,138	48,344	
W&S Operating Expenses ($)	51,260	56,008	50,104	36,265	60,736	
W&S Net Operating Income ($)	-8,350	-6,811	-4,268	7,873	-12,392	
W&S Debt ($)	93,333	86,667	80,000	73,334	66,667	
Total Debt ($)	93,333	86,667	80,000	73,334	66,667	
W&S Debt Service ($)	6,667	6,666	6,667	6,666	6,667	
W&S Debt Service/Tap/Month ($)	8.96	8.82	8.96	8.96	8.82	
W&S Fund Reserves ($)	49,638	45,066	50,617	64,338	54,784	

Ratios	2021	2022	2023	2024	2025	Average
Operating Revenue as % of Total Revenue	84%	84%	83%	82%	85%	83%
Operating Revenue as % of Expenses	84%	88%	91%	122%	80%	93%
Tap Fee Revenue as % of Total Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



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Recent Rate Increases
The District's most recent rate increase of $5.00 was implemented in 2022.

User Charges
The District's current monthly water and sewer rate is estimated at $57.57 compared to the 2024 estimated state median of $60.61. The District's average monthly water and sewer rate is based on typical residential water consumption of 9,887 gallons per month. Residential users pay a $50 base rate up to 5,000 gallons and a volume charge of $1.55 per 1,000 gallons for any consumption over the minimum amount. Commercial users follow the same structure.

Contributed Capital
The District has not received revenue from tap fees during the last five years. The District's most recent water tap fee rate increase occurred in 2016.

- Residential and commercial water tap fees are $1,500.
- The District does not charge a residential or commercial sewer tap fee.

Current System Utilization		
	Usage	Revenue
Residential	99.52%	98.75%
Non-residential (per EQR)	0.48%	1.25%

Current Fee Summary	
Tap size	Water and Sewer user/tap fees
¾"	$57.57/$1,500
¾"	$57.57/$1,500

DEBT as of December 31, 2025

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2006	CWRPDA	2035	Water Enterprise	$66,667	0.00%	$6,666

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

- The District has met the O&M reserve fund covenant for its DWRF loan, dated 2006, for the last 5 years. It has been out of compliance with the Authority's rate covenant 3 out of the last 5 years.

Prepared by: Monica Munoz-Revelo
Date: September 8, 2026

Project #140291D-A,
Cost Categories:

- Construction – Treatment: 77.3%
- Planning and Design Only (non-construction): 15.2%
- Other: 7.1%
- Land Acquisition: 0.4%

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September 8, 2026

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

Estimated Population - 2024	155
Number of Water Taps/Customers - 2025	63
Total Assessed Valuation - 2025	$384,000
Actual Value of All Real Property - 2025	$1,433,000
Median Household Income (MHI) - 2024	$50,313
Monthly Water Rate - 2025	$57.57
Water Operating Revenue - 2025	$48,344
Water Total Revenue - 2025 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	$57,095
Water Tap and System Development Fee Revenue - 2025	$0
Water Operating Expense - 2025	$60,736
Water Current Expense - 2025	$67,403
Water Debt - 2025	$66,667
Total Debt - 2025	$66,667
Water Fund Reserves - 2025	$54,784
Water Debt Service - 2025	$6,667
New Water Debt [Requested DWRF loan amount.]	$756,371
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	1.75%
New Loan's Annual Water Debt Service (two payments annually)	$32,515

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Current Indicators (2025)
Bristol Water and Sanitation District
(Water)

1	Total Debt	$66,667	÷	Population	155	=	$430
	New Debt	$756,371	÷	Population	155	=	$4,880
	Total Debt + New Debt	$823,038	÷	Population	155	=	$5,310
2	Total Debt	$66,667	÷	Number of Taps	63	=	$1,058
	New Debt	$756,371	÷	Number of Taps	63	=	$12,006
	Total Debt + New Debt	$823,038	÷	Number of Taps	63	=	$13,064
3	Total Debt	$66,667	÷	Assessed Value	$384,000	=	17%
	New Debt	$756,371	÷	Assessed Value	$384,000	=	197%
	Total Debt + New Debt	$823,038	÷	Assessed Value	$384,000	=	214%
4	Total Debt	$66,667	÷	Actual Value	$1,433,000	=	4.65%
	New Debt	$756,371	÷	Actual Value	$1,433,000	=	53%
	Total Debt + New Debt	$823,038	÷	Actual Value	$1,433,000	=	57%
5	Current Water Debt	$66,667	÷	Number of Taps	63	=	$1,058
	(Current Water Debt + New Water Debt) / Number of Taps	$13,064	÷	MHI	$50,313	=	26%
6	Current Ratio (CA / CL)						
	Current Assets	$61,450	÷	Current Liabilities	$6,666	=	922%
7	Reserve/Expense Ratio						
	Reserves	$54,784	÷	Current Expenses	$67,403	=	81%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$48,344	÷	Operating Expenses	$60,736	=	80%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$57,095	-				
	Minus Operating Expenses	$60,736					
	=	-$3,641	÷	Current Debt Service	$6,667	=	-55%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	-$3,641					
	Minus Tap and Development Fee Revenu	$0					
	=	-$3,641	÷	Current Debt Service	$6,667	=	-55%
11	Projected Coverage Ratio						
	Total Revenues	$57,095					
	Minus Operating Expenses	$60,736					
	=	-$3,641		Total Debt Service (with new loan)	$39,182	=	-9%
12	Projected Coverage Excluding Tap and Development Fee Revenue	-$3,641					
	Minus Tap and Development Fee Revenu	$0					
	=	-$3,641	÷	Total Debt Service (with new loan)	$39,182	=	-9%
13	Current Debt Service	$6,667	÷	Number of Taps	63	=	$105.83
	Annual New Water Debt Service	$32,515	÷	Number of Taps	63	=	$516.11
14	2025 Annual Water Rate (Monthly Rate x 12)	$690.84	÷	MHI	$50,313	=	1.37%
	2025 Annual Water Rate + New Annual Debt Service Per Tap	$1,206.95	÷	MHI	$50,313	=	2.40%
15	Current 2025 Monthly User Charge						$57.57
	(Debt Service on DWRF Loan / 2025 Taps / Month)						$43.01
	Total						$100.58
16	Operation and Maintenance Reserve						
	Reserves	$54,784	÷	Operating Expenses	$60,736	=	90%

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2026 SRF Disadvantaged Community Criteria

Applicant: Bristol Water and Sanitation District

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

Loan Terms

Amount of Loan:	$ 1,659,000
Interest Rate:	3.25%
Term (years):	20
Annual Payment:	$ 113,458

		Benchmark	Applicant	Result	Notes on Data Used
Current Population (2024)	<=	10,000	155	Y	
Population 5 years ago (2020)			155		
Poulation 10 years ago (2015)					
Primary Factors					
P1 MHI (Place)	<=	$ 76,376	50,313	Y	
Margin of Error (MOE)	±		7,416		Block group
P2 MHV (Place)	<=	$ 431,520	176,000	Y	
Margin of Error (MOE)	±		104,942		Block group
P3 24 Month Unemployment (County)	>=	5.35%	3.15%	N	
or 10 Year % Chng. Jobs (County)	<=	0.00%	14.30%	N	
Jobs (2024)			5,955		
Jobs (2015)			5,210		
Priority Factor Count				2	
Secondary Factors					
S1 MHI (County)	<=	$ 76,376	53,508	Y	
Margin of Error (MOE)	±		8		
S2 10 Year % Chng. Population	<=	0.00%	N/A	N	
S3 Assessed Value / Housing Unit	<=	$ 24,337	$6,198	Y	
Assessed Value			384,295		
Total Housing Units			62		Used taps to estimate housing units

					If MHV CV > 18%, calculate result at top of band	Result
S4 Current Debt / Tap / MHV	>	0.21%	0.60%	Y		
W Current + Projected Debt/Tap/MHV	>	0.21%	15.56%	Y		
S4b 80th percentile		0.77%	15.56%	Y		
					If MHI CV > 18%, calculate result at top of band	**Result**
S5 System Full Cost / Tap / MHI	>	1.11%	1.92%	Y		
Projected Rate @ 110% Coverage	>	0.98%	6.08%	Y		
S5b 80th percentile		1.58%	6.08%	Y		
Secondary Factor Count				4		

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

Taps or EQR's	63
Total Debt	66,667
Principal & Interest	6,667
Operating Expenses (including operating transfers out)	60,736
Depreciation	0

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WPCRF & DWRF

			Benchmark	Applicant	Points	Notes on Data Used
	Eligiblity Criteria					
1	Population loss or growth is slower than the state's over 5 years	<=	0.73%	0.00%	1.0	2026 v. 2022
	Current Population (2026)			158		
	Poulation five years ago (2022)			158		
2a	10 Year % County Job Change	>=	0	14.30%	0.0	
2b	County 24 Month unemployment rate exceeds the state's plus 1%	>=	5.35%	3.15%	0.0	
3	Median Household Income	<=	$ 95,470	50,313	1.0	
		>=	$ 119,338		0.0	
4	Rates compared to MHI	>	0.76%	1.37%	1.0	
W	Monthly Residential Rate	>		57.57		
				Confirmed		
5	Project addresses removal of lead or emerging contaminants		Yes	No	0.0	
6	% Population that identifies as minority is greater than 40%	>	40.00%	40.36%	1.0	
7	% Population that are housing burdened is greater than 50%	>	50.00%	21.66%	0.0	
8	% Population under 200% Poverty Level is greater than 40%	>	40.00%	41.43%	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%	59.28%	1.0	
	% Population over 65 years old			17.85%		
10	Meets base program DAC criteria?			Yes	3.0	
	BIL Eligibility Points				9.0	

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Principal Forgiveness and Priority Point Scoring

Applicant: Bristol Water and Sanitation District
DWRF or WPCRF: DWRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 54.408%,

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $902,629

Base DWRF Principal Forgiveness Scoring

DWRF

Water Quality & Public Health + CPDWR Compliance:	65
DOLA Affordability Score:	115
Total Score	180

Eligible as a base program DAC? Yes

Eligible base program DWRF principal forgiveness percentage: 80%

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

Priority Point Scoring

Total WQCD Score:	75
DOLA Affordability Score:	115
Total Score:	190

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2026 IUP DWRF Priority Point Calculations

Entity Name:	Bristol Water and Sanitation District
Date of Scoring	8/10/2026
SRF Phase:	Loan app
DOLA Score:	115
DAC:	DAC

Benchmarks

$95,470 2020-2024 State MHI estimate

		Points		Entity Value	
P1	**MHI**			$50,313	53%
	<50% of state MHI	35			
	Between 51% and 80% of state MHI	20	x		
	Between 81% and 100% of state MHI	5			
	>100% state MHI	0			
S5a	**User Fees (current water rate at 110%/tap/MHI)**			1.92%	
	Rates are > 1.55%	45			
	Rates are between 1.11% and 1.55%	25			
	Rates are < 1.11%	0			
	OR				
S5a	**User Fees for a combined water & sewer fund**				
	Rates are > 2.70%	45			
	Rates are between 2.03% and 2.70%	25			
	Rates are < 2.03%	0	x		
S4a	**Current water debt per tap compared to MHV**			0.60%	
	Debt is > 0.63%	45			
	Debt is between 0.21% and 0.63%	25			
	Debt is < 0.21%	0			
	OR				
S4a	**Current water & sewer debt (for combined systems)**				
	Debt is > 1.26%	45			
	Debt is between 0.57% and 1.26%	25	x		
	Debt is < 0.57%	0			
	Population served			158	
	Less than 500	35	x		
	Between 500 and 1,000	25			
	Between 1,000 and 2,000	20			
	Between 2,000 and 5,000	15			
	Betweeen 5,000 and 10,000	5			
	>10,000	0			
S3	**Assessed Value/Household**			6,198	
	AV per household is < $12,722	35	x		
	AV per household is between $12,272 and $24,337	20			
	AV per household is between $24,337 and $46,151	10			
	AV per household is greater than $46,151	0			

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PreQual Date Score:	10/21/2025	Project Manager	ES Review Engineer	DOLA Representative
PNA Date Score:	3/10/2026	Siobhan Yoest	Steven Daniels	Monica Muñoz-Revelo
Project Name:	Bristol Water & Sanitation District			
SRF Project Number:	140291D-A			
ES PQ Project Number:	259727			
ES PNA Project Number:	259995			

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

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

Affordability	Possible Points	PQ Points Scored (leave blank if not scored)	PNA Points Scored	Comments		Responsible Party	Scoring criteria	Resources
Total Financial / Affordability Points scored by DOLA =		115	115			DOLA		

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

Total Additional Subsidy Points =	180	180			(Sum of Drinking Water Quality&Public Health + Affordability + CPDWR Compliance points)	
Points scored in highest priority drinking water & public health criteria sections? (Enter "Yes" only if points scored for addressing water borne disease outbreaks, Nitrate/Nitrite/TCR, or radionuclides - RED boxes)					**SRF Team**	

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

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• Seasonal rates.	**10**				**PQ/PNA**	**SRF Team**	If information not provided in PQ or PNA check with applicant	
• Uniform.	0	0	0		**PQ/PNA**	**SRF Team**	If information not provided in PQ or PNA check with applicant	
Project will implement water metering, leak detection and/or other water conservation and efficiency infrastructure applications at a minimum of 20% of total project costs.	**10**				**PQ/PNA**	**SRF Team**	If detailed information included at PQ, then score. If not enough information, score as 0 and score at PNA step.	
Sustainability Points	**Possible Points**	**PQ Points Scored (leave blank if not scored)**	**PNA Points Scored**	**Comments**		**Responsible Party**	**Scoring criteria**	**Resources**
Project seeks to:								
• Correct compliance issues, water quality problems, and/or water supply problems through physical consolidation and regionalization of water systems.	**10**	0	0		**PQ/PNA**	**Engineering Section**	Review proposed project to see if consolidation or regionalization is included. If so, score points. If information included at PQ, then score. If not enough information, score as 0 and score at PNA step.	n/a
• Correct and/or improve security of the water system.	**10**	0	0		**PQ/PNA**	**Engineering Section**	Security improvements must meet the requirements of Item 1.2.11 Security and Emergency Response Program of the Design Criteria. Review if submittal indicates both physical security design/improvements and a security and emergency response program will be created, then give the points. If information included at PQ, then score. If not enough information, score as 0 and score at PNA step.	Design Criteria
• Incorporate beneficial uses of water treatment plant sludge and/or alternative concentrate management options in an approved Beneficial Use Plan.2	**10**	0	0		**PQ/PNA**	**Engineering Section**	For improvements to an existing or a new sludge control process incorporated into the proposed project. Please reach out to HMWMD (either Michael Bankoff michael.bankoff@state.co.us or our Customer Technical Assistance line at 303-692-3320 or comments.hmwmd@state.co.us) to check with them before granting points. HMWMD can let you know if they are approved for beneficial use of the sludge/concentrate or give insight if the proposed project would be approved.	
2 The Hazardous Materials and Waste Management Division is the agency responsible for implementing the Regulations Pertaining to the Beneficial Use of Water Treatment Sludge and Fees applicable to the Beneficial Use of Sludges pursuant to 5CCR1003-7.								
Project promotes sustainable utilities and/or communities through a utility management plan that:								
• Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed.	**5**		0		**PNA**	**Engineering Section**	Presence/absence. As long as the 20-year cash flow plan has a capital improvements line or some type of replacement fund line then score points. If information included at PQ, then score. If not enough information, leave blank and score at PNA step.	n/a
• Provides sufficient revenues to meet O&M and capital needs.	**5**		5		**PNA**	**Engineering Section**	Presence/absence. If the 20-year cash flow plan has an O&M line then score points. If information included at PQ, then score. If not enough information, leave blank and score at PNA step.	n/a
• Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so.	**5**	5	5		**PQ/PNA**	**Engineering Section**	Check OnBase/Comp report to see any system's operator issues and that the current operator meets the certification levels. If project will not impact the operator certification level, give points. If the project will impact the op certification level, the system must either have an operator certified to the new level or have a plan to get a properly certified operator to get points.	SDWIS comp report, OnBase
• Incorporates a fix-it-first planning methodology.	**5**	**0**	**0**		**PQ/PNA**	**Engineering Section**	System submits documentation to demonstrate planning and have been following through on the plans. For example: have a master plan, asset management plan or capital improvement plan, O&M schedule for repairs. If documentation is provided then give points. If information included at PQ, then score. If not enough information, leave blank and score at PNA step.	n/a
Readiness to Proceed Points	**Possible Points**	**PQ Points Scored (leave blank if not scored)**	**PNA Points Scored**	**Comments**		**Responsible Party**	**Scoring criteria**	**Resources**
Project has secured one or more of the following:								
• Plans and specifications approved.	**10**	**0**	**0**		**PQ/PNA**	**Engineering Section**	Give points if system has approval letter for the project as described in the PQ/IUP application or that covers the majority of the proposed project (roughly 80%).	PWS Search/ RAW Database
Project has funding secured by multiple assistance providers.	**10**	**0**	**0**		**PQ/PNA**	**SRF Team**	Give points if applicant can document an award or a commitment from another funding agency for the same project being funded by SRF.	
	Total Points Score	**185**	**190**					
Yes								
No								

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-39

A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO BRISTOL WATER AND SANITATION DISTRICT AND EXECUTION OF A LOAN AGREEMENT AND OTHER DOCUMENTS NECESSARY THEREFOR

WHEREAS, the Colorado Water Resources and Power Development Authority (the "Authority") has received and reviewed an Application for a Infrastructure Investments Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") and IIJA/BIL General Supplemental Principal Forgiveness ("PF") direct loan from the Drinking Water Revolving Fund from the Bristol Water and Sanitation District (the "Applicant"); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

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

1. That the proposed direct loan to the Bristol Water and Sanitation District in an amount not to exceed $1,659,000 (comprised of *$902,629 in IIJA/BIL General Supplemental PF and *$756,371 in IIJA/BIL General Supplemental direct loan) is approved subject to the terms and conditions set forth on the attached Exhibit A**;

2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;

3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

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CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-39 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Durango, Colorado on October 2nd, 2026.

_____

Chair

_____

Secretary

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EXHIBIT A

Borrower:	Bristol Water and Sanitation District
Project:	This project is to address combined radium for which the District was issued an enforcement order for exceeding the maximum contaminant level (MCL) in their potable water supply. The project consists of installing a new Water Treatment Plant, Hydrous Manganese Dioxide (HMO) equipment, constructing evaporative tanks for the waste stream, and complete site work.
Pledge:	Water and Sewer Revenue
Loan Term:	30 Years
Interest Rate:	1.75%
Amount not to exceed:	$1,659,000 (comprised of *$902,629 in IIJA/BIL General Supplemental PF and *$756,371 in IIJA/BIL General Supplemental direct loan)

Subject to the following terms & conditions:

1. The District increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution.

2. The District coming into compliance with its outstanding DWRF loans with the Authority prior to loan execution.

3. Prepayment Charge - A $15,000 prepayment charge will be applied on any full principal prepayment of the loan. All interest paid through the date of full principal prepayment will be credited against this charge.

* - Estimated PF and direct loan amounts through the IIJA/BIL and/or Base programs. The exact amount will be based on the IIJA/BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

** - The terms and monetary amounts set forth in Part 1 hereto under the IIJA/BIL General Supplemental and/or base direct loan and the IIJA/BIL General Supplemental and/or base PF loan are premised upon the Authority's understanding of and expectations for the resources available to it from the base federal Capitalization Grants and the IIJA/BIL. These amounts, and the allocation of funds available to the Project from each source, are subject to change, amendment, and/or recission depending upon the policies, procedures, and budgetary adjustments adopted by the federal administration. If such changes in policies and procedures or budgetary adjustments are adopted by the federal administration, the Authority reserves the right to review and adjust the terms and monetary amounts set forth herein in a subsequent action. Further, the loan agreement authorized by this resolution is subject to non-execution, cancellation, delay, rescission, or alteration depending upon the terms and conditions, quantities, or availability of federal funds

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provided under existing or future Capitalization Grants. In addition, funding for this and other approved projects may be re-evaluated under the priority scoring system implemented by the Board for all projects based on changes in the availability of anticipated funds. This re-evaluation may result in the funding of some but not all previously-authorized projects, including the project for which the execution of a loan agreement has been authorized by this resolution. The loan agreement authorized by this resolution shall include a term by which Applicant shall hold the Authority harmless for any costs or damages resulting from a change in federal policies, procedures, or funding that results in the requirement that the Authority cancel, delay, rescind, or alter its terms.

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DWRF LOAN CREDIT REPORT (2026)

Town of Saguache ("The Town"), Saguache County

Recommendation:	**APPROVAL**
Loan Request:	$2,500,000
Interest Rate & Term:	2.75% & 30 years
Annual Debt Service:	$56,043
Pledge:	Water and Sewer System Revenue
Current Rate:	$50.00 (W), $38.00 (S)
Estimated Rate Increase:	$0.00

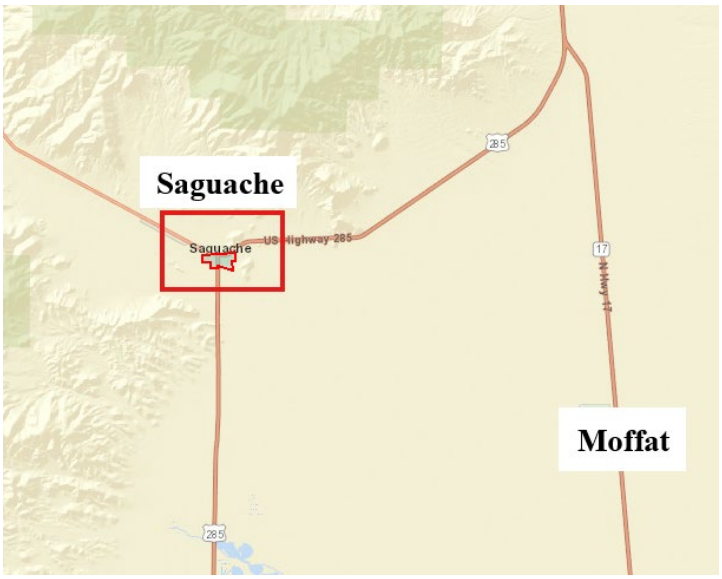
Project Budget

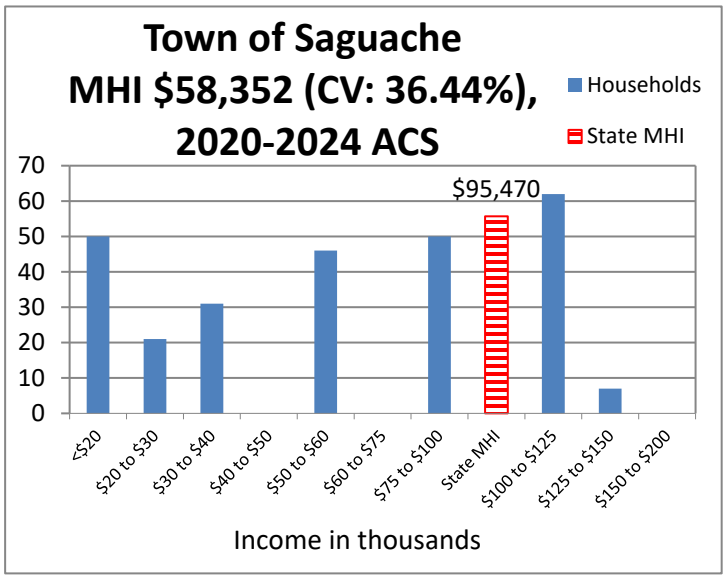
DWRF IIJA/BIL Loan:	$1,139,800
DWRF IIJA/BIL Principal Forgiveness:	$1,360,200
2025 D&E Grant:	$160,000
2025 DOLA EIAF:	$600,000
Total:	$3,260,000

PROJECT DESCRIPTION: The project consists of the construction of a new water storage tank, rehabilitation of an existing water storage tank, and distribution system improvements.

COMMUNITY PROFILE: Town of Saguache	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
Town Population	530	533	530	527	522			-0.38%
Saguache County Population	6,391	6,509	6,623	6,683	6,682			1.12%
Saguache County Jobs	2,669	2,800	2,775	2,982	3,153			4.25%
Number of Water Taps			441	441	441	441	473	1.77%
Number of Sewer Taps			431	431	431	431	463	1.81%
Assessed Value ($000)			3,178	3,100	3,399	3,391	5,159	12.88%
Actual Value ($000)			30,391	30,377	32,162	31,667	59,157	18.12%

BORROWER BRIEF: The Town is located in the south-central region of the State, at the northern gateway to the San Luis Valley. It is positioned at the intersection of U.S. Route 285 and Colorado State Highway 114. As the county seat of Saguache, the Town lies approximately 14 miles west-northwest of Moffat and 53 miles north of Alamosa.





RECOMMENDATION: The Town serves a small, rural/agricultural community in the San Luis Valley. This proposed loan is necessary to begin the initial phase of replacing the Town's water system, starting with a new tank and upgraded valves to enable safer maintenance, prevent acute system failures, and streamline future improvements. Although the Town's debt burden is high for its size (per capita and per tap), it has proactively raised rates over the past decade in preparation for this project and will continue these adjustments as needed to cover expenses and debt service. The system is financially positioned to take on the proposed debt without requiring further rate increases to meet loan covenants. We therefore recommend the DWRF Committee approve a $1,139,800 IIJA/BIL disadvantaged communities' direct loan and $1,360,200 in IIJA/BIL principal forgiveness to the Town of Saguache.

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PROJECT SUMMARY:

System summary: The Town's water system was constructed between 1966 and 1969, with much of the original infrastructure still in use today. The system is composed of two potable water wells and pump houses with chlorination disinfection systems. Treated water is metered and pumped to a 100,000-gallon steel water storage tank. The tank is in need of recoating both inside and outside. Water exits the tank through an 8" ductile iron transmission main and is then distributed through 36,000 lineal feet of water distribution pipe, mostly made up of 6" and 4" asbestos cement pipe, some vitrified clay pipe, and some PVC pipe. The distribution system includes 84 system control valves and 64 fire hydrants. The Town does not have customer water meters.

Reason/need: The Town intends to complete an entire water system replacement in phases. With only one water tank, an acute situation would occur if this tank went offline for any reason. This would cause low pressure throughout the entire system, and because of the lack of isolation valves, the whole distribution system would need to be purged and disinfected following the event. Once completed and put into service, the new water tank for this phase will enable rehabilitation of the existing tank. Many of the distribution system gate valves function poorly and some have completely failed. New valves are needed to properly isolate segments of the distribution system for routine maintenance and emergency repairs. This phase is intended to replace valves, hydrants and specific sections of failing distribution system piping that are experiencing excessive leakage.

System Compliance: The Town 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: 13.6% of the total project cost is included as contingency.

CURRENT INDICATORS:	2023	2024	2025		Weak		Average		Strong
Total Debt per Capita ($):	3,029	2,935	2,813	X	>$2,000		$1,000 - 2,000		<$1,000
Total + New Debt/Capita ($):			4,997	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Tap ($):	3,619	3,475	3,330		>$5,000	X	$2,500 - 5,000		<$2,500
Total Debt + New Debt/Tap ($):			5,914	X	>$5,000		$2,500 - 5,000		<$2,500
Current W&S Debt/Tap ($):	3,619	3,475	3,330	X	>$2,000		$1,000 - 2,000		<$1,000
Current W&S + New W&S Debt/Tap ($):			5,914	X	>2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	51%	45%	43%		>50%	X	25-50%		<25%
Total Debt + New W&S Debt/Assessed Value:			77%	X	>50%		25-50%		<25%
Total Debt/Actual Value:	5.25%	4.76%	4.64%		>10%		5-10%	X	<5%
Total Debt + New W&S Debt/Actual Value:			8.24%		>10%	X	5-10%		<5%
Curr. W&S Debt + New Debt/Tap/MHI:			10%		>20%	X	10-20%		<10%
W&S Fund Current Ratio (CA/CL):	757%	811%	801%		<100%		100-200%	X	>200%
W&S Fund Reserves/Current Expense:	138%	142%	143%		<50%		50-100%	X	>100%
W&S Operating Ratio (OR/OE):	134%	125%	119%		<100%	X	100-120%		>120%
Coverage Ratio (TR-OE)/DS:	135%	124%	178%		<110%		110-125%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	135%	124%	91%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan:			95%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan Excluding Tap Fees:			49%	X	<110%		110-125%		>125%
Current Annual Water Rates/MHI:			0.86%		>3.0%		1.5-3.0%	X	<1.5%
Current Water Rates + New W&S Debt Service/MHI:			1.08%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			175%		<25%		25-50%	X	>50%
			Total:	**9**		**5**		**7**	

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, seven are rated strong, five are average, and nine are considered weak. Overall, the indicators illustrate a system with a moderately elevated debt burden relative to the size of the community, but the system demonstrates strong cash flow, liquidity, affordability, and debt service capacity. The weak and average indicators show that the proposed debt will represent a significant proportional increase in the Town's debt load relative to its per capita, tap count, and assessed values.

- The operating ratio stands at an average 119%. Although the system has consistently generated enough revenue to cover operating expenses, this trend has weakened over the years examined. The primary driver of this decline is rising payroll costs, which have significantly contributed to higher overall operating expenses.
- The Town had an operations and maintenance reserve of 175% based on 2025 financials. This strong reserve ensures the Town can manage unexpected repair and maintenance costs without financial strain and continue meeting projected debt payments.

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- The Town's utility rates remain highly affordable compared to median household income, with the ratio currently at just 0.86%. Even after accounting for debt service, the ratio rises to only 1.08%, which is well below the strong affordability threshold. This indicates that rates remain manageable for the Town's households.
- Based on 2025 financial information, coverage with the proposed loan is 95% with tap fee revenue, and 49% without. When considering tap fees, an additional revenue of approximately $18,042, or $3.18 per tap per month, would increase the coverage ratio to the required 110%. Without tap fees, meeting the same coverage ratio would require additional $73,542 in annual revenue, or $12.96 per tap per month.
- The Town enacted a $8 rate increase for 2026. When accounting for this rate increase, the Town would require no additional rate increases to cover the proposed debt when considering tap fees. Without tap fees, the estimated per tap per month rate increase decreases to $4.96.
- The Town qualifies for $1,360,200 in IIJA/BIL principal forgiveness. Without principal forgiveness, the coverage ratio drops to 61% with tap fees and 31% without. With tap fees, additional revenue of approximately $91,610, or $16.14 per tap per month, would increase the coverage ratio to 110%. Without tap fees, meeting the same coverage ratio would require an additional $147,110, or $25.92 per tap per month.
- Without principal forgiveness, but accounting for the implemented $8 rate increase, the estimated rate increase with tap fees decreases to $8.14. Without tap fees, the estimated rate increase decreases to $17.92.

Additional Project Financing:
The Town submitted an Energy Impact Mineral Assistance (EIAF) grant application for $600,000, which was awarded in 2025. The Town is also using Design and Engineering (D&E) grant funds, $160,000, awarded in 2025, for this project.

DESCRIPTION OF THE LOAN:
An estimated $1,139,800 loan with a thirty-year term with two payments annually at an interest rate of 2.75% will cost the Town approximately $56,043 in debt service annually. The Town also qualifies for $1,360,200 in IIJA/BIL principal forgiveness.

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

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

	Benchmark		Borrower	Met?
P1: MHI	$76,376	>=	$58,352	Y
P2: MHV	$431,520	>=	$122,956	Y
P3: County Unemployment	5.35%	<=	3.96%	N
County Job Change	0.00%	>=	25.30%	N
S1: County MHI	$76,376	>=	$212,600	N
S2: Ten Year % Change in Population	0.00%	>=	-5.61%	Y
S3: Assessed Value per Housing unit	$24,337	>=	$9,575	Y
S4b: Curr. and Proj. System Debt	0.57%	<	7.32%	Y
S4b: 80th Percentile	1.57%	<	7.32%	Y
S5b: Proj. System Cost Per Tap to MHI	1.84%	<	2.13%	Y
S5b: 80th Percentile	2.67%	<	2.13%	N

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

Due to its projected rates to MHI and MHV exceeding the 80th percentile, the Town qualifies as a Category 1 DAC, and will receive a 2.75% interest rate.

IIJA/BIL Principal Forgiveness Eligibility:
In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The Town scores 7 points as shown below.

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IIJA/BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.73%	>	-0.38%	1
2a: County Job Change	0.00%	>	25.30%	
2b: County Unemployment	5.35%	<	3.96%	0
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	$95,470 $119,338	> <	$58,352	1
4: Rates to MHI	1.32%	<	1.03%	0
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	64.94%	1
7: % Households Housing Burdened	50.00%	<	29.96%	0
8: % Population under 200% Poverty Level	40.00%	<	41.17%	1
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	53.09%	0
10: Meets DAC criteria	Yes		Yes	3
			Total Points Scored:	7

The Town qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 54.408%, the Town qualifies for approximately $1,360,200 in principal forgiveness, leaving an estimated loan of $1,139,800.

ECONOMIC ANALYSIS: The Town has a 2024 population estimated at 522 and has declined at an average annual rate of 0.38% since 2020. Saguache County has experienced an increase of 1.12% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

The region's economy is dominated by agriculture, forestry, fishing, and hunting. Additional base industries include health care and social assistance; local government; retail trade; and accommodation and food services. The area's largest employers consist of Saguache County, with 100 employees; Mountain Valley School, with 30 employees; Mountain Valley Lumber, with 20 employees; Oasis Restaurant, with 7 employees; and Alta Convenience, with 6 employees.

The Town does have various customers who account for more than 3% of the system's total revenue. These are: North West Range View, with 7.9% of the system's total revenue; Saguache County, with 4.2%; Puerto Del Norte, with 4%; Mountain Valley School, with 3.5%; and John Baxter Lumber, with 3.4%;

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

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

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

Organizational Structure

The Town is a statutory town governed by a six-member board of trustees and was incorporated in 1891. 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 utility. The water utility is overseen by the certified water operator and public works director, who reports to the 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 (CIRSA).
- There are currently no pending lawsuits against the Town.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

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

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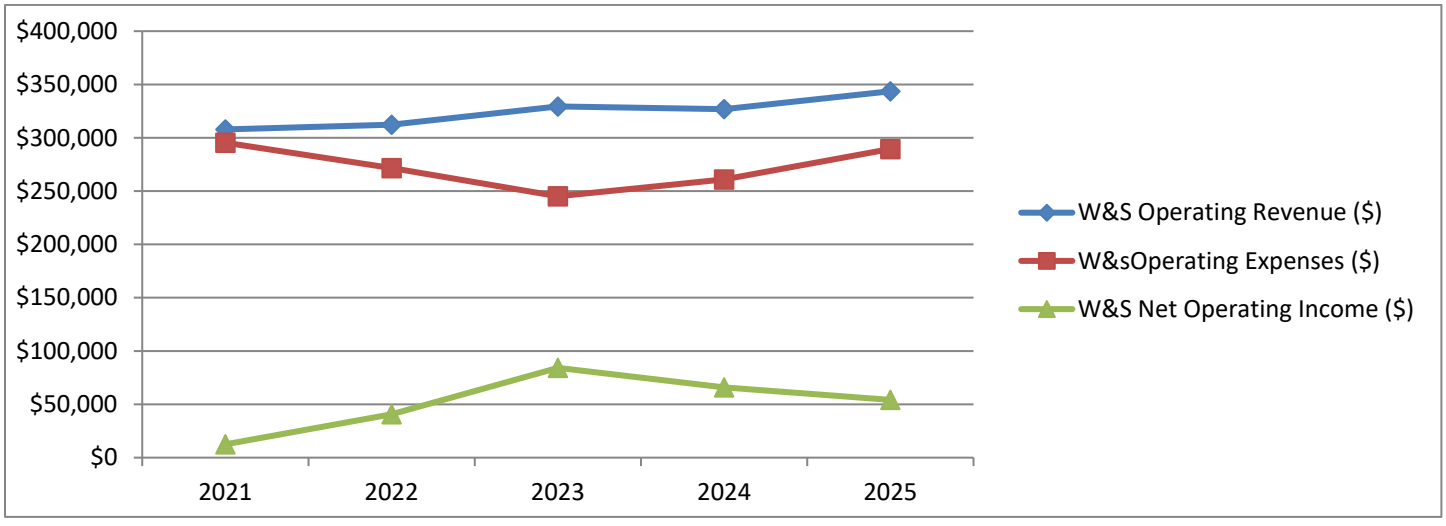
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Capital Improvement Plan
As part of the application process, the Town submitted a capital improvement schedule through 2042, which anticipates capital outlay of $10,435,200 for the following water rehabilitation system phases related to this project, to be funded from grants, loans, and reserves.

REVENUE ANALYSIS:
Operating revenues consistently cover operating expenses. In preparation for this project, the Town started implementing rate increases in 2017, which have amounted to an overall rate increase of $20 in the last 10-years, or $14 in the five years examined. When implementing these, the Town considered the potential impact on the community given the project cost and the rising cost of operating the enterprise and determined that increasing rates gradually would better protect ratepayers. The Town plans to implement further rate increases to ensure compliance with loan covenants and to prepare for additional capital improvement projects (i.e., additional phases for this project). Planning for further rate increases will begin in November 2026 and is expected to be implemented in 2027. The Town has historically transferred funds from the enterprise fund to the general fund to cover payroll expenses. The transfer out of the fund has increased in the last 5 years examined, which has increased the enterprise's expenses. Payroll increases reflect higher employee salaries due to cost-of-living increases and other related employment costs (e.g., health insurance). Tap fees increased significantly in 2025, which increased the enterprises' overall revenue, due to the construction project of 32 residential housing units.

TRENDS	2021	2022	2023	2024	2025	2026
Monthly Water Rate ($)	36.00	36.00	39.00	39.00	42.00	50.00
Monthly Sewer Rate ($)	36.00	36.00	37.00	37.00	38.00	38.00
Residential Water Tap Fee ($)	1,500	1,500	1,500	1,500	1,500	1,500
Residential Sewer Tap Fee ($)	1,500	1,500	1,500	1,500	1,500	1,500
Total W&S Revenue ($)	320,727	314,733	331,530	340,334	403,270	
Tap/Development Fees ($)	3,000	0	0	0	55,500	
W&S Operating Revenue ($)	307,846	312,284	329,346	326,917	343,617	
W&S Operating Expenses ($)	295,368	271,557	245,143	260,967	289,433	
W&S Net Operating Income ($)	12,478	40,727	84,203	65,950	54,184	
Total Debt ($)	1,723,869	1,660,022	1,596,175	1,532,328	1,468,481	
W&S Debt Service ($)	63,847	63,847	63,847	63,847	63,847	
W&S Debt Service/Tap/Month ($)	12.06	12.06	12.06	12.06	12.06	
W&S Fund Reserves ($)	451,804	394,640	427,380	462,700	506,216	

Ratios	2021	2022	2023	2024	2025	Average
Operating Revenue as % of Total Revenue	96%	99%	99%	96%	85%	95%
Operating Revenue as % of Expenses	104%	115%	134%	125%	119%	120%
Tap Fee Revenue as % of Total Revenue	1%	0%	0%	0%	14%	3%



Recent Rate Increases
The Town's most recent rate increase of $8.00 was implemented in 2026.

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User Charges
The Town's current monthly water rate is $50 compared to the 2024 estimated state median of $60.61. Currently, in-Town users pay a flat fee since water service is not metered. However, the Town intends to install meters in the future, which will allow for a usage-based rate structure informed by actual water consumption data and usage. Both commercial and residential in-Town users pay the same flat fee. The Town currently has 8 out-of-Town users who are metered. These users pay a $100 flat rate for a minimum consumption of 10,000 gallons, plus a $10 per 1,000 volume charge for consumption exceeding the minimum.

The Town's current monthly sewer rate is $38 compared to the state median of $44.65. Both commercial and residential in-Town users pay the same flat fee. The Town currently has 2 out-of-Town users who pay a flat fee of $76.

The only users who pay a different rate structure are restaurants and gas stations, who pay twice the regular in-Town water and sewer rate.

Contributed Capital
Revenue from tap fees has ranged from $0 to $3,000 and has averaged 0.19% of total water revenue during the last five years. The Town's most recent water tap fee rate increase occurred in 2017.

- Residential water and sewer tap fees are $1,500.
- Commercial water and sewer tap fees are calculated by multiplying the residential rate by a specified number or portion of the residential rate. For example, an apartment building would pay for one tap ($1,500) plus one-half ($750) of the tap fee for each additional unit.

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

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾"	$50/$1,500	$38/$1,500
¾"	$50/$1,500	$38/$1,500

DEBT as of December 31, 2024

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2018	CWRPDA	2048	Water and Sewer System Revenue	$1,468,481	0%	$63,847

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

The Town has met the Loan Covenants on its WPCRF direct loan dated 2018 with the Authority. The Town has also had no debt service payment issues.

Project #142411D-Q
Cost Categories:

- Water Storage: 17.8%
- Distribution System: 82.2%

Prepared by: Monica Munoz-Revelo
Date: September 8, 2026

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September 8, 2026 DWRF Credit Report Town of Saguache, Saguache County, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2024	522
Number of Water Taps/Customers - 2025	441
Total Assessed Valuation - 2025	$3,391,000
Actual Value of All Real Property - 2025	$31,667,000
Median Household Income (MHI) - 2024	$58,352
Monthly Water Rate - 2025	$42.00
Water Operating Revenue - 2025	$343,617
Water Total Revenue - 2025 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	$403,270
Water Tap and System Development Fee Revenue - 2025	$55,500
Water Operating Expense - 2025	$289,433
Water Current Expense - 2025	$353,280
Water Debt - 2025	$1,468,481
Total Debt - 2025	$1,468,481
Water Fund Reserves - 2025	$506,216
Water Debt Service - 2025	$63,847
New Water Debt [Requested DWRF loan amount.]	$1,139,800
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	2.75%
New Loan's Annual Water Debt Service (two payments annually)	$56,043

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Current Indicators (2025)
Town of Saguache
(Water)

1	Total Debt	$1,468,481	÷	Population	522	=	$2,813
	New Debt	$1,139,800	÷	Population	522	=	$2,184
	Total Debt + New Debt	$2,608,281	÷	Population	522	=	$4,997
2	Total Debt	$1,468,481	÷	Number of Taps	441	=	$3,330
	New Debt	$1,139,800	÷	Number of Taps	441	=	$2,585
	Total Debt + New Debt	$2,608,281	÷	Number of Taps	441	=	$5,914
3	Total Debt	$1,468,481	÷	Assessed Value	$3,391,000	=	43%
	New Debt	$1,139,800	÷	Assessed Value	$3,391,000	=	34%
	Total Debt + New Debt	$2,608,281	÷	Assessed Value	$3,391,000	=	77%
4	Total Debt	$1,468,481	÷	Actual Value	$31,667,000	=	4.64%
	New Debt	$1,139,800	÷	Actual Value	$31,667,000	=	3.60%
	Total Debt + New Debt	$2,608,281	÷	Actual Value	$31,667,000	=	8.24%
5	Current Water Debt	$1,468,481	÷	Number of Taps	441	=	$3,330
	(Current Water Debt + New Water Debt) / Number of Taps	$5,914	÷	MHI	$58,352	=	10%
6	Current Ratio (CA / CL)						
	Current Assets	$578,465	÷	Current Liabilities	$72,249	=	801%
7	Reserve/Expense Ratio						
	Reserves	$506,216	÷	Current Expenses	$353,280	=	143%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$343,617	÷	Operating Expenses	$289,433	=	119%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$403,270	-				
	Minus Operating Expenses	$289,433					
	=	$113,837	÷	Current Debt Service	$63,847	=	178%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$113,837					
	Minus Tap and Development Fee Revenu	$55,500					
	=	$58,337	÷	Current Debt Service	$63,847	=	91%
11	Projected Coverage Ratio						
	Total Revenues	$403,270					
	Minus Operating Expenses	$289,433					
	=	$113,837		Total Debt Service (with new loan)	$119,890	=	95%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$113,837					
	Minus Tap and Development Fee Revenu	$55,500					
	=	$58,337	÷	Total Debt Service (with new loan)	$119,890	=	49%
13	Current Debt Service	$63,847	÷	Number of Taps	441	=	$144.78
	Annual New Water Debt Service	$56,043	÷	Number of Taps	441	=	$127.08
14	2025 Annual Water Rate (Monthly Rate x 12)	$504.00	÷	MHI	$58,352	=	0.86%
	2025 Annual Water Rate + New Annual Debt Service Per Tap	$631.08	÷	MHI	$58,352	=	1.08%
15	Current 2025 Monthly User Charge						$42.00
	(Debt Service on DWRF Loan / 2025 Taps / Month)						$10.59
	Total						$52.59
16	Operation and Maintenance Reserve						
	Reserves	$506,216	÷	Operating Expenses	$289,433	=	175%

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2026 SRF Disadvantaged Community Criteria

Applicant: Town of Saguache

Loan Terms

Amount of Loan:	$ 2,500,000
Interest Rate:	3.25%
Term (years):	20
Annual Payment:	$ 170,974

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 (2024)	<=	10,000	522	Y	
Population 5 years ago (2020)			530		
Poulation 10 years ago (2015)			553		
Primary Factors					
P1 MHI (Place)	<=	$ 76,376	58,352	Y	
Margin of Error (MOE)	±		34,975		
P2 MHV (Place)	<=	$ 431,520	122,956	Y	
Margin of Error (MOE)	±				Assessor MHV Data
P3 24 Month Unemployment (County)	>=	5.35%	3.96%	N	
or 10 Year % Chng. Jobs (County)	<=	0.00%	25.30%	N	
Jobs (2024)			2,813		
Jobs (2015)			2,245		
Priority Factor Count				2	
Secondary Factors					
S1 MHI (County)	<=	$ 76,376	212,600	N	
Margin of Error (MOE)	±		28,188		
S2 10 Year % Chng. Population	<=	0.00%	-5.61%	Y	
S3 Assessed Value / Housing Unit	<=	$ 24,337	$9,575	Y	
Assessed Value			3,399,187		
Total Housing Units			355		

					If MHV CV > 18%, calculate result at top of band	Result
S4 Current Debt / Tap / MHV	>	0.57%	2.71%	Y		
WS Current + Projected Debt/Tap/MHV	>	0.57%	7.32%	Y		
S4b 80th percentile		1.57%	7.32%	Y		
					If MHI CV > 18%, calculate result at top of band	**Result**
S5 System Full Cost / Tap / MHI	>	2.03%	1.44%	N		
Projected Rate @ 110% Coverage	>	1.84%	2.13%	Y		
S5b 80th percentile		2.67%	2.13%	N		
Secondary Factor Count				3		

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

Taps or EQR's	441
Total Debt	1,468,481
Principal & Interest	63,847
Operating Expenses (including operating transfers out)	289,433
Depreciation	82,188

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WPCRF & DWRF

			Benchmark	Applicant	Points	Notes on Data Used
	Eligiblity Criteria					
1	Population loss or growth is slower than the state's over 5 years	<=	0.73%	-0.38%	1.0	
	Current Population (2024)			522		
	Poulation five years ago (2020)			530		
2a	10 Year % County Job Change	>=	0	25.30%	0.0	
2b	County 24 Month unemployment rate exceeds the state's plus 1%	>=	5.35%	3.96%	0.0	
3	Median Household Income	<=	$ 95,470	58,352	1.0	
		>=	$ 119,338		0.0	
4	Rates compared to MHI	>	1.32%	1.03%	0.0	
WS	Monthly Residential Rate	>		50.00		
				Confirmed		
5	Project addresses removal of lead or emerging contaminants		Yes	No	0.0	
6	% Population that identifies as minority is greater than 40%	>	40.00%	64.94%	1.0	
7	% Population that are housing burdened is greater than 50%	>	50.00%	29.96%	0.0	
8	% Population under 200% Poverty Level is greater than 40%	>	40.00%	41.17%	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%	53.09%	0.0	
	% Population over 65 years old			11.92%		
10	Meets base program DAC criteria?			Yes	3.0	
	BIL Eligibility Points				7.0	

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Principal Forgiveness and Priority Point Scoring

Applicant: Town of Saguache
DWRF or WPCRF: DWRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 54.408%

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $1,360,200

Base DWRF Principal Forgiveness Scoring

DWRF

Water Quality & Public Health + CPDWR Compliance:	60
DOLA Affordability Score:	125
Total Score	185

Eligible as a base program DAC? Yes

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

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

Priority Point Scoring

Total WQCD Score:	105
DOLA Affordability Score:	125
Total Score:	230

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2026 IUP DWRF Priority Point Calculations

Entity Name:	Town of Saguache
Date of Scoring	8/10/2026
SRF Phase:	Loan app
DOLA Score:	125
DAC:	DAC

Benchmarks

$95,470 2020-2024 State MHI estimate

		Points		Entity Value	
P1	**MHI**			$58,352	61%
	<50% of state MHI	35			
	Between 51% and 80% of state MHI	20	x		
	Between 81% and 100% of state MHI	5			
	>100% state MHI	0			
S5a	**User Fees (current water rate at 110%/tap/MHI)**			1.44%	
	Rates are > 1.55%	45			
	Rates are between 1.11% and 1.55%	25			
	Rates are < 1.11%	0			
	OR				
S5a	**User Fees for a combined water & sewer fund**				
	Rates are > 2.70%	45			
	Rates are between 2.03% and 2.70%	25			
	Rates are < 2.03%	0	x		
S4a	**Current water debt per tap compared to MHV**			2.71%	
	Debt is > 0.63%	45			
	Debt is between 0.21% and 0.63%	25			
	Debt is < 0.21%	0			
	OR				
S4a	**Current water & sewer debt (for combined systems)**				
	Debt is > 1.26%	45	x		
	Debt is between 0.57% and 1.26%	25			
	Debt is < 0.57%	0			
	Population served			522	
	Less than 500	35			
	Between 500 and 1,000	25	x		
	Between 1,000 and 2,000	20			
	Between 2,000 and 5,000	15			
	Betweeen 5,000 and 10,000	5			
	>10,000	0			
S3	**Assessed Value/Household**			9,575	
	AV per household is < $12,722	35	x		
	AV per household is between $12,272 and $24,337	20			
	AV per household is between $24,337 and $46,151	10			
	AV per household is greater than $46,151	0			

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PreQual Date Score:	8/29/2024	Project Manager	ES Review Engineer					
PNA Date Score:	6/24/2025	Erick Worker	Juan Guzman - CDPHE <juan.guzman@state.co.us>					
Project Name:	Town of Saguache, Water System Rehabiliation							
SRF Project Number:	142411D-Q							
ES Prequal Project Number:	ES.24.SRF.08819							
ES PNA Project Number	ES.25.SRF.09468							

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

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

Affordability	Possible Points	PQ Points Scored (leave blank if not	PNA Points Scored	Comments	Responsible Party	Scoring criteria	Resources
Total Financial / Affordability Points scored by DOLA =		185	125		**DOLA**		

CPDWR Compliance Points	Possible Points	PQ Points Scored (leave blank if not	PNA Points Scored	Comments	Responsible Party	Scoring criteria	Resources
(Points are not additive. Can score points only in one category)							
Project addresses an enforcement action by a regulatory agency and the facility is currently in violation of CPDWRs.	**30**	0	0		**PQ/PNA**	**Engineering Section**	Check OnBase and/or comp report to see if system has an enforcement order. Give points if an EO has been issued that the proposed project will address or partially address.	SDWIS comp report, OnBase
Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of a consent order, notice of violation or other enforcement action.	**20**	0	20		**PQ/PNA**	**Engineering Section**	Check OnBase see if system has been issued an enforcement order warning letter. If not, check comp report to see if vios related to the project. Give points if a warning letter has been issues or if there is other correspondence from CAS. Give points to systems reclassified to GWUDI that are under the 18 month clock. Project to bring inactive source with MCL violations online, projects that resolve sanitary survey violations, required OCCT under the LCR, etc.	SDWIS comp report, OnBase
Project is designed to maintain CPDWR compliance, meet new requirements, or address contaminants included in the priority list submitted by the Division to the Commission for which standards may be considered.	**15**	0	0		**PQ/PNA**	**Engineering Section**	Verify contaminate or treatment tech is listed in either Reg 11 or the WQCD report to the WQCC. If so, give points. For new requirements, review situation to see if appropriate. Some possible situations include: TNC reclassified to NTNC/CWS and associated treatment, upgrade SCADA system for cybersecurity, Mn removal to prevent PN.	Regulation 11 and/or check the priority contaminated in the WQCD annual report
System is currently meeting all CPDWRs.	**10**	10	10		**PQ/PNA**	**Engineering Section**	system has any outstanding violations. Give	SDWIS comp report,
Total CPDWR Compliance		10	30					

Total Additional Subsidy Points =		215	185			(Sum of Drinking Water Quality&Public Health + Affordability + CPDWR Compliance points)		
Points scored in highest priority drinking water & public health criteria sections? (Enter "Yes" only if points scored for addressing water borne disease outbreaks, Nitrate/Nitrite/TCR, or radionuclides - RED boxes)						**SRF Team**		

Source Protection and Conservation	Possible Points	PQ Points Scored (leave blank if not	PNA Points Scored	Comments	When to Score	Responsible Party	Scoring criteria	Resources
~~Project addresses vulnerability to potential pollution by conditions identified in source water assessments~~	**15**	0	0		**PQ/PNA**	**Engineering Section**	implemented SWAP (see folder link). If they	I:\SWAP-Protection
~~Project establishes a protective zone to address potential pollution as a result of wildfires in burn scar areas~~	**10**	0	0		**PQ/PNA**	**Engineering Section**	addresses potential pollution as a result of	WFDSS tracking
Utility rate structure currently in place (points for rate structure are not additive, score points only in one category):								
• Increasing block rates.	**15**	15	15		**PQ/PNA**	**SRF Team**	check with applicant	
• Seasonal rates.	**10**	0	0		**PQ/PNA**	**SRF Team**	check with applicant	
• Uniform.	0	0	0		**PQ/PNA**	**SRF Team**	check with applicant	
~~Project will implement water metering, leak detection and/or other water conservation and efficiency infrastructure applications at a minimum of~~	**10**			Meters included in ecopy pond project cost	**PQ/PNA**	**SRF Team**	score. If not enough information, score as 0	

Sustainability Points	Possible Points	PQ Points Scored (leave blank if not	PNA Points Scored	Comments	When to Score	Responsible Party	Scoring criteria	Resources
Project seeks to:								
~~• Correct compliance issues, water quality problems, and/or water supply problems through physical consolidation and regionalization of water~~	**10**	0	0		**PQ/PNA**	**Engineering Section**	consolidation or regionalization is included. If	n/a
• Correct and/or improve security of the water system.	**10**	0	10		**PQ/PNA**	**Engineering Section**	requirements of Item 1.2.11 Security and	Design Criteria
~~• Incorporate beneficial uses of water treatment plant sludge and/or alternative concentrate management options in an approved Beneficial Use~~	**10**	0	0		**PQ/PNA**	**Engineering Section**	sludge control process incorporated into the	
2 The Hazardous Materials and Waste Management Division is the agency responsible for implementing the Regulations Pertaining to the Beneficial Use of Water Treatment Sludge and Fees applicable to the Beneficial Use of Sludges pursuant to 5CCR1003-7.								
Project promotes sustainable utilities and/or communities through a utility management plan that:								
• Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed.	**5**	0	0		**PNA**	**Engineering Section**	Presence/absence. As long as the 20-year cash flow plan has a capital improvements line or some type of replacement fund line then score points. If information included at PQ, then score. If not enough information, leave blank and score at PNA step.	n/a

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• Provides sufficient revenues to meet O&M and capital needs.	5	0	0		PNA	Engineering Section	Presence/absence. If the 20-year cash flow plan has an O&M line then score points. If information included at PQ, then score. If not enough information, leave blank and score at PNA step.	n/a
• Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so.	5	5	5		PQ/PNA	Engineering Section	Check OnBase/Comp report to see any system's operator issues and that the current operator meets the certification levels. If project will not impact the operator certification level, give points. If the project will impact the op certification level, the system must either have an operator certified to the new level or have a plan to get a properly certified operator to get points.	SDWIS comp report, OnBase
• Incorporates a fix-it-first planning methodology.	5	5	5		PQ/PNA	Engineering Section	demonstrate planning and have been	n/a
Readiness to Proceed Points	**Possible Points**	**PQ Points Scored (leave blank if not**	**PNA Points Scored**	**Comments**		**Responsible Party**	**Scoring criteria**	**Resources**
Project has secured one or more of the following:								
• Plans and specifications approved.	10	0	0		PQ/PNA	Engineering Section	Give points if system has approval letter for the project as described in the PQ/IUP application or that covers the majority of the proposed project (roughly 80%).	PWS Search/ RAW Database
Project has funding secured by multiple assistance provider.	10	0	10		PQ/PNA	SRF Team	award or a commitment from another funding agency for the same project being funded by SRF.	
	Total Points Scor	240	230					
Yes								
No								

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-40

A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO TOWN OF SAGUACHE AND EXECUTION OF A LOAN AGREEMENT AND OTHER DOCUMENTS NECESSARY THEREFOR

WHEREAS, the Colorado Water Resources and Power Development Authority (the "Authority") has received and reviewed an Application for a Infrastructure Investments Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") and IIJA/BIL General Supplemental Principal Forgiveness ("PF") direct loan from the Drinking Water Revolving Fund from the Town of Saguache (the "Applicant"); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

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

1. That the proposed direct loan to the Town of Saguache in an amount not to exceed $2,500,000 (comprised of *$1,360,200 in IIJA/BIL General Supplemental PF and *$1,139,800 in IIJA/BIL General Supplemental direct loan) is approved subject to the terms and conditions set forth on the attached Exhibit A**;

2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;

3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

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CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-40 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Durango, Colorado on October 2nd, 2026.

_____

Chair

_____

Secretary

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EXHIBIT A

Borrower:	Town of Saguache
Project:	The project consists of the construction of a new water storage tank, rehabilitation of an existing water storage tank, and distribution system improvements.
Pledge:	Water and Sewer System Revenue
Loan Term:	30 Years
Interest Rate:	2.75%
Amount not to exceed:	$2,500,000 (comprised of *$1,360,200 in IIJA/BIL General Supplemental PF and *$1,139,800 in IIJA/BIL General Supplemental direct loan)

Subject to the following terms & conditions:

1. Prepayment Charge - A $15,000 prepayment charge will be applied on any full principal prepayment of the loan. All interest paid through the date of full principal prepayment will be credited against this charge.

* - Estimated PF and direct loan amounts through the IIJA/BIL and/or Base programs. The exact amount will be based on the IIJA/BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

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

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COLORADO
Department of Local Affairs
Division of Local Government

TO: Wesley Williams and Members of the Board of the CWRPDA
FROM: Peter Dieterich, DLG
SUBJECT: City of Trinidad ("the City") DWRF Credit Report Update
DATE: September 8, 2026

Project Budget	
DWRF Supplemental Base Loan:	$1,000,000
2025 DWRF IIJA/BIL Loan:	$1,226,771
2025 DWRF IIJA/BIL Supp. PF:	$2,223,229
2025 EIAF Supplemental:	$750,000
2024 EIAF Grant:	$1,000,000
2022 ARPA Grant:	$1,000,000
Reserves:	$798,556
TOTAL:	**$7,998,556**

This project consists of replacing or rehabilitating four municipal water storage tanks (North, South, Allendale, and Monument Lake Reservoir replacement), upgrading distribution system connections to maintain service continuity during tank repairs, and replacing a critical 1920s-era raw water transmission line.

The City previously received DWRF funding for this project in the amount of $1,226,771 as an IIJA/BIL direct loan with a 20-year term, at an interest rate of 2.50% and IIJA/BIL principal forgiveness in the amount of $2,223,229. However, cost adjustments, detailed engineering estimates, and expanded project scope and requirements pushed the total updated project cost to $7,998,556. Therefore, the City is requesting a supplemental loan for $1,000,000.

When considering the original 2025 loan, the City's 2025 financials show that this proposed loan represents a growing but modest debt burden for the community. With approved rate increases of 2.5% scheduled annually, no further rate increases are projected to be required. We therefore recommend the DWRF Committee approve a $1,000,000 supplemental DWRF base direct loan with the same terms as the original loan, to the City of Trinidad.

CURRENT INDICATORS:	2023	2024	2025	Weak		Average		Strong	
Total Debt per Capita ($):	510	464	558		>$2,000		$1,000 - 2,000	X	<$1,000
Total + New Debt/Capita ($):			679		>$2,000		$1,000 - 2,000	X	<$1,000
Total Debt/Tap ($):	1,113	1,113	1,225		>$5,000		$2,500 - 5,000	X	<$2,500
Total Debt + New Debt/Tap ($):			1,491		>$5,000		$2,500 - 5,000	X	<$2,500
Current Water Debt/Tap ($):	426	393	618		>$2,000		$1,000 - 2,000	X	<$1,000
Current Water + New Water Debt/Tap ($):			885		>2,000		$1,000 - 2,000	X	<$1,000
Total Debt/Assessed Value:	5.41%	4.77%	5.66%		>50%		25-50%	X	<25%
Total Debt + New Water Debt/Assessed Value:			6.90%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	0.72%	0.56%	0.67%		>10%		5-10%	X	<5%
Total Debt + New Water Debt/Actual Value:			0.81%		>10%		5-10%	X	<5%
Curr. Water Debt + New Debt/Tap/MHI:			1.69%		>20%		10-20%	X	<10%
Water Fund Current Ratio (CA/CL):	414%	443%	443%		<100%		100-200%	X	>200%
Water Fund Reserves/Current Expense:	139%	173%	251%		<50%		50-100%	X	>100%
Water Operating Ratio (OR/OE):	117%	130%	125%		<100%		100-120%	X	>120%
Coverage Ratio (TR-OE)/DS:	374%	737%	367%		<110%		110-125%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	488%	737%	367%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan:			293%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			293%		<110%		110-125%	X	>125%
Current Annual Water Rates/MHI:			0.59%		>3.0%		1.5-3.0%	X	<1.5%
Current Water Rates + New Water Debt Service/MHI:			0.62%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			271%		<25%		25-50%	X	>50%
			Total:	**0**		**0**		**21**	

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COLORADO
Department of Local Affairs
Division of Local Government

Financial Analysis

Based on 2025 financial figures for this supplemental loan request, all twenty-one calculated indicators are rated strong. Overall, the indicators demonstrate exceptional operational stability, robust debt coverage, and a strong liquidity position that easily supports the addition of new debt. The strong indicators highlight very low debt relative to population, tap count, property valuation, and median household income, alongside healthy current cash reserves and high coverage ratios.

Including the original 2025 loan (which will cost the City $79,303 annually) does not change any financial indicators, with all twenty-one remaining strong. One indicator, water operating ratio, moved from average to strong when compared with the original 2024 credit report when assuming the new loan.

- Based on 2025 financials alone, the coverage ratio for this $1,000,000 DWRF supplemental loan is 293% without tap fee revenue and a rate increase is not projected to be necessary to meet the 110% coverage ratio. When accounting for full debt service, the coverage ratio drops to 271%, but a rate increase is still not projected to be required.
- The City has raised water rates by $1.27 since 2024 and plans automatic 2.5% annual rate increases beginning in 2027. No further increase is projected following the approval of the new rate structure for this project.
- The City is considered a Category 1 disadvantaged community, as reflected by the initial interest rate. The City does not qualify for further principal forgiveness given it reached the current cap of $2,000,000 on the 2025 loan.

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September 8, 2026 DWRF Credit Report City of Trinidad, Las Animas County, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2024	8,235
Number of Water Taps/Customers - 2025	3,749
Total Assessed Valuation - 2025	$81,078,000
Actual Value of All Real Property - 2025	$687,195,000
Median Household Income (MHI) - 2024	$52,273
Monthly Water Rate - 2025	$25.49
Water Operating Revenue - 2025	$5,993,608
Water Total Revenue - 2025 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	$6,159,063
Water Tap and System Development Fee Revenue - 2025	$0
Water Operating Expense - 2025	$3,011,372
Water Current Expense - 2025	$3,263,579
Water Debt - 2025	$2,317,028
Total Debt - 2025	$4,591,251
Water Fund Reserves - 2025	$8,175,724
Water Debt Service - 2025	$252,207
New Water Debt [Requested DWRF loan amount.]	$1,000,000
Requested DWRF Loan Term	20
Requested DWRF Loan Interest Rate	2.50%
New Loan's Annual Water Debt Service (two payments annually)	$63,843

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Current Indicators (2025)
City of Trinidad
(Water)

1	Total Debt	$4,591,251	÷	Population	8,235	=	$558
	New Debt	$1,000,000	÷	Population	8,235	=	$121
	Total Debt + New Debt	$5,591,251	÷	Population	8,235	=	$679
2	Total Debt	$4,591,251	÷	Number of Taps	3,749	=	$1,225
	New Debt	$1,000,000	÷	Number of Taps	3,749	=	$267
	Total Debt + New Debt	$5,591,251	÷	Number of Taps	3,749	=	$1,491
3	Total Debt	$4,591,251	÷	Assessed Value	$81,078,000	=	5.66%
	New Debt	$1,000,000	÷	Assessed Value	$81,078,000	=	1.23%
	Total Debt + New Debt	$5,591,251	÷	Assessed Value	$81,078,000	=	6.90%
4	Total Debt	$4,591,251	÷	Actual Value	$687,195,000	=	0.67%
	New Debt	$1,000,000	÷	Actual Value	$687,195,000	=	0.15%
	Total Debt + New Debt	$5,591,251	÷	Actual Value	$687,195,000	=	0.81%
5	Current Water Debt	$2,317,028	÷	Number of Taps	3,749	=	$618
	(Current Water Debt + New Water Debt) / Number of Taps	$885	÷	MHI	$52,273	=	1.69%
6	Current Ratio (CA / CL)						
	Current Assets	$6,901,694	÷	Current Liabilities	$1,558,619	=	443%
7	Reserve/Expense Ratio						
	Reserves	$8,175,724	÷	Current Expenses	$3,263,579	=	251%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$5,993,608	÷	Operating Expenses	$3,011,372	=	199%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$6,159,063	-				
	Minus Operating Expenses	$3,011,372					
	=	$3,147,691	÷	Current Debt Service	$252,207	=	1248%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$3,147,691					
	Minus Tap and Development Fee Revenu	$0					
	=	$3,147,691	÷	Current Debt Service	$252,207	=	1248%
11	Projected Coverage Ratio						
	Total Revenues	$6,159,063					
	Minus Operating Expenses	$3,011,372					
	=	$3,147,691		Total Debt Service (with new loan)	$316,050	=	996%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$3,147,691					
	Minus Tap and Development Fee Revenu	$0					
	=	$3,147,691	÷	Total Debt Service (with new loan)	$316,050	=	996%
13	Current Debt Service	$252,207	÷	Number of Taps	3749	=	$67.27
	Annual New Water Debt Service	$63,843	÷	Number of Taps	3749	=	$17.03
14	2024 Annual Water Rate (Monthly Rate x 12)	$305.88	÷	MHI	$52,273	=	0.59%
	2024 Annual Water Rate + New Annual Debt Service Per Tap	$322.91	÷	MHI	$52,273	=	0.62%
15	Current 2024 Monthly User Charge						$24.75
	(Debt Service on DWRF Loan / 2024 Taps / Month)						$1.42
	Total						$26.17
16	Operation and Maintenance Reserve						
	Reserves	$8,175,724	÷	Operating Expenses	$3,011,372	=	271%

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2026 SRF Disadvantaged Community Criteria

Applicant: City of Trinidad

Loan Terms

Amount of Loan:	$	1,000,000
Interest Rate:		3.25%
Term (years):		20
Annual Payment:	$	68,389

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

			Benchmark	Applicant	Result	Notes on Data Used
	Current Population (2024)	<=	10,000	8,235	Y	
	Population 5 years ago (2020)			8,332		
	Poulation 10 years ago (2015)			8,748		
	Primary Factors					
P1	MHI (Place)	<=	$ 76,376	52,273	Y	
	Margin of Error (MOE)	±		14,790		
P2	MHV (Place)	<=	$ 431,520	374,600	Y	
	Margin of Error (MOE)	±		77,869		
P3	24 Month Unemployment (County)	>=	5.35%	3.72%	N	
	or 10 Year % Chng. Jobs (County)	<=	0.00%	-20.84%	Y	
	Jobs (2024)			5,777		
	Jobs (2015)			7,298		
	Priority Factor Count				3	
	Secondary Factors					
S1	MHI (County)	<=	$ 76,376	52,074	Y	
	Margin of Error (MOE)	±		5,521		
	Reliability (CV)	<=	18.00%	6.45%	Y	
S2	10 Year % Chng. Population	<=	0.00%	-5.86%	Y	
S3	Assessed Value / Housing Unit	<=	$ 24,337	$18,961	Y	
	Assessed Value			81,077,650		
	Total Housing Units			4276		

						If MHV CV > 18%, calculate result at top of band	Result
S4	Current Debt / Tap / MHV	>	0.21%	0.16%	N		
W	Current + Projected Debt/Tap/MHV	>	0.21%	0.24%	Y		
	S4b 80th percentile		0.77%	0.24%	N		

						If MHI CV > 18%, calculate result at top of band	Result
S5	System Full Cost / Tap / MHI	>	1.11%	1.93%	Y		
	Projected Rate @ 110% Coverage	>	0.98%	1.72%	Y		
	S5b 80th percentile		1.58%	1.72%	Y		
	Secondary Factor Count				4		

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

Taps or EQR's	3,749
Total Debt	2,317,028
Principal & Interest	252,207
Operating Expenses (including operating transfers out)	3,011,372
Depreciation	773,267

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2026 IUP DWRF Priority Point Calculations

Entity Name:	City of Trinidad
Date of Scoring	8-Sep-26
SRF Phase:	Loan app
DOLA Score:	90
DAC:	DAC

Benchmarks

$95,470 2020-2024 State MHI estimate

		Points	Entity Value	
P1	**MHI**		$52,273	55%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20		
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5a	**User Fees (current water rate at 110%/tap/MHI)**		1.93%	
	Rates are > 1.55%	45		
	Rates are between 1.11% and 1.55%	25		
	Rates are < 1.11%	0		
	OR			
S5a	**User Fees for a combined water & sewer fund**			
	Rates are > 2.70%	45		
	Rates are between 2.03% and 2.70%	25		
	Rates are < 2.03%	0		
S4a	**Current water debt per tap compared to MHV**		0.16%	
	Debt is > 0.63%	45		
	Debt is between 0.21% and 0.63%	25		
	Debt is < 0.21%	0		
	OR			
S4a	**Current water & sewer debt (for combined systems)**			
	Debt is > 1.26%	45		
	Debt is between 0.57% and 1.26%	25		
	Debt is < 0.57%	0		
	Population served		8,235	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Betweeen 5,000 and 10,000	5		
	>10,000	0		
S3	**Assessed Value/Household**		18,961	
	AV per household is < $12,722	35		
	AV per household is between $12,272 and $24,337	20		
	AV per household is between $24,337 and $46,151	10		
	AV per household is greater than $46,151	0		

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Principal Forgiveness and Priority Point Scoring

Applicant: City of Trinidad
DWRF or WPCRF: DWRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? No

Eligible BIL principal forgiveness percentage: N/A

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

Base DWRF/WPCRF Principal Forgiveness Scoring

DWRF/WPCRF

Water Quality & Public Health + CPDWR Compliance:	10
DOLA Affordability Score:	90
Total Score	100

Eligible as a base program DAC? No

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

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

Priority Point Scoring

Total WQCD Score:	65
DOLA Affordability Score:	90
Total Score:	155

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Previously approved for reference

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DWRF LOAN CREDIT REPORT

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

Recommendation:	**APPROVAL**
Loan Request:	$3,450,000
Interest Rate & Term:	2.50%, 20 years
Annual Debt Service:	$78,321
Pledge:	Water Revenue
Current Rate:	$24.75
Estimated Rate Increase:	$0.00

Project Budget

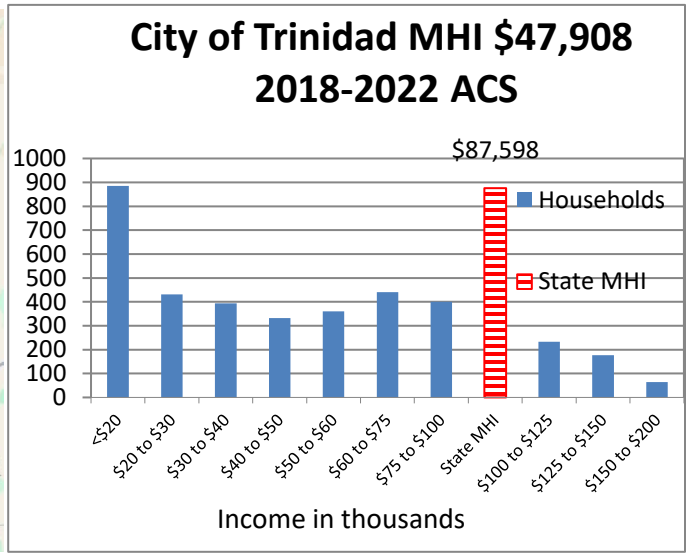
DWRF BIL Loan:	$1,226,771
DWRF BIL Principal Forgiveness:	$2,223,229
2024 EIAF Grant:	$1,000,000
2023 ARPA:	$1,000,000
Water Fund Reserves	$798,556
Total:	$6,248,556

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.

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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.

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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%	
2b: County Unemployment	5.38%	<	4.80%	0.5
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	$87,598 $109,498	> <	$47,908	1
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

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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.

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- 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.

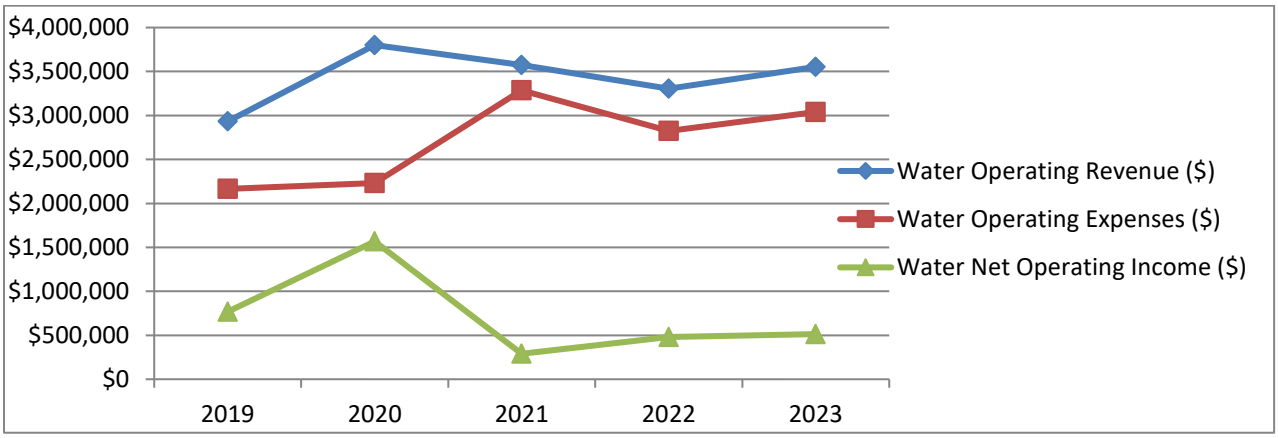
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TRENDS	2019	2020	2021	2022	2023	2024
Monthly Water Rate ($)		16.50	16.50	16.50	24.75	24.75
Monthly Sewer Rate ($)		48.02	48.02	48.02	53.17	53.17
Residential Water Tap Fee ($)		1,200	1,200	1,200	3,000	3,000
Residential Sewer Tap Fee ($)		1,500	1,500	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 ½" 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 ½" 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

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$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 (¾" or smaller) to $63,000/$94,500 (4")
- Residential sewer tap fees range from (inside/outside City): $2,000/$3,000 (¾" 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
¾"	$24.75/$3,000	$53.17/$2,000
¾"	$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

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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

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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%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$702,278					
	Minus Tap and Development Fee Revenu	$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%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$702,278					
	Minus Tap and Development Fee Revenu	$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						$24.75
	(Debt Service on DWRF Loan / 2023 Taps / Month)						$1.48
	Total						$26.23
16	Operation and Maintenance Reserve						
	Reserves	$4,477,210	÷	Operating Expenses	$3,039,000	=	147%

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2024 SRF Disadvantaged Community Criteria

Applicant: City of Trinidad

Loan Terms

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

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

		Benchmark	Applicant	Result	Notes on Data Used
Current Population (2022)	<=	10,000	8,251	Y	
Population 5 years ago (2018)			8,442		
Poulation 10 years ago (2013)			8,748		2023, 2019, and 2014 data
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		

					If MHV CV > 18%, calculate result at top of band	Result
Current Debt / Tap / MHV	>	0.30%	0.20%	N		
Current + Projected Debt/Tap/MHV	>	0.30%	0.62%	Y		
S4b 80th percentile		1.05%	0.62%	N		
					If MHI CV > 18%, calculate result at top of band	**Result**
System Full Cost / Tap / MHI	>	1.23%	1.80%	Y		
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

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DWRF Only

			Benchmark	Applicant	Points	Notes on Data Used
	Eligiblity Criteria					
1	Population loss or growth is slower than the state's over 5 years	<=	0.71%	-0.57%	1.0	
	Current Population (2021)			8,251		
	Poulation 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** — **Result**
		>=	$ 109,498		0.0	
	Reliability (CV)	<=	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** — **Result**
W	Monthly Residential Rate	>		24.75		
				based on application only, needs to be confirmed		
5	Project addresses removal of lead or emerging contaminants		Yes	No	0.0	
6	% Population that identifies as minority is greater than 40%	>	40.00%	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	

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2024 IUP DWRF 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		
	OR			
S5b	**User Fees for a combined water & sewer fund**			
	Rates are > 2.90%	45		
	Rates are between 1.94% and 2.90%	25		
S4b	**Projected water debt per tap compared to MHV**		0.62%	
	Debt is > 1.05%	45		
	Debt is between 0.30% and 1.05%	25		
	OR			
S4b	**Projected water & sewer debt (for combined systems)**			
	Debt is > 2.15%	45		
	Debt is between 0.67% and 2.15%	25		
	Population served		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		
	Betweeen 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		

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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

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-41

A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO THE CITY OF TRINIDAD AND EXECUTION OF A LOAN AGREEMENT AND OTHER NECESSARY DOCUMENTS THEREFOR

WHEREAS, the Colorado Water Resources and Power Development Authority (the "Authority") has received and reviewed an Application for a supplemental base direct loan from the Drinking Water Revolving Fund from the City of Trinidad (the "Applicant"); and

WHEREAS, on February 25, 2025, the Authority executed a Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") direct loan in the amount of $3,450,000 ($1,226,771 of principal to be re-paid, plus $2,223,229 of principal forgiveness, for a total of $3,450,000 DWRF loan funds) with the Applicant through the Drinking Water Revolving Fund; and

WHEREAS, the Applicant has subsequently requested an additional base direct loan in the amount of $1,000,000 in order to address increases in costs related to the project; and

WHEREAS, the Loan Application has been reviewed and recommended for approval in accordance with the procedures provided therefor in the Memorandum of Agreement between the Authority, the Colorado Department of Public Health and Environment, and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed supplemental base direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund, and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all other requirements and prerequisites for eligibility for financial assistance from the Drinking Water Revolving Fund.

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

1. That the proposed supplemental base direct loan to the City of Trinidad in an amount not to exceed $1,000,000 is approved subject to the terms and conditions set forth on the attached Exhibit A;

2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;

3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

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CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-41 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Durango, Colorado on October 2nd, 2026.

_____
Chair

_____
Secretary

ATTEST

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EXHIBIT A

Borrower:	City of Trinidad
Project:	This project consists of replacing or rehabilitating four municipal water storage tanks (North, South, Allendale, and Monument Lake Reservoir replacement), upgrading distribution system connections to maintain service continuity during tank repairs, and replacing a critical 1920s-era raw water transmission line.
Pledge:	Water Revenue
Loan Term:	20 years
Interest Rate:	2.50%
Amount not to exceed:	$1,000,000

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

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COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

STATE REVOLVING FUND
2026 SERIES A REVENUE BOND RESOLUTION

Resolution No. 26-42

Adopted October 2, 2026

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STATE REVOLVING FUND
2026 SERIES A REVENUE BOND RESOLUTION

BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority as follows:

ARTICLE I. - DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01 ***Definitions***. Unless the context otherwise requires, for all purposes of the Bond Resolution, the terms defined in this Section shall have the meanings herein specified.

"**Accreted Value**" means with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (determined on the basis of the principal amount per $5,000 at maturity thereof) plus the amount assuming semi-annual compounding of earnings which would be produced on the investment of such principal amount, beginning on the dated date of such Capital Appreciation Bond and ending at the maturity date thereof, at a yield which, if produced until maturity, will produce $5,000 at maturity. As of any Valuation Date, the Accreted Value of any Capital Appreciation Bonds shall mean the amount set forth for such date in the Supplemental Resolution authorizing such Capital Appreciation Bonds and as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, and (2) the difference between the Accreted Values for such Valuation Dates.

"**Act**" means the "Colorado Water Resources and Power Development Authority Act," being Section 37-95-101 et seq. of the Colorado Revised Statutes, as the same may from time to time be amended and supplemented.

"**Administrative Fee**" means an annual fee payable as set forth in each Loan Agreement.

"**Aggregate Debt Service**" for any period means, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds.

"**Allocable Share**" means with respect to each Governmental Agency, a fraction, the numerator of which shall equal the initial aggregate principal amount of the Governmental Agency's Loan, and the denominator of which shall equal the total initial aggregate principal amount of all Loans; provided, however, if a single loan is made Allocable Share shall mean 100%.

"**Applicable**" means (i) with reference to any fund or account so designated and established by the Bond Resolution, the fund or account so designated and established, (ii) with

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respect to any Loan Agreement, the Loan Agreement entered into by and between a Governmental Agency and the Authority relating to a borrowing by such Governmental Agency from the Authority, and (iii) with respect to any Trust Agreement, the Clean Water Trust Agreement and the Drinking Water Trust Agreement.

"**Authority**" means the Colorado Water Resources and Power Development Authority, a body corporate and political subdivision of the State of Colorado with corporate succession duly created and validly existing under and by virtue of the Act.

"**Authorized Officer**" means: (i) in the case of the Authority, the Chairman, Vice Chairman, Executive Director, Deputy Director, Finance Director or Controller of the Authority, or any other person or persons designated by the Board by resolution to act on behalf of the Authority under the Bond Resolution; the designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of the Authority by its Chairman or its Vice Chairman; (ii) in the case of a Governmental Agency, the person whose name is set forth in Exhibit B to the Applicable Loan Agreement or such other person or persons authorized pursuant to a resolution or ordinance of the governing body of the Governmental Agency to perform any act or execute any document whose name is furnished in writing to the Authority and the Trustee; and (iii) in the case of the Trustee, any person or persons authorized to perform any act or execute any document; the designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons reasonably acceptable to the Authority.

"**Board**" means the Board of Directors of the Authority, or if said Board shall be abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the power and duties granted or imposed by the Bond Resolution shall be given by law.

"**Bond**" or "**Bonds**" means one or more, as the case may be, of 2026 Series A Bonds or a Series of Refunding Bonds and all Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10.

"**Bond Counsel**" means a law firm, appointed by the Authority, having knowledge and expertise in the field of municipal law and whose opinions are generally accepted by purchasers of municipal bonds.

"**Bond Resolution**" means this State Revolving Fund 2026 Series A Revenue Bond Resolution, as adopted by the Board on October 2, 2026, and all amendments and supplements thereto adopted in accordance with the provisions hereof.

"**Bondholder**," "**Holder**" or "**holder**" means any person who shall be the registered owner of a Bond or Bonds.

"**Business Day**" means, with respect to the Bonds of any Series, any day other than (i) a Saturday, Sunday or legal holiday or a day on which banking institutions, in the city in which the Principal Office of the Authority, the Trustee, the Paying Agent or the Loan Servicer is located, are closed, or (ii) a day on which the New York Stock Exchange is closed.

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"**Capital Appreciation Bonds**" means any Bonds hereafter issued as to which interest is payable only at the maturity or prior redemption of such Bonds. For the purposes of (i) receiving payment of the Redemption Price, if any, of a Capital Appreciation Bond that is redeemed prior to maturity, (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default as provided in Section 9.01(1) of the Bond Resolution, or (iii) computing the principal amount of Bonds held by the holder of a Capital Appreciation Bond in giving any notice, consent, request, or demand pursuant to the Bond Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

"**Certificate**," "**Statement**," "**Request**" and "**Order**" mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Authority, the Trustee or a Governmental Agency by an Authorized Officer of the Authority, the Trustee or such Governmental Agency, respectively. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

"**Clean Water Act**" means the federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251 et seq.)

"**Clean Water Financings**" means loans made by the Authority, including loans made from the proceeds of the 2026 Series A Bonds, if any, to eligible entities pursuant to the Act in furtherance of the purposes of the Water Pollution Control Revolving Fund.

"**Clean Water Trust Agreement**" means the Amended and Restated Wastewater Surplus Matching Account Trust Agreement, dated as of May 1, 1999, as amended, between the Authority and U.S. Bank Trust Company, National Association, as successor Trustee, as the same may be amended and supplemented from time to time.

"**Code**" means the Internal Revenue Code of 1986, as the same may from time to time be amended or supplemented, including any regulations promulgated thereunder and any administrative or judicial interpretations thereof.

"**Cost**" means those costs that are reasonable, necessary and allocable to the Governmental Agency's Project and are permitted by generally accepted accounting principles to be costs of such Project.

"**Cost of Issuance Fund**" means the Fund so designated and established by Article V.

"**Costs of Issuance**" means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, execution, issuance, sale and delivery of each Series of Bonds, including (without limitation) original issue discount, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Loan Servicer and the Paying Agent, municipal bond insurance premiums and related costs, legal fees and charges, rating agency fees, fees and disbursements of financial or other consultants and professionals, fees and charges for preparation, execution and safekeeping

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of the Bonds of such Series, and any other cost, charge or fee in connection with the issuance of such Series of Bonds.

"**Counsel**" means an attorney at law or firm of attorneys at law (who may be, without limitation, of counsel to, or an employee of, the Authority, the Trustee, the Paying Agent, the Loan Servicer or any Governmental Agency) duly admitted to practice law before the highest court of any state.

"**Debt Service**" for any period means, as of any date of calculation and with respect to any Series of Bonds, an amount equal to the sum of (i) the interest accruing during such period on such Series of Bonds except to the extent such interest is to be paid from deposits made from Bond proceeds into the Debt Service Fund, and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series or, if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever is later. For purposes of this definition, the principal and interest portions of the Accreted Value of Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments in such manner and during such period of time as is specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds.

"**Debt Service Fund**" means the fund so designated and established by Article V.

"**Debt Service Requirement**" with respect to any Series of Bonds and with respect to the next Interest Payment Date for such Bonds means (i) in the case of any Interest Payment Date on which interest only shall be due, the interest accrued and unpaid and to accrue to such date plus that portion of the Principal Installment for such Series which would accrue if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date, or if there should be no preceding Principal Installment due date, from a date one year (or such lesser period as shall be appropriate if Principal Installments shall become due more frequently than annually) preceding the due date of such Principal Installment or from the date of issuance of the Bonds of such Series, whichever is later, and (ii) in case of an Interest Payment Date on which both interest and Principal Installment or Principal Installments shall be due, interest accrued and to accrue to such date plus the Principal Installment or Installments due on such Date.

"**Default**" means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default with respect to the Bonds.

"**Defeasance Securities**" means the securities defined in clauses (i) and (ii) of the definition of Investment Securities.

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"**Details Certificate**" means the Certificate of an Authorized Officer determining the details related to a Series of the Bonds required by the provisions of the Bond Resolution which Certificate shall be executed on the date of the sale of the Bonds and filed with the Trustee.

"**Drinking Water Act**" means the federal Safe Drinking Water Act, as amended (43 U.S.C. Section 300 et seq.)

"**Drinking Water Financings**" means loans made by the Authority, including loans made from the proceeds of the 2026 Series A Bonds, if any, to eligible entities pursuant to the Act in furtherance of the purposes of the Drinking Water Revolving Fund.

"**Drinking Water Revolving Fund**" means the Drinking Water Revolving Fund created in the Authority by the Act.

"**Drinking Water Trust Agreement**" means the Drinking Water Surplus Matching Account Trust Agreement, dated as of October 1, 1997, as amended, between the Authority and U.S. Bank Trust Company, National Association, as successor Trustee, as the same may be amended and supplemented from time to time.

"**Event of Default**" means any occurrence or event designated as such in Section 9.01(1).

"**Federal Capitalization Agreements**" means (i) the instrument or agreement entered into by the United States of America Environmental Protection Agency with the Authority to make capitalization grant payments pursuant to the Clean Water Act, and (ii) the instrument or agreement entered into by the United States of America Environmental Protection Agency with the Authority to make capitalization grant payments pursuant to the Drinking Water Act.

"**Fiduciary**" or "**Fiduciaries**" means the Trustee or the Paying Agent, or both of them, as may be appropriate.

"**Fiscal Year**" means (i) with respect to the Authority, the period commencing on the first day of January of any year and ending on the last day of December of such year, or such other twelve month period as shall be hereafter adopted by the Authority as the fiscal year pursuant to the Bond Resolution and (ii) with respect to an Obligated Person, the fiscal year of such Obligated Person.

"**General Fund**" means the fund so designated and established by Article V.

"**Governmental Agency**" means any Colorado county, municipality, district, county or regional sewerage or utilities authority or any other local political subdivision or other entity named in the Details Certificate that has entered into a Loan Agreement with the Authority pursuant to which such Governmental Agency will borrow money from the 2026 Series A Project Account.

"**Governmental Agency's Project**" means the project of the Governmental Agency described in Exhibit A to the Applicable Loan Agreement, a portion of the Cost of which

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is financed or refinanced by the Authority through the making of a Loan pursuant to the Applicable Loan Agreement.

"**Interest Payment Date**" means each March 1 and September 1, commencing on March 1, 2027 (or such other commencement date as shall be set forth in the Details Certificate) and any date fixed for redemption.

"**Investment Securities**" means and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

(i) any bonds or other obligations which as to principal and interest constitute direct general obligations of, or are fully and unconditionally guaranteed as to timely payment of principal and interest by, the United States of America, including obligations of any of the Federal agencies set forth in clause (ii) below to the extent unconditionally guaranteed by the United States of America;

(ii) obligations of agencies of the United States of America, which are rated in the highest long term rating category by one or more of the National Rating Agencies, including, but not limited to, direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; senior debt obligations of the Federal Home Loan Banks; debentures of the Federal Housing Administration; guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Association; guaranteed Title XI financing of the U.S. Maritime Administration; mortgaged-backed securities and senior debt obligations of the Federal National Mortgage Association; and participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation;

(iii) commercial paper that at the time of purchase is rated in the highest rating category by one or more of the National Rating Agencies;

(iv) repurchase agreements collateralized by any bonds or other obligations described in clause (i) or clause (ii) above, with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank or other counterparty, if such broker/dealer, bank or other counterparty (or a guarantor of such broker/dealer, bank or counterparty) has an uninsured, unsecured and unguaranteed obligation long term rating in the two highest rating categories by each National Rating Agency, which provides a rating for the Bonds, provided:

(A) a master repurchase agreement or specific written, repurchase agreement governs the transaction; and

(B) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $25 million, and the Trustee shall have received written confirmation from such third party that it holds such securities, free of any lien, as agent for the Trustee; and

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(C) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Trustee; and

(D) the repurchase agreement has a term of thirty (30) days or less, or the Trustee will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

(E) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%;

(v) money market funds rated in the highest rating categories by one or more of the National Rating Agencies (including money market mutual funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to such fund); and

(vi) local government investment pools organized pursuant to C.R.S. 24-75-703 that has assets of $500,000,000 or more and is rated in the highest rating category by one or more of the National Rating Agencies.

"**Loan**" means the loan made by the Authority to a Governmental Agency to finance or refinance a portion of the Cost of the Governmental Agency's project pursuant to a Loan Agreement and calculated as provided in the Loan Agreement.

"**Loan Agreement**" means the Loan Agreement dated as November 1, 2026, by and between the Authority and a Governmental Agency, including the Exhibits attached thereto, as it may be supplemented, modified or amended from time to time in accordance with the terms thereof and of the Bond Resolution.

"**Loan Closing**" means the date on which the Authority shall issue and deliver the 2026 Series A Bonds.

"**Loan Repayments**" means all of the payments, other than the Administrative Fee, required to be made by a Governmental Agency pursuant to the provisions of the Applicable Loan Agreement.

"**Loan Repayment Fund**" means the fund so designated and established by Article V.

"**Loan Servicer**" means the Loan Servicer for the Loans (as defined in the Loan Agreements), duly appointed and designated as such pursuant to the Loan Servicing Agreement, and its successors as Loan Servicer under the Loan Servicing Agreement.

"**Loan Servicing Agreement**" means the Loan Servicing Agreement, dated as of November 1, 2026, by and between the Authority and the Loan Servicer, with respect to the Loans.

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"**National Rating Agencies**" means each of Moody's Investors Service, Standard and Poor's Rating Group and Fitch Ratings and their respective successors and assigns and any other similar entity designated by resolution of the Authority, as a National Rating Agency.

"**Operating Expenses**" means the reasonable fees and expenses of the Loan Servicer, any Fiduciary and any financial and legal consultants to the Authority, any other costs incurred by the Authority in fulfilling its obligations under the Bond Resolution, and the administrative and general costs of the Colorado Division of Local Government, the Colorado Water Quality Control Division and the Authority which are allocable to the administration of the Loans, as shall be determined by the Authority in its sole discretion.

"**Outstanding**" or "**outstanding**" means, when used with reference to Bonds of any Series and as of any particular date (subject to the provisions of Section 13.08), all Bonds of such Series theretofore, or thereupon being, authenticated and delivered by the Trustee under the Bond Resolution, except (i) Bonds of such Series theretofore or thereupon cancelled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds of such Series with respect to which all liability of the Authority shall have been discharged in accordance with Article XII and (iii) Bonds of such Series in lieu of or in substitution for which other Bonds of such Series shall have been authenticated and delivered by the Trustee pursuant to any provision of the Bond Resolution.

"**Paying Agent**" means the Paying Agent appointed pursuant to Section 10.02, and its successors.

"**Principal Installment**" means, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, (i) the principal amount or, as applicable, Accreted Value of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established and (ii) the unsatisfied balance (determined as provided in subsection 2 of Section 5.10) of any Sinking Fund Installments due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premium, if any, which would be applicable upon redemption of such Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments.

"**Principal Office**" means, when used with reference to the Authority, the Trustee, the Loan Servicer or the Paying Agent, the respective addresses of such parties as set forth in Section 13.07, and any further or different addresses as such parties may designate pursuant to Section 13.07.

"**Record Date**" means with respect to an Interest Payment Date for a particular Series of Bonds, unless otherwise provided by the Bond Resolution or Supplemental Resolution authorizing such Series, the fifteenth (15th) day (or if such day shall not be a Business Day, the preceding Business Day) of the month next preceding such Interest Payment Date.

"**Redemption Price**" means, when used with reference to any Bond or any portion thereof, the principal amount, or, as applicable, Accreted Value of such Bond or such portion thereof and any redemption premium thereon payable upon redemption thereof pursuant to the provisions of such Bond and the Bond Resolution.

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"**Refunding Bonds**" means all Bonds authenticated and delivered pursuant to Section 2.05.

"**Revenues**" means all (i) the Loan Repayments, other than payment of Administrative Fees payable pursuant to subsection (b) of Section 3.03 of the Loan Agreements and payments pursuant to Sections 3.06, 5.04 and 5.07 of the Loan Agreements, and (ii) investment income from all funds and accounts created under the Bond Resolution, other than the Cost of Issuance Fund and the General Fund, and (iii) amounts deposited by the Authority in the Debt Service Fund from the Clean Water Trust Agreement and Drinking Water Trust Agreement pursuant to Section 8.09 of the Bond Resolution.

"**Rule 15c2-12**" means Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of adoption of the Bond Resolution, together with all interpretive guidelines or other official interpretations or explanation thereof that are promulgated by the United States Securities and Exchange Commission.

"**Series**" means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Bond Resolution or the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.07 or 11.10, regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions. A Series may be divided into subseries.

"**2026 Series A Bonds**" means the State Revolving Fund Revenue Bonds, 2026 Series A authorized by Section 2.03 of the Bond Resolution.

"**2026 Series A Matching Account**" means the account so designated and established by Article V hereof.

"**2026 Series A Matching Account Requirement**" means, as of any date of calculation, the maximum Aggregate Debt Service coming due in any calendar year.

"**2026 Series A Project Account**" means the account so designated and established by Article V hereof.

"**2026 Series A Project Loan Subaccount**" means any of the subaccounts within the 2026 Series A Project Account so designated and established by Article V hereof.

"**Sinking Fund Installments**", with respect to any Series of Bonds, shall have the meaning, if any, specified in either the Bond Resolution or any Supplemental Resolution.

"**State**" means the State of Colorado.

"**Supplemental Resolution**" means any resolution or resolutions of the Authority amending, modifying or supplementing the Bond Resolution, authorizing the issuance of a Series of Refunding Bonds, or any other Supplemental Resolution, adopted by the Authority pursuant to the provisions of the Bond Resolution.

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"**Trust Agreement**" means, collectively, the Clean Water Trust Agreement and the Drinking Water Trust Agreement.

"**Trust Estate**" means (i) the proceeds of the Bonds, (ii) Authority funds deposited in the 2026 Series A Project Loan Account, (iii) all right, title and interest of the Authority in, to and under the Loan Agreements and the Governmental Agency Bonds (as defined in Applicable Loan Agreements) other than Administrative Fees payable pursuant to subsection (b) of Section 3.03 and the right, title and interest of the Authority under Section 3.06, 5.04 and 5.07 of the Loan Agreements, (iv) Revenues, whether held by the Trustee or the Loan Servicer, and (v) the Loan Repayment Fund, the 2026 Series A Matching Account, the Debt Service Fund, including the investments, if any, thereof, subject only to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution.

"**Trustee**" means the trustee appointed pursuant to Section 10.01 hereof, and its successor or successors and any other corporation which may at any time be substituted in its place as Trustee pursuant to this Bond Resolution.

"**Valuation Date**" shall mean with respect to any Capital Appreciation Bonds the date or dates set forth in the Supplemental Resolution authorizing such Bonds on which specific Accreted Values are assigned to the Capital Appreciation Bonds.

"**Water Pollution Control Revolving Fund**" means the Water Pollution Control Revolving Fund created in the Authority by the Act.

SECTION 1.02 ***Rules of Interpretation***. For all purposes of the Bond Resolution, except as otherwise expressly provided or unless the context otherwise requires:

"The Bond Resolution" means this instrument as originally adopted and as

(a) it may be supplemented, modified or amended from time to time by any Supplemental Resolution, unless in the case of any one or more Supplemental Resolutions the context requires otherwise.

(b) All reference in the Bond Resolution to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of the Bond Resolution. The words "herein", "hereof", "hereunder" and "herewith" and other words of similar import refer to the Bond Resolution as a whole and not to any particular Article, Section or other subdivision hereof.

(c) The terms defined in the Bond Resolution include the plural as well as the singular.

(d) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

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(e) The table of contents and the headings or captions used in the Bond Resolution are for convenience of reference only and shall not define, limit or prescribe any of the provisions hereof or the scope or intent hereof.

SECTION 1.03 ***Authority for the Bond Resolution***. This State Revolving Fund 2026 Series A Revenue Bond Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.04 ***Bond Resolution and Bonds Constitute a Contract; Pledge***. With respect to the Bonds, in consideration of the purchase and acceptance of any and all of such Bonds authorized to be issued under the Bond Resolution by those who shall hold the same from time to time: (i) the Bond Resolution shall be deemed to be and shall constitute a contract between the Authority, the Trustee and the Holders, from time to time, of such Bonds; (ii) the pledge made herein and the duties, covenants, obligations and agreements set forth herein to be observed and performed by or on behalf of the Authority shall be for the equal and ratable benefit, protection and security of the Holders of any and all of such Bonds, as applicable, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction as to lien or otherwise, except as expressly provided in or permitted hereby; (iii) the Authority, as security for the payment of the principal of and Redemption Price, if any, of, and the interest on, the Bonds and as security for the observance and performance of any other duty, covenant, obligation or agreement of the Authority under the Bond Resolution all in accordance with the provisions thereof and hereof, does hereby grant, bargain, sell, convey, pledge, assign and confirm to the Trustee the Trust Estate and covenants that it has not previously pledged such Trust Estate as security for the payment of any other bonds, notes or other indebtedness of the Authority; (iv) the pledge made hereby is valid and binding from the time when the pledge is made and such Trust Estate shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof; and (v) the Bonds shall be special obligations of the Authority payable from and secured by a pledge of the Trust Estate as provided hereby.

ARTICLE II. - AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01 ***Authorization of Bonds; Designation of Bonds of Series***. 1. This Bond Resolution authorizes Bonds of the Authority to be designated as "State Revolving Fund Revenue Bonds", which may be issued from time to time in one or more Series under the provisions hereof applicable thereto. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Bond Resolution is not limited except as may hereafter be provided in the Bond Resolution or as may be limited by law.

2. The Bonds may, if and when authorized by the Authority pursuant hereto or pursuant to one or more Supplemental Resolutions, be issued in one or more Series, and the designation thereof, in addition to the name "State Revolving Fund Revenue Bonds" shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the Authority may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs.

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3. Neither the State nor any political subdivision thereof (other than the Authority) is obligated to pay the principal or Redemption Price of, or interest on, the Bonds, and neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal or Redemption Price of, or interest on, the Bonds.

SECTION 2.02 ***General Provisions for Issuance of Bonds***. 1. All (but not less than all) of the Bonds of each Series shall be executed by the Authority for issuance under the Bond Resolution and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the Authority or upon its order, but only upon the receipt by the Trustee of:

(1) A copy of the Bond Resolution, certified by an Authorized Officer of the Authority;

(2) In the case of each Series of Refunding Bonds, a copy of the Supplemental Resolution authorizing such Refunding Bonds, certified by an Authorized Officer of the Authority, which shall, among other provisions, specify: (a) the authorized principal amount, designation and Series of such Refunding Bonds; (b) the purposes for which such Series of Bonds is being issued, which shall be as provided in Section 2.05; (c) the date, and the maturity date or dates, of the Refunding Bonds of such Series; (d) the interest rate or rates of the Bonds of such Series and the initial Interest Payment Date therefor; (e) if such Refunding Bonds are Capital Appreciation Bonds, the Valuation Dates and the Accreted Value on such Valuation Dates; (f) the denominations of, and the manner of dating, numbering and lettering, the Refunding Bonds of such Series, provided that such Refunding Bonds shall be in denominations of $5,000 or any integral multiple thereof as authorized by such Supplemental Resolution (except that any Capital Appreciation Bond of such Series shall be in such denomination that its Accreted Value at maturity will be equal to $5,000 or any integral multiple thereof); (g) the Paying Agent or Paying Agents and the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Refunding Bonds of such Series; (h) the Redemption Price or Prices, if any, and, subject to Article IV, the redemption terms for the Refunding Bonds of such Series; (i) the amount and due date of each Sinking Fund Installment, if any, for Refunding Bonds of like maturity of such Series, provided that each Sinking Fund Installment due date shall fall upon a March 1 or September 1; (j) the form of the Refunding Bonds of such Series and of the Trustee's certificate of authentication, which shall be substantially in the form set forth in Section 14.01 for the Bonds with such variations, insertions or omissions as are appropriate and not inconsistent therewith; (k) the provisions for the application of proceeds of such Series of Refunding Bonds; and (l) if any of the Refunding Bonds of such Series shall be Capital Appreciation Bonds, the manner in which and the period during which principal and interest shall be deemed to accrue on such Bonds. The items listed in clauses (c), (d), (e), (h) and (i) may be set forth in a details certificate;

(3) An opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act, as amended to the date of such opinion, to adopt the Bond Resolution, and the Bond Resolution has been duly and lawfully adopted

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by the Authority, is in full force and effect and constitutes the valid and binding agreement of the Authority enforceable in accordance with its terms, and no other authorization for the Bond Resolution is required; (ii) the Bond Resolution creates the valid pledge which it purports to create of the Trust Estate for the Bonds, subject only to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution; (iii) the Authority is duly authorized and entitled to issue the Bonds and such Bonds have been duly and validly authorized and issued by the Authority, in accordance with law, including the Act, as amended to the date of such opinion, and in accordance with the Bond Resolution, and constitute the valid and binding obligations of the Authority as provided in the Bond Resolution, enforceable in accordance with their terms and the terms of the Bond Resolution, and are entitled to the benefits of the Act, as amended to the date of such opinion, and the Bond Resolution; and (iv) the Authority has the right and power under the Act, as amended to the date of such opinion, to enter into the Loan Agreements, and the Loan Agreements have been duly and lawfully authorized and executed by the Authority, are in full force and effect and are valid and binding upon the Authority and enforceable in accordance with their terms, and no other authorization for the Loan Agreements is required. Such opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and the valid exercise of the sovereign police powers of the State and of the constitutional powers of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(4) A written order to the Trustee as to the delivery of such Bonds, signed by an Authorized Officer of the Authority;

(5) Unless otherwise provided in the Details Certificate, the amount, if any, necessary for deposit in the 2026 Series A Matching Account so that the amount on deposit in the 2026 Series A Matching Account shall equal the 2026 Series A Matching Account Requirement, calculated immediately after the authentication and delivery of such Series of Bonds; and

(6) Such further documents, moneys and securities as are required by the provisions of Sections 2.03, 2.04 or, as applicable, 2.05, or Article XI or any Supplemental Resolution adopted pursuant to Article XI.

2. All the Bonds of each such Series of like maturity shall be identical in all respects, except as to denominations, numbers and letters and except that they may be in either coupon or registered form. After the original issuance of Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Sections 4.07 or 11.10.

SECTION 2.03 ***2026 Series A Bonds***. 1. A Series of Bonds entitled to the benefit, protection and security of the Bond Resolution is hereby authorized in the aggregate

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principal amount not to exceed $14,000,000 for the purpose of funding a portion of the Loans to be made pursuant to the Loan Agreements and to pay Costs of Issuance. The principal amount of the 2026 Series A Bonds together with names of the Governmental Agencies which are the recipients of the Loans shall be set forth in the Details Certificate. The Details Certificates shall also indicate if such Loans are Clean Water Financings or Drinking Water Financings. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "State Revolving Fund Revenue Bonds, 2026 Series A." The 2026 Series A Bonds may be issued as subseries as shall be set forth in the Details Certificate.

2. The 2026 Series A Bonds shall be dated and shall bear interest from their date of delivery, except as otherwise provided in Section 3.01 of the Bond Resolution. The 2026 Series A Bonds shall mature on the dates, in the principal amounts, and shall bear interest payable on the Interest Payment Dates, at the respective rates per annum, as shall be set forth in the Details Certificate. The net interest cost on the 2026 Series A Bonds shall not exceed 7.5% per annum and the final maturity of the 2026 Series A Bonds shall not be later than September 1, 2059.

3. The 2026 Series A Bonds shall be issued in the denomination of $5,000 or any integral multiples of $5,000. Unless the Authority shall otherwise direct, the 2026 Series A Bonds shall be lettered and numbered from one upward in order of maturities preceded by the letter "R" and such other letter as determined by the Trustee prefixed to the number. Subject to the provisions of the Bond Resolution, the form of the 2026 Series A Bonds and the Trustee's certificate of authentication shall be substantially in the form set forth in Section 14.01.

4. The principal and Redemption Price of the 2026 Series A Bonds shall be payable, at the option of the holder, at the corporate trust operations offices in St. Paul, Minnesota, of U.S. Bank Trust Company, National Association, as Paying Agent or such other place as the Paying Agent shall determine by filing with the Authority a Certificate of an Authorized Officer designating such other place. The principal and Redemption Price of the 2026 Series A Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Bond Resolution, or as may be determined in writing by the Authority. Interest on the 2026 Series A Bonds shall be payable by check or draft of the Trustee, mailed or transmitted, respectively, to the Holders thereof as the same appear as of the Record Date on the books of the Authority maintained by the Trustee.

5. The 2026 Series A Bonds shall have such redemption provisions as shall be set forth in the Details Certificate.

6. The 2026 Series A Bonds may be sold by negotiated sale or competitive sale, as determined by the Authority and set forth in the Details Certificate. In the case of a negotiated sale, the Authority shall designate the underwriter(s) (the "Underwriter") in the Details Certificate.

7. The proceeds of the 2026 Series A Bonds shall be applied simultaneously with the delivery of such Bonds as follows:

(a) There shall be deposited in the Cost of Issuance Fund, for application to the payment of the Costs of Issuance incurred in connection with the issuance of the

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2026 Series A Bonds, the amount set forth in a certificate of an Authorized Officer of the Authority upon the delivery of the 2026 Series A Bonds; and

(b) The remaining balance of the proceeds of the 2026 Series A Bonds may be deposited in each 2026 Series A Project Loan Subaccount established in the 2026 Series A Project Account on behalf of each Governmental Agency, the amount set forth in a Certificate of an Authorized Officer of the Authority delivered to the Trustee upon delivery of the 2026 Series A Bonds.

SECTION 2.04 ***Authorizations required in connection with the issuance of the 2026 Series A Bonds***. 1. In connection with the issuance, securing and sale of the 2026 Series A Bonds, there have been prepared and submitted to this meeting:

(i) the form of Preliminary Official Statement (the "Preliminary Official Statement"), to be used in connection with the marketing of the 2026 Series A Bonds which shall be in the form presented to this meeting and made a part hereof;

(ii) the form of the Loan Agreements;

(iii) the form of Loan Servicing Agreement;

(iv) the form of the Notice of Sale (the "Notice of Sale"), to be used in connection with a competitive sale of the 2026 Series A Bonds;

(v) if the 2026 Series A Bonds are to be sold on a negotiated basis, the Bond Purchase Agreement (the "Bond Purchase Agreement"), which shall be in the form of the Bond Purchase Agreement executed by the Authority in connection with the sale of the Authority's State Revolving Fund Revenue Bonds, 2022 Series A; and

the form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), to be executed by the Authority to provide compliance with Rule 15c2-12.

2. The distribution of the Preliminary Official Statement in the form presented to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved and its use in connection with the offering and marketing of the 2026 Series A Bonds is hereby authorized.

3. An Official Statement (the "Official Statement") which shall be the Preliminary Official Statement revised to reflect the information contained in the Details Certificate is hereby authorized and its use by the purchasers of the 2026 Series A Bonds in connection with the offering and sale of the 2026 Series A Bonds is hereby authorized. Each Authorized Officer is hereby authorized and directed to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the Authority with such changes therein as shall be approved by any of them and thereupon to cause the Official Statement and any such amendment or supplement to be delivered to the purchasers of the 2026 Series A Bonds with their approval of any changes, insertions or omissions to be conclusively evidenced by the execution and delivery thereof by any of such officers.

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4. The Notice of Sale, in substantially the forms submitted to this meeting, be and each hereby is approved. Each Authorized Officer is hereby authorized and directed to provide for the dissemination of the Notice of Sale.

5. The Loan Agreements, the Continuing Disclosure Agreement, the Bond Purchase Agreement, if any, and the Loan Servicing Agreement, each in substantially the form submitted to this meeting, be and each is hereby approved. Each Authorized Officer is hereby authorized and directed to execute and deliver the Loan Agreements, the Continuing Disclosure Agreement the Bond Purchase Agreement, if any, and the Loan Servicing Agreement with such changes, insertions and omissions as the executing official may approve, said execution being conclusive evidence of such approval.

6. The Authority is hereby authorized to transfer not exceeding $12,000,000 from program funds, to be deposited in the 2026 Series A Project Loan Account. The amount to be deposited in each 2026 Series A Project Loan Subaccount from the proceeds of the 2026 Series A Bonds and from program funds (whether drawn on Federal Capitalization Agreements or other Authority funds) shall be set forth in the certificate of an Authorized Officer delivered to the Trustee on the Closing Date pursuant to Section 2.03 (6)(b), which certificate may be amended from time to time by amendment to such certificate of an Authorized Officer of the Authority. The Authority is authorized to transfer to the 2026 Series A Matching Account from available funds of the Authority an amount equal to the 2026 Series A Matching Account Requirement.

7. The Chairman, Vice Chairman, Executive Director, Deputy Director or Finance Director of the Authority, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Bonds, the Bond Resolution, the Official Statement, the Loan Agreements and the Continuing Disclosure Agreement, the Notice of Sale or Bond Purchase Agreement, as applicable, and the Loan Servicing Agreement. Ian Loffert is hereby appointed an Assistant Secretary to execute such documents for the purpose of carrying out the transactions contemplated by the Bonds, the Bond Resolution and the Loan Agreements.

8. The Authority hereby determines that the 2026 Series A Bonds shall be exclusively in "book entry" form. The initial owner of the 2026 Series A Bonds shall be Cede & Co., on behalf of DTC, which shall hold one or more immobilized certificates representing the 2026 Series A Bonds. All transfers of 2026 Series A Bonds shall be effected as set forth in the Bond Resolution; provided that the Authority understands and agrees that DTC shall establish procedures with its participants for recording and transferring the ownership of beneficial interests in the 2026 Series A Bonds. The Authority may enter into a letter of representation and other documentation necessary or desirable to effectuate the issuance of the 2026 Series A Bonds in book entry form.

9. For purposes of determining the consents of Holders of the 2026 Series A Bonds under the Bond Resolution, the Trustee shall establish a record date for determination of ownership of such Bonds, and shall give to DTC or any successive securities depository at least fifteen (15) calendar days' notice of any record date so established.

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10. The Authority may hereafter amend the Bond Resolution without notice to or consent of the Holders of any of the 2026 Series A Bonds in order (i) to offer to Holders the option of receiving 2026 Series A Bonds in certificated form or (ii) to require the execution and delivery of certificates representing a portion or all of the 2026 Series A Bonds, if (A) DTC shall cease to serve as depository and no successor can be found to serve upon terms satisfactory to the Authority, or (B) the Authority determines to terminate use of book entry form for the 2026 Series A Bonds.

SECTION 2.05 ***Refunding Bonds***. 1. One or more Series of Refunding Bonds may be issued at any time to refund any Outstanding Bond or Bonds of a particular Series or all of the Bonds of one or more Series. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the funds and accounts under the Bond Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds. Refunding Bonds shall be on a parity with and, except as otherwise provided in the Supplemental Resolution for such Refunding Bonds, shall be entitled to the same benefit and security of the Bond Resolution including the pledge of the Trust Estate as the Bonds of the Series of Bonds which are being refunded.

2. Refunding Bonds of each Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of:

(a) Instructions to the Trustee, satisfactory to it, to give due notice of redemption, if applicable, of all the Bonds to be refunded on a redemption date or dates specified in such instructions, subject to the provisions of Section 12.01 hereof;

(b) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding sixty (60) days, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 12.01 to the Holders of the Bonds being refunded;

(c) Either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded together with accrued interest on such Bonds to the redemption date or dates, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Investment Securities in such principal amounts of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys as shall be necessary to comply with the provisions of subsection 2 of Section 12.01, which Investment Securities and moneys shall be held in trust and used only as provided in said subsection 2 of Section 12.01; and

(d) A Certificate of an Authorized Officer of the Authority demonstrating that the Loan Repayments, exclusive of the Administrative Fees, to become due in each year during which such Refunding Bonds shall be Outstanding shall be sufficient to pay when due the principal or Redemption Price of, and interest on, all Bonds Outstanding upon the authentication and delivery of such Series of Refunding Bonds.

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3. The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Refunding Bonds for the purposes of making deposits, if any, in such funds and accounts as shall be provided by the Supplemental Resolution authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof in the manner provided in said Supplemental Resolution.

ARTICLE III. - GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 3.01 ***Medium of Payment; Form and Date; Letters and Numbers***. 1. The Bonds shall be payable, with respect to principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts and with respect to interest shall be payable by check or draft of the Trustee.

2. The Bonds of each Series shall be issued only in the form of fully registered Bonds without coupons in denominations of $5,000 or any integral multiple thereof. The Bonds of each Series shall be in substantially the form set forth in Section 14.01 or substantially in the form set forth in the Supplemental Resolution authorizing such Series.

3. Each Bond shall be lettered and numbered as provided in the Bond Resolution or the Supplemental Resolution providing for the issuance of the Series of which such Bonds is a part and so as to be distinguished from every other Bond.

4. Bonds of each Series issued on the date of original issuance shall be dated and bear interest from the date specified in the Bond Resolution or the Supplemental Resolution. Unless otherwise provided in the Bond Resolution or the Supplemental Resolution, Bonds of each Series issued after the date of original issuance shall bear interest from the most recent interest payment date next preceding the date of such Bond to which interest has been paid, unless the date of such Bond is an interest payment date to which interest has been paid, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first interest payment on the Bonds, in which case interest shall be payable from the earliest date on which interest shall have accrued on such Series of Bonds.

5. The interest on, and principal and Redemption Price, if any, of, each Series of Bonds shall be payable as provided in the Bond Resolution or Supplemental Resolution relating to such Series of Bonds.

SECTION 3.02 ***Legends***. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Bond Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, the Act, or otherwise, as may be determined by the Authority prior to the authentication and delivery thereof.

SECTION 3.03 ***Execution and Authentication***. 1. The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of the Executive Director or other Authorized Officer of the Authority, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary or an Authorized Officer of

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the Authority, or in such other manner as may be required or permitted by law. In case any one or more of the Authorized Officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and sealed on behalf of the Authority by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Authority, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

2. The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in Section 14.01 of the Bond Resolution or in the Supplemental Resolution authorizing such Series of Bonds, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Bond Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Bond Resolution and that the Holder thereof is entitled to the benefits of the Bond Resolution applicable thereto.

SECTION 3.04 ***Transfer and Registry***. 1. Each Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee, by the Holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond the Authority shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity as the surrendered Bond.

2. The Authority and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Authority kept by the Trustee as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Bond and for all other purposes, and all such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority nor any Fiduciary shall be affected by any notice to the contrary. The Authority agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense (including legal fees), judgment or liability incurred by it, acting without negligence or willful misconduct under the Bond Resolution, in so treating such Holder.

SECTION 3.05 ***Regulations With Respect to Exchanges and Transfers***. In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or

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transfer. Neither the Authority nor the Trustee shall be required (a) to transfer or exchange Bonds for a period beginning on the Record Date next preceding an Interest Payment Date for the Bonds and ending on such Interest Payment Date, or for a period of fifteen (15) days (or such lesser period as may be specified in a Supplemental Resolution for a particular Series of Bonds) next preceding the date (as determined by the Trustee) of any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called or tendered for redemption.

SECTION 3.06 ***Bonds Mutilated, Destroyed, Stolen or Lost***. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Authority and the Trustee may prescribe and paying such expenses as the Authority and Trustee may incur. All mutilated Bonds so surrendered to the Trustee shall be cancelled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by, and entitled to equal and proportionate benefits with all other Bonds issued under the Bond Resolution in, any moneys or securities held by the Authority or any Fiduciary for the benefit of the Holders of such Bonds.

SECTION 3.07 ***Temporary Bonds***. 1. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 3.03, and upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to the Bond Resolution.

2. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

SECTION 3.08 ***Cancellation and Destruction of Bonds***. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall

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thereupon be promptly cancelled. Bonds so cancelled may at any time be destroyed by the Trustee in accordance with the retention policy then in effect.

ARTICLE IV. - REDEMPTION OF BONDS PRIOR TO MATURITY

SECTION 4.01 ***Privilege of Redemption and Redemption Price***. Bonds subject to redemption prior to maturity pursuant to the Bond Resolution shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms in addition to the terms contained in this Article IV as may be specified in the Bond Resolution and the Supplemental Resolution authorizing such Series of Bonds.

SECTION 4.02 ***Redemption***. 1. In the case of any redemption of Bonds at the election or direction of the Authority, the Authority shall give written notice to the Trustee of its election or direction to so redeem, of the redemption date, and of the principal amounts of the Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Bond Resolution). Such notice shall be given at least forty-five (45) days prior to the redemption date or such shorter period as shall be agreed to in writing by the Trustee. In the event notice of redemption shall have been given as provided in Section 4.05, there shall be paid by the Authority on or prior to the redemption date to the Paying Agent an amount in cash which, in addition to other moneys, if any, available therefor held by the Paying Agent, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. The Authority shall promptly notify the Trustee in writing of all such payments by the Authority to the Paying Agent.

2. Except as otherwise provided herein, any notice of the optional or extraordinary redemption of the Bonds, other than any notice that refers to Bonds that are to be redeemed from proceeds of a refunding bond issue, may be given only if sufficient funds have been deposited with the Trustee to pay the applicable Redemption Price of the Bonds to be redeemed.

SECTION 4.03 ***Redemption Otherwise than at Authority's Election or Direction***. Whenever by the terms of the Bond Resolution the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the Authority, the Trustee shall select the Bonds to be redeemed, give the notice of redemption as provided in Section 4.05 and pay out of moneys available therefor the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, to the Paying Agent in accordance with the terms of this Article IV and, to the extent applicable, Article V.

SECTION 4.04 ***Selection of Bonds to be Redeemed***. If less than all of the Bonds of like maturity shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however, that the portion of any Bond (other than a Capital Appreciation Bond) of a denomination of more than $5,000 to be redeemed shall be in the principal amount of $5,000 or an integral multiple thereof, and that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that

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is obtained by dividing the principal amount of such Bond by the minimum denomination in which Bonds of such Series are authorized to be outstanding after the redemption date. For purposes of this Section 4.04, if less than all of the Capital Appreciation Bonds shall be called for prior redemption, the portion of any Capital Appreciation Bond of a denomination of more than the maturity amount specified in the Supplemental Resolution authorizing such Bonds to be redeemed shall be in such maturity amount or a multiple thereof, and, in selecting portions of such Capital Appreciation Bond for redemption, the Authority shall treat such Capital Appreciation Bond as representing that number of Capital Appreciation Bonds of such maturity amount which is obtained by dividing the maturity amount of such Capital Appreciation Bond to be redeemed in part by the maturity amount specified in such Supplemental Resolution.

SECTION 4.05 ***Notice of Redemption***. When Bonds of a Series have been selected for redemption pursuant to any provision of the Bond Resolution, the Trustee shall give written notice of the redemption of such Bonds in the name of the Authority at the times specified in the second paragraph of this Section, which notice shall set forth: (i) the Series of the Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the Redemption Price to be paid, (iv) that such Bonds will be redeemed at the office or offices of the Paying Agent, (v) if less than all of such Bonds shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed, (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, and (vii) if the Bonds to be redeemed have CUSIP numbers, the CUSIP numbers of such Bonds. Such notice shall further state that on the redemption date there shall become due and payable the Redemption Price of all Bonds to be redeemed, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue. Any notice of redemption shall be subject to such conditions as the Authority may determine and may be revocable. In case any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, the Holder thereof shall be entitled to a new Bond or Bonds of the same Series, bearing interest at the same rate and in aggregate principal amount equal to the unredeemed portion of such Bond. If any redemption is to be effectuated through the issuance of indebtedness of the Authority, the notice of redemption may state that the redemption is conditioned upon the Authority's receipt of the proceeds of such indebtedness.

The notice required to be given by the Trustee pursuant to this Section shall be sent by first class mail to the registered owners of the Bonds to be redeemed, at their addresses as they appear on the Bond registration books of the Authority kept by the Trustee as provided in Section 3.04, not less than thirty (30) nor more than sixty (60) days prior to the redemption date. The failure to give notice of the redemption of any Bond or portion thereof to the registered owner of such Bond as herein provided shall not affect the validity of the proceedings for the redemption of any Bonds for which notice of redemption has been given in accordance with the provisions of this Section.

SECTION 4.06 ***Payment of Redeemed Bonds***. On the date designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds called for redemption shall become and be due and payable at the Redemption Price provided for redemption of such Bonds or such portions thereof on such date and, if moneys for the payment of the Redemption Price and the accrued interest to the redemption date are held in a separate account by the Trustee in trust for the holders of such

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Bonds, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof shall cease to be entitled to any benefit or security under the Bond Resolution and the Holders of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof and the accrued interest thereon and, to the extent provided in Section 4.07 hereof, to receive Bonds for any unredeemed portions of Bonds.

SECTION 4.07 ***Redemption of Portions of Bonds***. In case part but not all of an Outstanding Bond shall be selected for redemption, upon presentation and surrender of such Bond to the Paying Agent for payment of the principal amount thereof so called for redemption and accrued interest thereon on or after the redemption date, the Authority shall execute and the Trustee shall authenticate and deliver to or upon the order of the registered owner thereof or his attorney or legal representative, without charge therefor, a Bond or Bonds of the same Series bearing interest at the same rate and of any denomination or denominations authorized by the Bond Resolution in aggregate principal amount equal to the unredeemed portion of such Bond.

ARTICLE V. - FUNDS AND ACCOUNTS

SECTION 5.01 ***Creation of Funds and Accounts***. 1. The following funds and separate accounts within funds shall be established, held and maintained for the Bonds:

(a) Loan Repayment Fund, to be held by the Trustee;

(b) 2026 Series A Project Account (consisting of a separate 2026 Series A Project Loan Subaccount established for each Governmental Agency to which a Loan is to be made),

(c) the 2026 Series A Matching Account, each to be held by the Trustee;

(d) Debt Service Fund, to be held by the Trustee;

(e) Cost of Issuance Fund, to be held by the Trustee on behalf of the Authority; and

(f) General Fund to be held by the Trustee on behalf of the Authority.

(2) This is hereby established within each of the Loan Repayment Fund, the 2026 Series A Matching Account, the Debt Service Fund and the General Fund, a separate subaccount allocated to Clean Water Financing and Drinking Water Financing.

(3) Each of the funds and accounts created by the Bond Resolution, other than the Cost of Issuance Fund and the General Fund, is hereby pledged to, and charged with, the payment of the principal or Redemption Price of and interest on the Bonds as the same shall become due.

SECTION 5.02 ***Water Pollution Control Revolving Fund and Drinking Water Revolving Fund***. 1. The Authority shall maintain, pursuant to the Act, the Water Pollution Control Revolving Fund and Drinking Water Revolving Fund for the State.

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2. For the purposes of compliance with the Clean Water Act or regulations promulgated thereunder relating to the deposit of moneys in or restricting the use of moneys within the Water Pollution Control Revolving Fund, moneys in the Loan Repayment Fund, the 2026 Series A Project Account, the 2026 Series A Matching Account, the Debt Service Fund and the General Fund relating to Clean Water Financings shall be deemed to be within the Water Pollution Control Revolving Fund.

3. For the purposes of compliance with the Safe Drinking Water Act or regulations promulgated thereunder relating to the deposit of moneys in or restricting the use of moneys within the Drinking Water Revolving Fund, moneys in the Loan Repayment Fund, the 2026 Series A Project Account, the 2026 Series A Matching, the Debt Service Fund and the General Fund relating to Drinking Water Financings shall be deemed to be within the Drinking Water Revolving Fund.

4. The Authority shall maintain records relating to the moneys on deposit in the Loan Repayment Fund, the 2026 Series A Project Account, the 2026 Series A Matching Account and the Debt Service Fund allocable to the Water Pollution Control Revolving Fund and the Drinking Water Revolving Fund, respectively.

SECTION 5.03 ***2026 Series A Project Account.*** 1. There shall be established within the 2026 Series A Project Account a separate 2026 Series A Project Loan Subaccount in favor of each Governmental Agency to which a Loan is to be made pursuant to a Loan Agreement.

2. There shall be deposited into each 2026 Series A Project Loan Subaccount from the proceeds of the 2026 Series A Bonds and from program funds (whether drawn on Federal Capitalization Agreements or other Authority funds) the respective amounts set forth in the Certificate of an Authorized Officer of the Authority delivered to the Trustee pursuant to Section 2.04(6).

3. The Trustee shall make payments from a 2026 Series A Project Loan Subaccount in the amounts, at the times, in the manner and on the other terms and conditions set forth in this subsection. Before any such payment shall be made, the Governmental Agency shall file with the Trustee its requisition therefor, approved by the Authority, and if deemed necessary by the Authority, approved by the Colorado Water Quality Control Division, which requisition shall be in substantially the form set forth in Exhibit A hereto. The Trustee shall issue its check for each payment required by such requisition or shall by interbank transfer or other method arrange to make the payment required by such requisition.

4. The Authority shall file a Certificate, signed by an Authorized Officer of the Authority, with the Loan Servicer and Trustee with respect to each 2026 Series A Project Loan Subaccount when the Authority has approved all requisitions for the Loan to be funded from such 2026 Series A Project Loan Subaccount. Such Certificate shall set forth a schedule indicating (A) (i) with respect to the remaining monies which represent the proceeds of the Bonds, when and how much of the remaining moneys, if any, on deposit in such Subaccount are to be transferred to the Debt Service Fund and whether such moneys shall be used to redeem, purchase or provide for payment of Bonds and (ii) which ensuing Loan Repayments, or portions thereof, if any, set forth

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on Schedule C to the Applicable Loan Agreement of the Governmental Agency shall be credited as a result of such transfer and use, and (B) with respect to the remaining moneys which represent amounts deposited in such 2026 Series A Project Loan Subaccount from Authority funds, the disposition thereof. The Trustee shall transfer from such subaccount to the Debt Service Fund the amounts contained in such Certificate of the Authority at the times indicated therein.

SECTION 5.04 ***Cost of Issuance Fund***. 1. There shall be deposited in the Cost of Issuance Fund from the proceeds of the 2026 Series A Bonds the Costs of Issuance for the 2026 Series A Bonds as set forth in a certificate of an Authorized Officer upon the delivery of the 2026 Series A Bonds.

2. There shall be deposited in the Cost of Issuance Fund from the proceeds of each Series of Refunding Bonds, the amounts set forth for deposit therein pursuant to the Supplemental Resolutions authorizing the issuance of each such Series of Refunding Bonds.

3. The Authority shall direct the Trustee in writing to make payments from the Cost of Issuance Fund, in the amounts, at the times, in the manner and on the other terms and conditions as the Authority shall determine to be fair and reasonable in the payment of the particular items of the Costs of Issuance relating to the issuance of a particular Series of Bonds. The Authority shall direct the Trustee in writing to transfer amounts on deposit in the Cost of Issuance Fund to any other fund or account under the Bond Resolution.

SECTION 5.05 ***Loan Repayment Fund***. 1. All portions of Loan Repayments received by the Trustee from the Loan Servicer shall be immediately deposited in the Loan Repayment Fund. The Authority for accounting purposes may direct the Trustee to deposit the Loan Repayments allocable to the Clean Water Financings in the subaccount in the Loan Repayment Fund created for Clean Water Financings and the Loan Repayments allocable to the Drinking Water Financings in the subaccount in the Loan Repayment Fund created for Drinking Water financings, respectively.

2. As soon as practicable after the deposit by the Trustee of each Loan Repayment amount from a Governmental Agency into the Loan Repayment Fund or the subaccounts therein, but in no event later than the last Business Day preceding each Interest Payment Date and each Principal Installment due date, the Trustee shall, in the following priority, transfer:

(a) to the Debt Service Fund, or any subaccount therein, a sum equal to the Debt Service Requirements. The Authority for accounting purposes may direct the Trustee to deposit the Loan Repayments from the subaccount in the Loan Repayment Fund created for Clean Water Financings in the subaccount in the Debt Service Fund created for Clean Water Financings and to deposit the Loan Repayments on from the subaccount in the Loan Repayment Fund created for Drinking Water Financings in the subaccount in the Debt Service Fund created for Drinking Water Financings, respectively;

(b) to the 2026 Series A Matching Account, a sum, so that the amount on deposit in the 2026 Series A Matching Account shall equal the 2026 Series A Matching Account Requirement; and

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(c) to the General Fund any moneys directed to be deposited therein by the Authority.

3. To the extent not applied pursuant to subsection 2 of this Section 5.05, any remaining amounts in the Loan Repayment Fund or the subaccounts therein, if any, shall be transferred to the Surplus Account in the Applicable Trust Agreement, as directed in writing by the Authority.

SECTION 5.06 [RESERVED].

SECTION 5.07 ***Debt Service Fund***. 1. On each Interest Payment Date the Trustee shall withdraw from the Debt Service Fund an amount equal to the interest due on the Bonds on such Interest Payment Date, which moneys shall be paid by the Paying Agent in accordance with Section 3.01(4).

2. On each Principal Installment due date, the Trustee shall make available to the Paying Agent from moneys in the Debt Service Fund an amount equal to the principal or Redemption Price of the Bonds due on such date, which moneys shall be applied by the Paying Agent to the payment of such principal or Redemption Price.

3. In the event of the refunding or defeasance of any Bonds, the Trustee shall, if the Authority so directs in writing, withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts with itself as Trustee to be held for the payment of the principal or Redemption Price if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 12.01.

SECTION 5.08 ***2026 Series A Matching Account***. 1. The Trustee shall transfer from the 2026 Series A Matching Account to the Debt Service Fund, on the Business Day preceding each Interest Payment Date or Principal Installment due date, as the case may be, such amount, to the extent available, which when added to the amount on deposit in the Debt Service Fund may equal the Aggregate Debt Service for all the Bonds due on such Interest Payment Date or Principal Installment due date.

2. On the first day of September of each year, if the amount on deposit in the 2026 Series A Matching Account exceeds the 2026 Series A Matching Account Requirement, such excess shall be transferred to the Surplus Account in the Applicable Trust Agreement, as directed in writing by the Authority.

3. All investments held in the 2026 Series A Matching Account shall be liquidated to the extent necessary in order to meet the requirements of subsection (1) of this Section 5.08.

4. In the event of the refunding of any Bonds, the Authority may withdraw from the 2026 Series A Matching Account all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded;

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provided that such withdrawal shall not be made unless (a) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to subsection 2 of Section 12.01 and (b) the amount remaining in the 2026 Series A Matching Account, after giving effect to the issuance of the refunding bonds and the disposition of the proceeds thereof, shall not be less than the 2026 Series A Matching Account Requirement.

SECTION 5.09 ***General Fund***. 1. On the first day of each September the Trustee shall transfer to the Authority for deposit in the General Fund all moneys, if any, then remaining in the Debt Service Fund; provided, however, that all transfers from the Debt Service Fund to the Paying Agent required pursuant to Section 5.07 shall have been made. Moneys on deposit in the General Fund may be applied at the written direction of the Authority as follows:

(i) to pay or prepay Operating Expenses;

(ii) to be transferred to the 2026 Series A Matching Account to make up any deficiencies in the 2026 Series A Matching Account; or

(iii) for any other legal purpose of the Authority relating to the Water Pollution Control Revolving Fund or the Drinking Water Revolving Fund, as applicable.

2. Subaccounts in the General Fund may be created for any of the purposes of the Authority, including without limitation, arbitrage rebate purposes.

SECTION 5.10 ***Sinking Fund Installment Payments***. 1. Amounts accumulated in the Debt Service Fund with respect to any Sinking Fund Installment may and, if so directed by the Authority, shall be applied by the Trustee, on or prior to the fortieth (40th) day next preceding the due date of such Sinking Fund Installment, to (i) the purchase of Bonds of the Series A and maturity for which such Sinking Fund Installment was established, or (ii) the redemption at the sinking fund Redemption Price of such Bonds, if then redeemable by their terms. All purchases of any Bonds pursuant to this subsection 1 shall be made at prices not exceeding the sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made by the Trustee as directed in writing from time to time by the Authority. The sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Installment date, for the purpose of calculating the amount of such Installment. As soon as practicable after the fortieth (40th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption, by giving notice as provided in Section 4.05, on such due date Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the requirement of the unsatisfied balance of such Sinking Fund Installment pursuant to subsection 2 of this Section 5.10. The Trustee shall pay out of the Debt Service Fund to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by the Authority from the General Fund.

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2. Upon any purchase or redemption pursuant of any Series and maturity for which Sinking Fund Installments shall have been established, there shall be credited toward each such Sinking Fund Installment thereafter to become due (other than the next such date) such amount as shall be determined by the Authority. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

ARTICLE VI. - FUNDS AND INVESTMENTS

SECTION 6.01 ***Moneys to Be Held by Trustee or Paying Agent***. All moneys required to be deposited with or paid to the Trustee or the Paying Agent for the account of any fund or account established under any provision of the Bond Resolution for the Bonds in accordance with the Bond Resolution shall be held by the Trustee or the Paying Agent, as the case may be, in trust for the Holders of the Bonds and shall constitute part of the Trust Estate while held by the Trustee or the Paying Agent; provided, however, that moneys deposited with or held by the Trustee or the Paying Agent for the redemption of Bonds on or after the redemption date of such Bonds, or for the payment of the principal of or interest on Bonds on or after the date on which such amounts shall have become due shall be held and applied solely for the redemption or payment of such Bonds or the payment of such interest.

SECTION 6.02 ***Investments***. All moneys in any of the funds and accounts created under the Bond Resolution, other than the Cost of Issuance Fund and the General Fund, shall be invested by the Trustee as directed by the Authority in writing, subject to the further provisions of this Section. The Trustee may conclusively rely upon such written direction of the Authority as to any and all investments. Moneys in the Cost of Issuance Fund and the General Fund shall be invested by the Authority in accordance with the provisions of this Section.

Moneys in the funds and accounts created under the Bond Resolution shall be invested in Investment Securities the principal of and interest on which are payable not later than the dates on which it is estimated that such moneys will be required hereunder and with respect to moneys on deposit in the Debt Service Fund, Investment Securities shall mature not later than the next succeeding principal or interest payment date. The making of any investment hereunder the principal of and interest on which shall be payable later than five years from the date of such investment is hereby approved by the Board.

Investment Securities acquired as an investment of moneys in any fund or account created under the Bond Resolution shall be credited to such fund or account. For the purpose of determining the amount in any fund or account at any time in accordance with the Bond Resolution, all Investment Securities credited to such fund or account shall be valued at the amortized cost of such obligations, provided that obligations which mature five years or later after such date of evaluation shall be valued at the market price thereof. Any repurchase agreement or obligations of the United States of America – State and Local Government Series shall be valued at the principal amount thereof. Such computation shall be determined by the Trustee on September 1 of each year.

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All interest, profits and other income earned and received by the Trustee (and, as applicable, credited as accrued to any fund or account pursuant to this Section), net of any losses suffered, from investment of moneys in any fund or account created hereunder, other than from the Cost of Issuance Fund, shall herein this Section 6.02 be called "net earnings".

Unless otherwise directed by the Authority, and, except for net earnings of moneys on deposit in the 2026 Series A Project Subaccounts which shall be retained in the respective 2026 Series A Project Subaccounts to be applied to the requisition of Costs, net earnings shall be deposited in the 2026 Series A Matching Account on or before each Interest Payment Date. The Loan Servicer, pursuant to the Loan Servicing Agreement, will, to the extent net earnings retained in the 2026 Series A Project Loan subaccounts were not applied to the requisition of Costs, credit such net earnings, if any, allocable to said Governmental Agency on the next ensuing Loan Repayment dates as required by subsection 4 of Section 5.03 and notify the Governmental Agency and the Trustee of such credit. The net earnings allocable to a Governmental Agency shall be said Governmental Agency's share of the net earnings derived from the 2026 Series A Project Loan Subaccount applicable to such Governmental Agency, which share shall, except as provided in the next paragraph, be determined by the Authority in its sole discretion.

Notwithstanding the provision of Section 6.02, (i) the Authority may utilize all interest, profits and other income earned from investment of any fund or account, other than the Cost of Issuance Fund, to pay any amounts required to be set aside for rebate to the Internal Revenue Service pursuant to the Code, as outlined in the certificate as to arbitrage referred to in Section 8.06 and (ii) the investment income on amounts deposited in the 2026 Series A Matching Account pursuant to provisions of the Trust Agreement shall be transferred to the Authority free and clear of the lien of the Bond Resolution upon the terms and conditions contained in subsection 2 of Section 5.08.

The Authority acknowledges that regulations of the Comptroller of the Currency grant the Authority the right to receive brokerage confirmations of the security transactions as they occur. The Authority specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements from the Trustee which will detail all investment transactions.

The Authority directs the Trustee to terminate any Investment Securities described in clause (iv) of the definition of Investment Securities upon a failure of the counterparty thereto to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral. The Trustee shall give notice to any provider of an Investment Securities described in clause (iv) of the definition of Investment Securities in accordance with the terms thereof so as to receive funds thereunder with no penalty or premium paid.

The Trustee shall, upon actual knowledge of a default under Investment Securities described in clause (iv) of the definition of Investment Securities or the withdrawal or suspension of either of the ratings of a repurchase provider or a drop in the ratings thereon, if required by the terms of any such agreement, demand further collateralization of the agreement or termination thereof and liquidation of the collateral.

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The Trustee may act as principal or agent in the acquisition or disposition of any Investment Securities. The Trustee shall exercise its best efforts to sell through a process approved by the Authority at the best price obtainable, or present for redemption, any Investment Securities to the credit of any fund or account created under the Bond Resolution, other than the Cost of Issuance Fund and the accounts established therein, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from such fund or account, and the Trustee shall not be liable for any loss resulting from such necessary sale so made of such investments.

ARTICLE VII. - THE LOANS AND SERVICING OF LOANS

SECTION 7.01 ***Terms and Conditions of Loans***. The Authority shall make Loans to Governmental Agencies for the purpose of paying a portion of the Costs of the Governmental Agencies' Projects from moneys available therefor in the applicable 2026 Series A Project Loan Subaccount in the 2026 Series A Project Account, and shall enter into Loan Agreements, in the manner, on the terms and conditions and upon submission of the documents required by this Article VII, and not otherwise.

SECTION 7.02 ***Form of Loan Agreement***. The Loan Agreements shall be substantially in the form approved by the Board upon the date of adoption of the Bond Resolution with such changes therein as shall be approved by the Authority, as evidenced by the execution thereof by an Authorized Officer of the Authority; provided, however, that the Loans and the Loan Agreements shall in any event conform in all material respects to the provisions of this Article VII.

SECTION 7.03 ***Loan Closing Submissions***. Prior to or at each Loan Closing, the Authority and the Trustee shall have received the documents from the Governmental Agency required by Section 3.09 of the Loan Agreement.

All opinions and certificates required under this Section shall be dated the date of Loan Closing and all such opinions shall be addressed to the Authority and the Trustee.

SECTION 7.04 ***Loan Servicer***. The Loan Servicer shall service each Loan in accordance with the provisions of the Loan Servicing Agreement.

SECTION 7.05 ***Defaults***. The Trustee shall notify the Authority of its failure to receive any Loan Repayment or portion thereof, if any, of a Governmental Agency due under any Loan Agreement and of any other event of default under such Loan Agreement known to the Trustee.

The Trustee shall, subject to the provisions of this Bond Resolution, diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms and conditions of all Loan Agreements, including (without limitation) the prompt payment of all Loan Repayments and all other amounts due the Authority, and the observance and performance of all duties, covenants, obligations and agreements thereunder.

The Trustee shall not release the duties, covenants, obligations or agreements of any Governmental Agency under any Loan Agreement and shall at all times, to the extent permitted by law, and subject to the provisions of this Bond Resolution, defend, enforce, preserve

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and protect the rights and privileges of the Authority and the Holders under or with respect to each Loan Agreement; provided, however, that this provision shall not be construed to prevent the Trustee (with the consent of the Authority) from settling a default under any Loan Agreement. The Authority hereby appoints the Trustee, its agent and attorney-in-fact for purposes of enforcing all rights, title and interests of the Authority under the Loan Agreements, subject to the provisions of this Section.

SECTION 7.06 ***Termination of Loan Agreements***. Upon the payment in full of all amounts due under a Loan Agreement, the Authority shall cancel the obligation of the Governmental Agency evidenced by such Loan Agreement and terminate and release all security interests and liens created under such Loan Agreement and the Authority and the Trustee shall take any other action required of the Authority or the Trustee in such Loan Agreement in connection with such cancellation, termination and release, including (without limitation) the execution of all relevant documents in connection with such actions.

SECTION 7.07 ***Loan Files***. After each Loan Closing, the Trustee shall retain all the documents received by it in connection with such Loan Closing or in connection with the Loan made at such Loan Closing in a file pertaining to such Loan, to which file the Trustee shall from time to time add all records and other documents pertaining to disbursements of amounts to the Governmental Agency under the Loan Agreement, to Loan Repayments and other amounts received by the Trustee under such Loan Agreement and all communications from or received by the Trustee with respect to such Loan. Such file shall be kept at the principal corporate trust office of the Trustee, shall be available for inspection by the Authority and its agents at reasonable times and under reasonable circumstances.

SECTION 7.08 ***The Trustee's Obligations***. The Trustee shall, subject to the provisions of this Bond Resolution, observe and perform all duties, covenants, obligations and agreements of the Authority under each Loan Agreement to the extent the Trustee is an assignee of such duties, covenants, obligations and agreements.

ARTICLE VIII. - GENERAL COVENANTS

SECTION 8.01 ***Payment of Bonds***. The Authority shall pay or cause to be paid the principal or Redemption Price of and interest on every Bond of each Series on the date, at the place and in the manner provided herein and in the Supplemental Resolution, and in such Bonds according to the true intent and meaning thereof; provided, however, that the Bonds of each Series are special obligations of the Authority, the principal or Redemption Price of and interest on which are payable solely from the Trust Estate applicable thereto.

The Bonds of each Series shall not be payable from the general funds of the Authority and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the Authority or upon any of its income, receipts or revenues, except as provided in the Bond Resolution. The full faith and credit of the Authority are not pledged, either expressly or by implication, to the payment of the Bonds. The Authority has no taxing power and has no claim on any revenues or receipts of the State or any agency or political subdivision thereof or any Governmental Agency except as expressly provided in a Governmental Agency's Loan Agreement.

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SECTION 8.02 ***Observance and Performance of Duties, Covenants, Obligations and Agreements; Representations as to Authorization and Validity of the Bonds***. The Authority shall faithfully observe and perform at all times all of its duties, covenants, obligations and agreements contained in the Loan Agreements or in any Bond executed, authenticated and delivered under the Bond Resolution and any Supplemental Resolution or in any proceedings of the Authority pertaining thereto.

The Authority represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of Colorado, particularly the Act, to issue the Bonds of each Series, to enter into the Loan Agreements and to pledge the Trust Estate in the manner and to the extent set forth in the Bond Resolution and as shall be set forth in any Supplemental Resolution; (ii) all action on its part for the issuance of the Bonds of each Series will be duly and effectively taken; and (iii) the Bonds of each Series in the hands of the Holders thereof will be valid and binding special obligations of the Authority according to their terms.

SECTION 8.03 ***Liens, Encumbrances and Charges***. The Authority shall not create and, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate except the pledge, lien and charge created for the security of Holders of the Bonds. To the extent Revenues are received, the Authority will cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands that if unpaid, might by law become a lien upon the Trust Estate; provided, however, that nothing contained in this Section shall require the Authority to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

So long as Bonds of any Series shall be Outstanding, the Authority shall not issue any bonds, notes or other evidences of indebtedness, other than such Bonds, secured by any pledge of or other lien or charge on the Trust Estate. Nothing in the Bond Resolution is intended to or shall affect the right of the Authority to issue bonds, notes and other obligations under other resolutions or indentures for any of its other purposes.

SECTION 8.04 ***Accounts and Audits***. The Authority shall keep, or cause to be kept, proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Loans, the Bond Resolution and any Supplemental Resolution, which books and accounts (at reasonable hours and subject to the reasonable rules and regulations of the Authority) shall be subject to the inspection of the Trustee, any Holder of any Bonds or their agents or representatives duly authorized in writing. The Authority shall cause such books and accounts to be audited annually within two hundred ten (210) days after the end of its fiscal year by a certified public accountant selected by the Authority. Annually within thirty (30) days after the receipt by the Authority of the report of such audit, a signed copy of such report shall be furnished to the Trustee.

SECTION 8.05 ***Further Assurances***. The Authority will pass, make, do, execute, acknowledge and deliver any and all such further resolutions, indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Bond Resolution and for the better assuring and confirming unto the Holders of Bonds the rights and benefits provided in the Bond Resolution.

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SECTION 8.06 ***Tax Covenants***. The Authority shall do the following with respect to Bonds which, when initially issued, are the subject of an opinion of Bond Counsel to the effect that interest thereon is excluded from gross income for Federal income tax purposes pursuant to the Code:

(a) The Authority shall comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for Federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the Authority agrees to comply with the provisions of the Tax and Nonarbitrage Certificate (the "Tax Certificate") executed by the Authority on the date of initial issuance and delivery of the Bonds, as such Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code.

(b) The Authority shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the funds and accounts established under the Bond Resolution and available therefor. Any amounts required to be set aside for such payments shall be considered a loss for purposes of determining "net earnings" pursuant to Section 6.02.

(c) Notwithstanding any other provision of the Bond Resolution to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for Federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 12.01 of the Bond Resolution.

(d) The Authority shall not take or permit any action or fail to take any action which would cause the Bonds to constitute "private activity bonds" within the meaning of Section 141(a) of the Code, and the Authority shall not take or permit any action or fail to take any action which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

SECTION 8.07 ***Application of Loan Prepayments***. Upon the prepayment, in whole or in part, of any Loan, the Authority (a) shall determine which of such prepayment proceeds are allocable to payment of the Bonds and (b) shall in each case deposit such prepayment proceeds allocable to the payment of the Bonds in the Debt Service Fund and elect to apply such prepayment proceeds either (i) to the redemption of Bonds on the next succeeding call date in accordance with Article IV, or (ii) to the payment of Bonds in accordance with Section 12.01.

SECTION 8.08 ***Loan Agreement and Loan Servicing Agreement***. The Authority shall enforce the provisions of the Loan Agreements and Loan Servicing Agreement and duly perform its covenants and agreements thereunder. The Loan Agreements or Loan Servicing Agreement may not be amended, changed, modified, altered or terminated so as to adversely affect the interest of the Holders of Outstanding Bonds without the prior written consent of Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding to be affected by the modifications, amendments or termination; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall

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not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; provided, further, that no such amendment, change, modification, alteration or termination will reduce the percentage of the aggregate principal amount of Outstanding Bonds the consent of the Holders of which is a requirement for any such amendment, change, modification, alteration or termination, or decrease the amount of any Loan Repayments to be received by the Authority or extend the time of payment thereof. No amendment of any Loan Agreement shall be made without the prior written consent of the Trustee. Any Loan Agreement and the Loan Servicing Agreements may be amended, changed, modified or altered without the consent of the Holders of Outstanding Bonds to provide necessary changes in connection with the issuance of Refunding Bonds, to cure any ambiguity, to correct or supplement any provisions contained in any Loan Agreement or the Loan Servicing Agreement which may be defective or inconsistent with any other provisions contained in such Loan Agreement or the Loan Servicing Agreement or to provide other changes which will not adversely affect the interest of such Holders. Prior to execution by the Authority of any amendment to a Loan Agreement or the Loan Servicing Agreement, a copy thereof certified by an Authorized Officer of the Authority shall be filed with the Trustee.

SECTION 8.09 ***Application of Surplus Accounts in Trust Agreements***. 1. Upon receipt by the Authority of written certification from the Trustee (i) that the Bonds will be in default as to either principal or interest on the then current principal or interest payment date or the next succeeding interest payment date, (ii) that there are no other moneys available under the Bond Resolution to pay all or a portion of the principal of or interest on such Bonds on such dates, and (iii) the amount required to cure such default net of any other moneys available for such purpose under the Bond Resolution, the Authority covenants to make or cause to be made available to the Trustee for deposit in the Debt Service Fund such amounts which are on deposit in the respective Surplus Accounts under the Applicable Trust Agreement as may be available therefor, subject to the terms and conditions contained in the Applicable Trust Agreement relating to the application of amounts on deposit in said Surplus Accounts.

2. The Authority covenants to transfer to the Surplus Accounts under the Trust Agreements, (a) from each matching account securing bonds of the Authority, moneys in excess of the requirements of said account when such excess moneys are no longer required for the purposes of the bond resolution or other instrument securing said bonds; (b) excess loan repayments securing bonds of the Authority that are not required to be deposited in a fund or an account pursuant to the bond resolution or other instrument securing said bonds; and (c) repayments of loans outstanding on the date of adoption of the Bond Resolution (other than loans made from funds derived from the American Recovery and Reinvestment Act of 2009), made to governmental entities from funds of the Authority for Water Pollution Control Revolving Fund and Drinking Water Revolving Fund purposes and repayments of loans to be made by the Authority from capitalization grant moneys derived from the Federal Capitalization Agreements and not funded from indebtedness of the Authority.

3. The Trustee shall advise the Authority and the respective trustees under the Applicable Trust Agreement in writing if the amount on deposit in the 2026 Series A Matching Account is less than the 2026 Series A Matching Account Requirement.

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4. In order to facilitate transfers from the Surplus Accounts under the Applicable Trust Agreements pursuant to subsections 1 and 3 of this Section 8.09, the Authority shall advise the Trustee in writing as to whether the Bonds to be in default pursuant to Subsection 1 or the deficiency in the 2026 Series A Matching Account Requirement pursuant to subsection 3 is applicable to a Clean Water Financing or a Drinking Water Financing or is applicable to both a Clean Water Financing and a Drinking Water Financing. If applicable to both such Financings, the Authority shall advise the Trustee in writing of the amount applicable to each such Financings.

ARTICLE IX. - DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 9.01 ***Defaults; Events of Default***. 1. If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default" for the Bonds of all Series then Outstanding:

(a) default in the due and punctual payment of any interest on any Bond; or

(b) default in the due and punctual payment of the principal or Redemption Price of any Bond whether at the stated maturity thereof or on any date fixed for the redemption of such Bond; or

(c) if (i) the Authority shall be adjudicated a bankrupt or become subject to an order for relief under federal bankruptcy law, (ii) the Authority shall institute a proceeding seeking an order for relief under federal bankruptcy law or seeking to be adjudicated a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or all of its debts under State bankruptcy or insolvency law, (iii) with the consent of the Authority, there shall be appointed a receiver, liquidator or similar official for the Authority under federal bankruptcy law or under State bankruptcy or insolvency law, or (iv) without the application, approval or consent of the Authority, a receiver, trustee, liquidator or similar official shall be appointed for the Authority under federal bankruptcy law or under State bankruptcy or insolvency law, or a proceeding described in clause (ii) above shall be instituted against the Authority and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days; provided, however, that no such proceeding, order, adjudication or appointment referred to in the preceding items (i) through (iv) of this paragraph (c) affecting only assets of the Authority pledged for the benefit of the Holders of Bonds or other obligations of the Authority in connection with a default under such Bonds of a Series or other obligations shall give rise to an Event of Default pursuant to this paragraph (c); or

(d) if (i) the Authority shall make an assignment for the benefit of creditors, (ii) the Authority shall apply for or seek the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (iii) the Authority shall fail to file an answer or other pleading denying the material allegations of any proceeding filed against it described under clause (ii) of paragraph (c) of this Section, (iv) the Authority shall take any action to authorize or effect any of the actions set forth in paragraph (c) or (d) of this Section, (v) the Authority shall fail to contest in good faith any appointment or proceeding described in paragraph (c) or (d) of this Section or (vi) without the application, or

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approval or consent of the Authority, a receiver, trustee, examiner, liquidator or similar official shall be appointed for any substantial part of the Authority's property and such appointment shall continue undischarged or such proceedings shall continue undismissed or unstayed for a period of thirty (30) consecutive days; provided, however, that no such proceeding, order, adjudication or appointment referred to in the preceding items (i) through (vi) of this paragraph (d) affecting only assets of the Authority pledged for the benefit of the Holders of Bonds of any Series in default or other obligations of the Authority in connection with the default under such Bonds or other obligations shall give rise to an Event of Default pursuant to this paragraph (d); or

(e) the Authority shall default in the performance or observance of any other of the duties, covenants, obligations, agreements or conditions on the part of the Authority to be performed or observed under the Bond Resolution or the Bonds of each Series, which default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall be given to the Authority by the Trustee or the Bondholders in accordance with Section 9.09 hereof.

2. Upon the occurrence of an Event of Default under paragraph (a) and (b) of subsection 1 of this Section 9.01, the Trustee shall deliver the certificate required by Section 8.09.

SECTION 9.02 ***Remedies***. Upon the occurrence of an Event of Default, the Trustee shall have the following rights and remedies:

(a) the Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then Outstanding, including (without limitation) enforcement of any rights of the Authority or the Trustee under the Loan Agreements;

(b) the Trustee by action or suit in equity may require the Authority to account as if it were the trustee of an express trust for the Holders of Bonds and may take such action with respect to the Loan Agreements as the Trustee deems necessary or appropriate and in the best interest of the Holders of Bonds, subject to the terms of such Loan Agreements; and

(c) upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Holders of Bonds under the Bond Resolution, the Trustee will be entitled, as a matter of right to the appointment of a receiver or receivers of the Trust Estate and the issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

If an Event of Default shall have occurred with respect to any Bonds, and if requested so to do by the Holders of a majority in principal amount of the Bonds then Outstanding, upon being indemnified to its reasonable satisfaction therefor, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by this Section as the Trustee shall deem most expedient in the interests of the Holders of Bonds.

No right or remedy by the terms of the Bond Resolution conferred upon or reserved to the Trustee (or Holders of Bonds) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to such Holders hereunder or now or hereafter existing at law or in

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equity or by statute other than pursuant to the Act. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of any Bonds in default, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

SECTION 9.03 ***Right of Holders of a Series of Bonds to Direct Proceedings***. Anything in the Bond Resolution to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds in default then Outstanding shall have the right, at any time during the continuance of an Event of Default of such Bonds, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Bond Resolution, or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of the Bond Resolution.

SECTION 9.04 ***Application of Moneys***. All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article (including, without limitation, moneys received by virtue of action taken under provisions of any Loan Agreement, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the reasonable fees and expenses, liabilities and advances incurred or made by the Trustee, including those of the Trustee's attorneys, agents and advisors, and any other moneys owed to the Trustee in connection with such Bonds hereunder), shall be applied first, to the payment of the principal and interest then due and unpaid upon the Bonds in default, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond in default until such obligation shall be presented to the Trustee for appropriate endorsement or for cancellation (as the case may be).

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SECTION 9.05 ***Remedies Vested in the Trustee***. All rights of action (including, without limitation, the right to file proofs of claims) under the Bond Resolution or under any of the Bonds in default may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the equal and ratable benefit of the Holders of all the Outstanding Bonds without the necessity of joining as plaintiffs or defendants any Holders of such Bonds.

SECTION 9.06 ***Rights and Remedies of Holders of Bonds***. No Holder of Bonds then Outstanding in default shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Bond Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) an Event of Default shall have occurred, (b) the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies herein before granted or to institute such action, suit or proceeding in its own name, (c) such Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused, or for sixty (60) days after receipt of such request and offer of indemnification shall have failed to exercise the remedies herein before granted, or to institute such action, suit or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of the Bond Resolution, and to any action or cause of action for the enforcement of the Bond Resolution, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Bond Resolution by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Holders of all Bonds then Outstanding; provided, however, that nothing contained in the Bond Resolution shall affect or impair the right of the Holder of any Bond to enforce the payment of the principal or Redemption Price of and interest on such Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal or Redemption Price of and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place, from the source and in the manner expressed in the Bonds and in the Bond Resolution.

SECTION 9.07 ***Termination of Proceedings***. In case the Trustee or a Holder of a Bond in default shall have proceeded to enforce any right under the Bond Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or such Holder, then and in every such case the Authority, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee and the holders shall continue as if no such proceedings have been taken.

SECTION 9.08 ***Waivers of Events of Default***. The Trustee may, and with the prior written consent of the Holders of 25% in aggregate principal amount of all Bonds in default then Outstanding shall, waive any Event of Default which in its opinion shall have been remedied before the completion of the enforcement of any remedy under the Bond Resolution; but

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no such waiver shall extend to any subsequent or other Event of Default, or impair any rights consequent thereon.

SECTION 9.09 ***Notice of Certain Defaults; Opportunity of the Authority to Cure Defaults***. Anything herein to the contrary notwithstanding, no Default under Section 9.01(1)(e) hereof shall constitute an Event of Default until actual notice of such Default shall be given to the Authority by registered or certified mail by the Trustee or by the Holders of not less than 25% in aggregate principal amount of all Bonds in default then Outstanding and the Authority shall not have corrected the Default or caused the Default to be corrected within thirty (30) days following the giving of such notice; provided, however, that if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the Default is corrected; provided, however, that in the event the Default is not correctable within ninety (90) days from the date following the giving of such notice, such Default shall constitute an Event of Default.

The Authority hereby grants to the Trustee full authority for the account of the Authority to observe or perform any duty, covenant, obligation or agreement alleged in any alleged Default concerning which notice is given to the Authority under the provisions of this Section in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution.

SECTION 9.10 ***Notices of Defaults to Holders***. The Trustee shall promptly mail written notice of any Event of Default to each Holder at such address appearing upon the registry books of the Authority.

ARTICLE X. - THE FIDUCIARIES

SECTION 10.01 ***Appointments, Duties, Immunities and Liabilities of Trustee***. U.S. Bank Trust Company, National Association has been appointed as Trustee by the Authority. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution and all other agreements with the Authority by executing and delivering to the Authority a written acceptance thereof, and by executing such acceptance, the Trustee shall be deemed to have accepted such duties and obligations with respect to all the Bonds thereafter to be validly issued, but only, however, upon the terms and conditions set forth in the Bond Resolution.

SECTION 10.02 ***Paying Agents; Appointment and Acceptance of Duties***. 1. The Trustee is hereby appointed Paying Agent for the 2026 Series A Bonds. The Authority shall appoint one or more Paying Agents for the Bonds of each additional Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 10.13 for a successor Paying Agent. The Trustee may be appointed a Paying Agent.

2. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the Authority and to the Trustee a written acceptance thereof.

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3. Unless otherwise provided, the Principal Offices of the Paying Agents are designated as the respective offices or agencies of the Authority for the payment of the interest on and principal or Redemption Price of the Bonds.

4. The Authority may enter into agreements with any Paying Agent providing for the payment to the Authority of amounts in respect of interest earned on moneys held by such Paying Agent for the payment of principal or Redemption Price of and interest on Bonds.

SECTION 10.03 ***Responsibilities of Fiduciaries***. 1. The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representation as to the validity or sufficiency of the Bond Resolution or of any Bonds issued thereunder or as to the security afforded by the Bond Resolution, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificates of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Authority or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless indemnified to its satisfaction. Subject to the provisions of subsection 2 of this Section 10.03, no Fiduciary shall be liable in connection with the observance and performance of its duties and obligations hereunder except for its own negligence or willful misconduct.

2. The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and obligations and only such duties and obligations as are specifically set forth in the Bond Resolution. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers invested in it by the Bond Resolution, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Any provision of the Bond Resolution relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 10.03.

SECTION 10.04 ***Evidence on Which Fiduciaries May Act***. 1. Each Fiduciary, upon receipt of any notice, Bond Resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of the Bond Resolution, shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with Counsel, who may or may not be counsel to the Authority, and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Bond Resolution in good faith and in accordance therewith.

2. Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Bond Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith

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under the provisions of the Bond Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

3. Except as otherwise expressly provided in the Bond Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Authority to any Fiduciary shall be sufficiently executed in the name of the Authority by an Authorized Officer of the Authority.

SECTION 10.05 ***Compensation***. The Authority shall pay each Fiduciary from time to time reasonable compensation for all services rendered under the Bond Resolution, including in that limitation the services rendered pursuant to Section 12.01, and also all reasonable expenses, costs and liabilities incurred in and about the performance of their powers and duties under the Bond Resolution and each Fiduciary shall have a lien therefor on any and all funds and accounts at any time held by it under the Bond Resolution.

SECTION 10.06 ***Certain Permitted Acts***. Any Fiduciary may become the Holder of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Bond Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

SECTION 10.07 ***Resignation of Trustee***. The Trustee may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving not less than thirty (30) days' written notice to the Authority, and mailing notice thereof the Holders of the Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed by the Authority or the Bondholders as provided in Section 10.09, in which event such resignation shall take effect immediately on the appointment of such successor, or unless a successor shall not have been appointed by the Authority or the Bondholders as provided in Section 10.09 on that date, in which event such resignation shall not take effect until a successor is appointed and has accepted the duties of Trustee.

SECTION 10.08 ***Removal of Trustee***. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee and signed by the Holders of a majority in principal amount of the Bonds then Outstanding, or in each case their attorneys-in-fact duly authorized, and excluding in each case any Bonds held by or for the account of the Authority which are disqualified pursuant to Section 11.09; provided, however, that such removal shall only be effective upon the appointment of a successor Trustee and such successor's acceptance of its duties as Trustee. So long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time by a resolution of the Authority filed with the Trustee.

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SECTION 10.09 ***Appointment of Successor Trustee***. 1. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Authority by a duly executed written instrument signed by an Authorized Officer of the Authority, but if the Authority does not appoint a successor Trustee within forty-five (45) days then by the Holders of a majority in principal amount of the Bonds then Outstanding, excluding in each case any Bonds held by or for the account of the Authority which are disqualified pursuant to Section 11.09, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondholders or by their attorneys-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the Authority and the predecessor Trustee. After such appointment of a successor Trustee, the Authority shall mail notice of any such appointment made by it or the Bondholders to the Holders of the Bonds then Outstanding.

2. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Authority written notice as provided in Section 10.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee, as the case may be. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

3. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, qualified to do business in the State of Colorado, and having capital stock and surplus aggregating at least $50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

SECTION 10.10 ***Transfer of Rights and Property to Successor Trustee***. Any successor Trustee appointed under the Bond Resolution shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the Authority, or of the successor Trustee, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under the Bond Resolution, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered

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by the Authority. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

SECTION 10.11 ***Merger or Consolidation***. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company (i) shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and (ii) shall be authorized by law to perform all the duties imposed upon it by the Bond Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

SECTION 10.12 ***Adoption of Authentication***. In case any of the Bonds contemplated to be issued under the Bond Resolution shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Bond Resolution provided that the certificate of the Trustee shall have.

SECTION 10.13 ***Resignation or Removal of Paying Agent and Appointment of Successor***. 1. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) days' written notice to the Authority, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least $20,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all duties imposed upon it by the Bond Resolution.

2. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

ARTICLE XI. - AMENDMENTS

SECTION 11.01 ***Supplemental Resolutions Effective Upon Filing With the Trustee***. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Authority may be adopted, which, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority, shall be fully effective in accordance with its terms:

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(1) To close the Bond Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Bond Resolution on, the authentication and delivery of the Bonds;

(2) To add to the duties, covenants, obligations and agreements of the Authority in the Bond Resolution, other duties, covenants, obligations and agreements to be observed and performed by the Authority which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(3) To add to the limitations and restrictions in the Bond Resolution, other limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(4) To add to the Events of Default in the Bond Resolution additional Events of Default;

(5) To authorize Bonds of a Series in connection therewith, specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds (including whether to issue Bonds in book entry form) which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination contained in Article II at any time prior to the first authentication and delivery of such Bonds;

(6) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Bond Resolution of the Revenues or of any other monies, securities or funds;

(7) To modify any of the provisions of the Bond Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series Authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

(8) To modify any of the provisions of the Bond Resolution in any respect provided that the modifications affect only Bonds issued subsequent to the date of such modifications;

(9) To comply with the provisions of any federal or state securities law, including, without limitation, the Trust Indenture Act of 1939, as amended, or to comply with Section 103 of the Code, as amended, replaced or substituted; and

(10) To appoint the Trustee.

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SECTION 11.02 ***Supplemental Resolutions Effective Upon Consent of Trustee***. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon (i) the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority, and (ii) the filing with the Authority of an instrument in writing made by the Trustee consenting thereto, shall be fully effective in accordance with its terms:

(1) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provisions in the Bond Resolution;

(2) To insert such provisions clarifying matters or questions arising under the Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with the Bond Resolution as theretofore in effect; or

(3) To make any other modification or amendment of the Bond Resolution which will not have a material adverse effect on the interests of Bondholders.

In making any determination under this Section 11.02, the Trustee may conclusively rely upon an opinion of Counsel.

SECTION 11.03 ***Supplemental Resolutions Effective With Consent of Bondholders***. At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Bondholders in accordance with and subject to the provisions of Section 11.07, which Supplemental Resolution, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of said Section 11.07, shall become fully effective in accordance with its terms as provided in said Section 11.07. Provided, however, any Supplemental Resolution which by its terms only affects one or more Series of Bonds may be adopted subject to the consent of the Bondholders of the Series or Series of Bonds so affected.

SECTION 11.04 ***General Provisions***. 1. The Bond Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article XI. Nothing contained in this Article XI shall affect or limit the right or obligation of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the Bond Resolution or the right or obligation of the Authority to execute and deliver to any Trustee any instrument which elsewhere in the Bond Resolution it is provided shall be delivered to said Trustee.

2. Any Supplemental Resolution referred to and permitted or authorized by Section 11.01 or 11.02 may be adopted by the Authority without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. The copy of every Supplemental Resolution when filed with the Trustee shall be accompanied by an opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Bond Resolution, is authorized or permitted by the Bond Resolution, and is valid and binding upon the Authority in accordance with its terms.

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3. The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Resolution referred to and permitted or authorized by Sections 11.01, 11.02 or 11.03 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of Counsel that such Supplemental Resolution is authorized or permitted by the provisions of the Bond Resolution.

4. No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

SECTION 11.05 ***Mailing***. Any provision in this Article for the mailing of a notice or other paper to Holders of Bonds shall be fully complied with if it is mailed, postage prepaid only, to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the registry books of the Authority kept by the Trustee as provided in Section 3.04.

SECTION 11.06 ***Powers of Amendment***. Any modification or amendment of the Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 11.07, (i) of the Holders of not less than a majority in principal amount of the Bonds Outstanding at the time such consent is given, (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of not less than a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given and (iii) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such obligation, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Trustee without its written assent thereto. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale and written consent shall be deemed given if given by the initial purchasers of such Bonds prior to the deposit in their accounts at DTC.

SECTION 11.07 ***Consent of Bondholders***. The Authority may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section 11.06 to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto) together with a request to the Holders of the Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Authority to the Holders of such Bonds (but failure to mail such copy and request

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shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of the Holders of the percentages of the Outstanding Bonds specified in Section 11.06 and (b) an opinion of Counsel stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Authority in accordance with the provisions of the Bond Resolution, is authorized or permitted by the Bond Resolution, and is valid and binding upon the Authority and enforceable in accordance with its terms, and (ii) a notice shall have been provided as hereinafter in this Section 11.07 provided. It shall not be necessary that the Holders of the Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Resolution effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A certificate or certificates executed by the Trustee and filed with the Authority stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Trustee, prior to the time when the written statement of the Trustee hereinafter in this Section 11.07 provided for is filed, such revocation and, if such Bonds are transferable by delivery, proof that such Bonds are held by the signer of such revocation in the manner permitted by Section 12.02. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee filed with the Authority to the effect that no revocation thereof is on file with the Trustee. At any time after the Holders of the required percentages of the Bonds shall have filed their consents to the Supplemental Resolution, the Trustee shall make and file with the Authority a written statement that the Holders of such required percentages of such Bonds have filed such consents. Such written statements shall be conclusive that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution (which may be referred to as a Supplemental Resolution adopted by the Authority on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of the Bonds and will be effective as provided in this Section 11.07, may be given to Bondholders by the Authority by mailing such notice to the Bondholders (but failure to mail such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 11.07 provided). The Authority shall file with the Trustee proof of the mailing thereof. A record, consisting of the certificates or statements required or permitted by this Section 11.07 to be made by the Trustee, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Authority, the Fiduciaries and the Holders of all Bonds at the filing with the Trustee of the proof of the mailing of such last-mentioned notice.

SECTION 11.08 ***Modifications or Amendments by Unanimous Consent.*** The terms and provisions of the Bond Resolution and the rights and obligations of the Authority and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the

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adoption and filing by the Authority of a Supplemental Resolution and the consent of the Holders of all of the Bonds then Outstanding, such consent to be given as provided in Section 11.07 except that no notice to the Holders of Bonds either by mailing or publication shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the Trustee of the written assent thereto of such Fiduciary in addition to the consent of the Holders of Bonds.

SECTION 11.09 ***Exclusion of Bonds***. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee a certificate of an Authorized Officer of the Authority, upon which the Trustee may rely, describing all Bonds so to be excluded.

SECTION 11.10 ***Notation on Bonds***. Bonds authenticated and delivered after the effective date of any action taken by the Authority as in this Article XI may, and, if the Authority so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Authority or the Trustee shall so determine, new Bonds so modified as in the opinion of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee to conform to such action shall be prepared, authenticated and delivered and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series, principal amount, maturity and interest rate then Outstanding, upon surrender of such Bonds. Any action taken as in Article X or this Article XI provided shall be effective and binding upon all applicable Bondholders notwithstanding that the notation is not endorsed on all Bonds.

SECTION 11.11 ***Effect of Supplemental Resolution***. Upon the effective date of any Supplemental Resolution, the Bond Resolution shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, covenants, obligations and agreements under the Bond Resolution of the Authority, the Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Resolution shall be deemed to be part of the terms and conditions of the Bond Resolution for any and all purposes.

SECTION 11.12 ***Notice of Amendments***. Promptly after the adoption by the Authority of any Supplemental Resolution, the Trustee shall mail a notice, setting forth in general terms the substance thereof to the Bondholders of a Series of Bonds affected by such amendment. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Resolution.

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ARTICLE XII. - DEFEASANCE

SECTION 12.01 ***Defeasance of the Bonds***. 1. If the Authority shall pay or cause to be paid, or there shall otherwise be paid to the Holders of any Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in such Bonds and in the Bond Resolution, then the pledge of the Trust Estate, and all duties, covenants, agreements and other obligations of the Authority to such Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and, upon the request of the Authority, shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all moneys or securities held by them pursuant to the Bond Resolution which are not required for the payment of principal or Redemption Price, of, and interest if applicable, on Bonds of any Series not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds of any Series the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Bond Resolution, such Bonds shall cease to be entitled to any lien, benefit or security under the Bond Resolution, and all duties, covenants, agreements and obligations of the Authority to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

2. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents or the Trustee (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section. Any Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (1) of this Section if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions in writing to mail notice of redemption of such Bonds (other than Bonds of a Series which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient in the opinion of a nationally recognized firm of certified public accountants, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Series of Bonds on or prior to the redemption date or maturity date thereof, as the case may be, (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last business day on the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Trustee and that such Series of Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (2) of

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this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, of, and interest on such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof), and (d) (i) if an escrow is required to provide for the payment of the principal and interest on the Bonds, the Authority shall deliver to the Trustee a report of a firm of nationally recognized certified public accountants ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full ("Verification"), (ii) the escrow agreement shall provide that no substitution of any Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification, and (iii) there shall be delivered an opinion of Bond Counsel to the effect that the Bonds are no longer "Outstanding" under the Bond Resolution; each Verification and defeasance opinion shall be addressed to the Authority and the Trustee. Any notice of redemption mailed pursuant to the preceding sentence with respect to any Series of Bonds which constitutes less than all of the Outstanding Bonds of any maturity within a Series shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in the Bond Resolution. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) above with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds shall be sufficient to pay when due the Redemption Price, if applicable, and interest due or to become due on all Bonds, in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (i) prior to the maturity date of Bonds deemed to have been paid in accordance with Section 12.01 which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the Authority to the Trustee referred to in the preceding sentence shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates

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prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds of such Series in order to satisfy clause (b) of this subsection 2 of Section 12.01, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Bond Resolution. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Bond Resolution, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Bond Resolution.

3. Anything in the Bond Resolution to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall be applied by such Fiduciary in accordance with the laws of the State.

SECTION 12.02 ***Evidence of Signatures and Ownership of Bonds***. 1. Any request, consent, revocation of consent or other instrument which the Bond Resolution or any Supplemental Resolution may require or permit to be signed and executed by the Holders of Bonds of any Series may be in one or more instruments of similar tenor and shall be signed or executed by such Holders of Bonds in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any person of the Bonds shall be sufficient for any purpose of the Bond Resolution or any Supplemental Resolution (except as otherwise therein expressly provided) if made in the following manner:

(a) The fact and date of the execution by any Holder of any Bond or his attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or

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association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The amount of Bonds transferable by delivery held by any person executing any instrument as a Holder of any Bond, the date of his holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated stating that at the date therein mentioned that such person exhibited to such member or officer or had on deposit with such depositary the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depositary with respect to Bonds owned by it, if acceptable to the Trustee.

2. The ownership of Bonds registered otherwise than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books maintained by the Authority.

3. Any request or consent by the Holder of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Authority or any Trustee in accordance therewith.

SECTION 12.03 ***Moneys Held for Particular Bonds***. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

ARTICLE XIII. - MISCELLANEOUS

SECTION 13.01 ***Liability of the Authority Limited to Trust Estate***. Notwithstanding anything contained in the Bond Resolution or in the Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Trust Estate for any of the purposes in the Bond Resolution, whether for the payment of the principal or Redemption Price of, or interest on, the Bonds or for any other purpose of the Bond Resolution. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority that may be made available to it for such purposes.

SECTION 13.02 ***Successor Is Deemed Included in All References to Predecessor***. Whenever in the Bond Resolution either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the duties, covenants, obligations and agreements in the Bond Resolution contained by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

SECTION 13.03 ***Limitation of Rights to Parties***. Nothing expressed or implied in the Bond Resolution or in the Bonds is intended or shall be construed to give to any person other than the Authority, the Trustee, the Paying Agents and the Holders of Bonds any legal

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or equitable right, remedy or claim under or in respect of the Bond Resolution or any duty, covenant, obligation, agreement, condition or provision therein or herein contained; and all such duties, covenants, obligations, agreements, conditions and provisions are and shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agents and the Holders of Bonds.

SECTION 13.04 ***Waiver of Notice***. Whenever in the Bond Resolution the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 13.05 ***Destruction of Bonds***. Whenever in the Bond Resolution provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, unless otherwise requested in writing the Authority, in lieu of such cancellation and delivery, the Trustee shall destroy such Bonds (in the presence of an officer of the Authority, if the Authority shall so require), and deliver a certificate of such destruction to the Authority.

SECTION 13.06 ***Severability of Invalid Provisions***. If any one or more of the provisions contained in the Bond Resolution or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Bond Resolution or in the Bonds and such invalidity, illegality or unenforceability shall not affect any other provision of the Bond Resolution, and the Bond Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into the Bond Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of the Bond Resolution may be held illegal, invalid or unenforceable.

SECTION 13.07 ***Notices***. Any notice, demand, or request required or authorized by the Bond Resolution to be given to one of the notice recipients listed below shall be sent by email transmission, courier or personally delivered (including overnight delivery service) to each of the notice recipients and addresses for the receiving notice recipient listed below. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each notice recipient listed below shall have the right, upon 10 days' prior written notice to the other notice recipient, to change its list of notice recipients and addresses listed below. The notice recipients may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic.:

(a) Authority: Colorado Water Resources and Power Development Authority
1580 N. Logan Street, Suite 820
Denver, Colorado 80203
Attention: Executive Director

Email address: kmclaughlin@cwrpda.com

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(b) Trustee: U.S. Bank Trust Company, National Association
10035 E. 40th Street
Enterprise Park Stapleton
Denver, Colorado 80238
Attention: Global Corporate Trust Services

Email address: jennifer.petruno@usbank.com

(c) Paying Agent: U.S. Bank Trust Company, National Association
10035 E. 40th Street
Enterprise Park Stapleton
Denver, Colorado 80238
Attention: Global Corporate Trust Services

Email address: jennifer.petruno@usbank.com

(d) Loan Servicer: U.S. Bank Trust Company, National Association
10035 E. 40th Street
Enterprise Park Stapleton
Denver, Colorado 80238
Attention: Global Corporate Trust Services

Email address: jennifer.petruno@usbank.com

Any electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or "printouts", if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form.

SECTION 13.08 ***Disqualified Bonds***. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Bond Resolution, Bonds that are owned or held by or for the account of the Authority or any Governmental Agency, or by any other primary or secondary obligor on any Loan Agreement, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any Governmental Agency or any other primary or secondary obligor on any Loan Agreement, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

SECTION 13.09 ***Funds and Accounts***. Any fund or account required by the Bond Resolution to be established and maintained by the Trustee may be established and

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maintained in the accounting records of the Trustee, either as a fund or an account, and, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, may be treated either as a fund or as an account; but all such records with respect to all such funds or accounts shall at all times be maintained in accordance with customary trust procedures adopted by banks or trust companies similar to the Trustee.

SECTION 13.10 ***Waiver of Personal Liability***. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal or Redemption Price of, or interest on, the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, all such liability, if any, being expressly waived and released by each Holder of Bonds by the acceptance of such Bonds, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by the Bond Resolution.

SECTION 13.11 ***The Authority Protected in Acting in Good Faith***. In the exercise of the powers of the Authority and its members, officers, employees and agents under the Bond Resolution, the Loan Agreements or any other document executed in connection with the Bonds, the Authority shall not be accountable to any Governmental Agency, the Trustee, the Paying Agent or any Holder for any action taken or omitted by it or its members, officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred.

SECTION 13.12 ***Business Days***. Except as otherwise specifically provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day at the place of payment or performance, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price of or interest on any Bond shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

SECTION 13.13 ***Certain Provisions Relating to Capital Appreciation Bonds***. For the purposes of (i) receiving payment of the redemption price if a Capital Appreciation Bond is redeemed prior to maturity, or (ii) receiving payment of a Capital Appreciation Bond if the principal of all Bonds is declared immediately due and payable following an Event of Default, as provided in Section 9.01 of the Bond Resolution, or (iii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving any notice, consent, request or demand pursuant to the Bond Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then current Accreted Value.

ARTICLE XIV. - BOND FORM AND EFFECTIVE DATE

SECTION 14.01 ***Forms of 2026 Series A Bonds and Trustee's Authentication Certificate***. Subject to the provisions of the Bond Resolution, the forms of the Bonds and the Trustee's certificate of authentication shall be of substantially the following tenor:

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[FORM OF 2026 SERIES A BOND]

UNITED STATES OF AMERICA
STATE OF COLORADO

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

STATE REVOLVING FUND REVENUE BONDS, 2026 SERIES A

AS PROVIDED IN THE RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE RESOLUTION TO THE CONTRARY, A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE TRUSTEE, AS REGISTRAR, FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE OR PREMIUM, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION THEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.

Number _____ Interest Rate _____% CUSIP _____

Dated Date: _____

Maturity Date:

Registered Owner: Cede & Co.

Principal Sum: _____ DOLLARS

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COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY (the "Authority"), a body corporate and political subdivision of the State of Colorado created and existing under the laws of the State of Colorado, acknowledges itself indebted to, and for value received hereby promises to pay to Registered Owner or registered assigns, on the Maturity Date stated hereon, but solely from the funds pledged therefor, upon presentation and surrender of this bond, at the corporate trust operations office in St. Paul, Minnesota, of U.S. Bank Trust Company, National Association (such bank and any successors thereto being herein called the "Trustee" or "Paying Agent") or such other place as the Paying Agent may determine, the Principal Sum stated hereon in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and to pay from such pledged funds on March 1 and September 1 in each year, commencing March 1, 2027, until the Authority's obligation with respect to the payment of such Principal Sum shall be discharged to the Registered Owner hereof, interest from the Dated Date hereof or from the March 1, or September 1, as the case may be, next preceding the date of authentication to which interest has been paid or provided for unless such date of authentication is a date to which interest has been paid or provided for, in which case from such date or if such date of authentication is prior to the first interest payment date, in which case from the Dated Date, on such Principal Sum by check or draft of the Trustee mailed to such Registered Owner who shall appear as of the fifteenth (15th) day of the month (or if such day shall not be a Business Day, the preceding Business Day) next preceding such interest payment date on the books of the Authority maintained by the Trustee.

It is hereby certified and recited that all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed and that the Series of Bonds of which this is one, together with all other indebtedness of the Authority, complies in all respects with the applicable laws of the State of Colorado, including, particularly, the Act.

This bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Trustee of the Trustee's Certificate of Authentication hereon.

The terms and provisions of this bond and definitions of certain terms used herein may be continued on the reverse side of this bond and such continued terms and provisions and definitions shall for all purposes have the same effect as though fully set forth on the front of this bond.

This bond is one of a duly authorized Series of Bonds of the Authority designated "State Revolving Fund Revenue Bonds, 2026 Series A" (herein called the "2026 Series A Bonds"), in the aggregate principal amount of $_____ issued and in full compliance with the Constitution and statutes of the State of Colorado, and particularly the "Colorado Water Resources and Power Development Authority Act", being Section 37-95-101 et seq. of the Colorado Revised Statutes, as amended and supplemented (herein called the "Act"), and under and pursuant to a resolution authorizing the 2026 Series A Bonds adopted by the Authority on October 2, 2026 entitled "State Revolving Fund 2026 Series A Revenue Bond Resolution" (herein called the "Resolution").

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As provided in the Resolution, the 2026 Series A Bonds, and all other bonds issued on a parity with the 2026 Series A Bonds under the Resolution (herein collectively called the "Bonds"), are direct and special obligations of the Authority payable solely from and secured as to payment of the principal or Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Resolution solely by the Trust Estate (as defined in the Resolution), subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution. The Trust Estate under the Resolution includes certain of the right, title and interest on the Authority in the Loan Agreements, the Revenues and certain funds and accounts applicable thereto, including Investment Securities held in any such funds or accounts, together with all proceeds and revenues of the foregoing and all of the Authority's right, title and interest in and to the foregoing and all other moneys, securities or funds pledged for the payment of the principal or Redemption Price of, and interest on, the Bonds in accordance with the terms and provisions of the Resolution. Copies of the Resolution are on file at the office of the Authority at the above mentioned office of the Trustee, and reference is hereby made to the Act and to the Resolution and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this bond shall cease to be entitled to any lien, benefit or security under the Resolution and for the other terms and provisions thereof. All duties, covenants, agreements and obligations of the Authority under the Resolution with respect to this bond may be discharged and satisfied at or prior to the maturity or redemption of this bond if moneys or certain specified securities shall have been deposited with the Trustee.

As provided in the Resolution, Bonds may be issued from time to time pursuant to Supplemental Resolutions in one or more Series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as in the Resolution provided. The aggregate principal amount of Bonds which may be issued under the Resolution is not limited, and all the Bonds issued and to be issued under the Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Resolution.

To the extent and in the manner permitted by the terms of the Resolution, the provisions of the Resolution, or any resolution amendatory thereof or supplemental thereto, may be modified or amended by the Authority, with the written consent of the holders of at least a majority in principal amount of the Bonds Outstanding under the Resolution at the time such consent is given, and, in case less than all of the several Series of Bonds then Outstanding are affected thereby, with such consent of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as the Bonds of any specified like Series and maturity remain Outstanding under the Resolution, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of the calculation of Outstanding Bonds. No such modification or amendment shall permit a change in the terms of redemption (including sinking fund installments) or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or Redemption Price thereof or in the rate of interest thereon without the consent of the holder of such Bond, or

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shall reduce the percentages or otherwise affect the classes of Bonds the consent of the holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee or of the Paying Agent without its written assent thereto.

This bond is transferable, as provided in the Resolution, only upon the books of the Authority kept for that purpose at the above mentioned office of the Trustee, as Bond Registrar, by the Registered Owner hereof in person, or by such Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or such Registered Owner's duly authorized attorney, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges therein prescribed. The Authority, the Trustee and the Paying Agent may deem and treat the Registered Owner as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

The 2026 Series A Bonds are issuable in the form of fully registered bonds without coupons in the denomination of $5,000 or any integral multiple of $5,000.

The 2026 Series A Bonds maturing on or after _____ shall be subject to redemption prior to their respective maturity dates, on or after _____, at the option of the Authority, either in whole, or in part randomly within a maturity from maturities selected by the Authority, on any date, at a Redemption Price equal to the principal amount of the 2026 Series A Bonds to be redeemed, in each case together with accrued interest thereon to the date fixed for redemption.

The 2026 Series A Bonds stated to mature on _____ and _____ are also subject to mandatory partial redemption by the Trustee in the amounts and at the times set forth in the Resolution at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon. The Resolution provides for the making of deposits in the Debt Service Fund established under the Resolution to provide Sinking Fund Installments sufficient to pay the principal amount of 2026 Series A Bonds so redeemed; but if the Trustee is obligated to call such 2026 Series A Bonds for mandatory redemption in any event, the 2026 Series A Bonds so called shall be treated (except for initial source of payment) as if they matured and were stated to mature on the date they were called for redemption and the final payment of said 2026 Series A Bonds may not be extended beyond such date without loss of the security provided by the Resolution. Such Sinking Fund Installments may be reduced as a result of the redemption of 2026 Series A Bonds in accordance with the provisions of the Resolution.

The 2026 Series A Bonds are payable upon redemption at the above mentioned office of the Paying Agent. Notice of redemption, setting forth the place of payment, shall be mailed by the Trustee, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the registered owners of any such Bonds or portions of such Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books, all in the manner and upon the terms and conditions set forth in the Resolution. If notice of redemption shall have been mailed as aforesaid, the 2026 Series A Bonds or portions thereof specified in said notice shall become due and payable on the redemption date therein fixed, and if, on the

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redemption date, moneys for the redemption of all the 2026 Series A Bonds and portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds or portions thereof so called for redemption shall cease to accrue and be payable. Failure of the registered owner of any such Bonds which are to be redeemed to receive any such notice shall not affect the validity of the proceedings for the redemption of Bonds.

The principal or Redemption Price of, and interest on, the 2026 Series A Bonds are payable solely from the Trust Estate and neither the State of Colorado nor any political subdivision thereof, other than the Authority, is obligated to pay the principal or Redemption Price of, or interest on, this bond and the issue of which it is one and neither the full faith and credit nor the taxing power of the State of Colorado or any political subdivision thereof is pledged to the payment of the principal or Redemption Price of, or interest on, this bond or the issue of which it is one.

IN WITNESS WHEREOF, COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Executive Director, and its seal to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Assistant Secretary, all as of the Dated Date hereof.

(SEAL)

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

By: _____
Executive Director

Attest:

_____
Assistant Secretary

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[FORM OF CERTIFICATE OF AUTHENTICATION ON ALL 2026 SERIES A BONDS]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is one of the 2026 Series A Bonds delivered pursuant to the within mentioned Resolution.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Authentication Date:

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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

_____

(PLEASE PRINT OR TYPEWRITE NAME, SOCIAL SECURITY NUMBER AND ADDRESS OF TRANSFEREE)

_____

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

NOTICE: Signature Guarantee should be made by a Guarantor Institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee. The signature of this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 14.02 ***Effective Date***. This Bond Resolution shall take effect immediately.

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EXHIBIT A

FORM OF REQUISITION

[Name of Governmental Agency]

2026 Series A Project Loan Subaccount for
[name of Governmental Agency]

To: Colorado Department of Public Health and Environment
WQCD-OA-B2
Attention: _____
Project Administrator
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

Cc: Fax requisition form (Exhibit G) only to the Colorado Water Resources and Power Development Authority at 303.832.8205.

This requisition is made in accordance with Section 5.03(3) of the State Revolving Fund 2026 Series A Revenue Bond Resolution adopted by the Colorado Water Resources and Power Development Authority on October 2, 2026 (the "Bond Resolution"). Terms defined in the Bond Resolution and not otherwise defined herein shall have the same meanings when used herein.

The [name of Governmental Agency] hereby states as follows:

1. This is Requisition No. _____

2. The amount requisitioned hereunder is _____

3. The person, firm or corporation to whom the amount requisitioned is due, or to whom a reimbursable and advance has been made, is _____ located at _____.

4. The payee of the requisitioned amount is _____.

5. The manner of payment to the payee is to be _____.

6. Attached hereto is a statement, copy of a bill, or other proof that the amount requisitioned hereunder is currently due or has been advanced by the [name of Governmental Agency].

7. The amount hereby requisitioned is a proper Cost of the Project to be paid only from amounts deposited in the 2026 Series A Project Loan Subaccount established for [name of Governmental Agency] in the 2026 Series A Project Account in the [Water Pollution Control Revolving Fund/Drinking Water

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Revolving Fund] established by the Bond Resolution, which is unpaid or unreimbursed and which has not been the basis of any previous requisition.

8. On the date hereof, there does not exist any Event of Default under the Loan Agreement nor any condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default thereunder.

9. The undersigned is an Authorized Officer of the [name of Governmental Agency] duly authorized to submit this Requisition.

10. The [name of Governmental Agency] re-affirms that all representations made by it in the Loan Agreement are true and accurate as of the date of this requisition, and that it shall continue to observe and perform all of its duties, covenants, obligations and agreements thereunder, at all times during the entire term of said Loan Agreement.

Dated: _____ __, 20___

[NAME OF GOVERNMENTAL AGENCY]

By: _____
[Name and Title of Authorized Officer]

The undersigned approves the disbursement of the requisitioned amount from the 2026 Series A Project Loan Subaccount established for the [name of Governmental Agency] in the 2026 Series A Project Account.

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

By: _____
[Title]

For Colorado Department of Public Health and Environment, Water Quality Control Division Purposes only:

Payment approved by: _____.

Dated: _____.

Date of last inspection: _____.

Estimated percentage of project completion as of last inspection date: _____.

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CERTIFICATE OF ASSISTANT SECRETARY

I, the undersigned Assistant Secretary of the Colorado Water Resources and Power Development Authority (the "Authority") HEREBY CERTIFY that the Resolution attached hereto was duly adopted at a meeting of the Authority duly called and held on October 2, 2026, and that said Resolution has been compared by me with the original thereof, and it is a correct transcript therefrom, and the whole of said original, and that said Resolution has not been altered, amended or repealed, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Authority this _____ day of _____, _____.

_____
Assistant Secretary

(SEAL)

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DWRF SET ASIDE UPDATE
September 17, 2026

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

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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

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

TO: Project Finance Committee and Karl Ohlsen

FROM: Wesley Williams, Finance Director
Ian Loffert, Assistant Finance Director
Giorgi Gazashvili, Financial Analyst II
Emma Tucker, Financial Analyst I

RE: Review of the Cucharas Sanitation and Water District, Town of Hugo, and Pagosa Springs Sanitation General Improvement District
Water Pollution Control Revolving Fund ("WPCRF")

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

Cucharas Sanitation and Water District
The Cucharas Sanitation and Water District (the "District"), located in Huerfano County, is seeking funds through the WPCRF Disadvantaged Communities ("DAC") loan program in the total amount of $959,833 (comprised of a *$489,515 Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental direct loan, and *$470,318 in IIJA/BIL Principal Forgiveness ("PF")). The project entails upgrades to the headworks. 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 WPCRF DAC loan with the District in the total amount of $959,833 (comprised of a *$489,515 IIJA/BIL General Supplemental direct loan, and *$470,318 in IIJA/BIL PF). The loans will be for a term of 20 years, at an interest rate of 2.50%. The Board will consider this request on October 2, 2026.

Town of Hugo
The Town of Hugo (the "Town"), located in Lincoln County, is seeking funds through the WPCRF DAC loan program in the total amount of $1,559,900 (comprised of a *$795,549 IIJA/BIL General Supplemental direct loan, and *$764,351 in IIJA/BIL PF). This project includes replacement of the sanitary sewer main, manholes and the ultimate reconnection of the lines. In addition and prior to completion, the project will include surface restoration. This project includes C sanitary sewer main and manhole replacements to include service line reconnections. Other components include surface restoration, which will consist of asphalt and gravel replacement. The Town's project was authorized by SJR 08-003.

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 DAC loan with the Town in the total amount of $1,559,900 (comprised of a *$795,549 IIJA/BIL General Supplemental direct loan, and *$764,351 in IIJA/BIL PF). The loan will be for a term of 30 years, at an interest rate of 1.75%, subject to increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution. The Board will consider this request on October 2, 2026.

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Pagosa Springs Sanitation General Improvement District

The Pagosa Springs Sanitation General Improvement District (the "District"), located in Archuleta County, is seeking funds through the WPCRF DAC loan program in the total amount of $3,000,000 (comprised of an *$1,530,000 IIJA/BIL General Supplemental direct loan, and *$1,470,000 in IIJA/BIL PF). This project consists of constructing a new lift station, force main, and emergency overflow vault; constructing additional emergency overflow vaults at existing lift stations throughout the District; and replacing failing collection system segments. The District's project was authorized by SJR 12-003.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a WPCRF DAC loan with the District in the total amount of $3,000,000 (comprised of an *$1,530,000 IIJA/BIL General Supplemental direct loan, and *$1,470,000 in IIJA/BIL PF). The loan will be for a term of 30 years, at an interest rate of 1.75%, subject to increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution. The Board will consider this request on October 2, 2026.

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

Note: A Zoom conference call has been scheduled for **Friday, 9:00 a.m. September 25, 2026**. The link to join via online is: https://us06web.zoom.us/j/89619641367?pwd=5v0s3Oo6Vt6PnsySNbfB18LCuo2jMF.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **896 1964 1367**. The passcode is: **667568**.

Attachment: Cucharas Sanitation and Water District 2026 WPCRF Credit Report
Town of Hugo 2026 WPCRF Credit Report
Pagosa Springs Sanitation General Improvement District 2026 WPCRF Credit Report

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WPCRF LOAN CREDIT REPORT (2026)

Cucharas Sanitation and Water District ("The District"), Huerfano County

Recommendation:	**APPROVAL**
Loan Request:	$959,833
Interest Rate & Term:	2.5%, 20 years
Annual Debt Service:	$31,252
Pledge:	Water and sewer revenues
Current Rate:	$50.00 (S) $60.00 (W)
Estimated Rate Increase:	$0.00

Project Budget

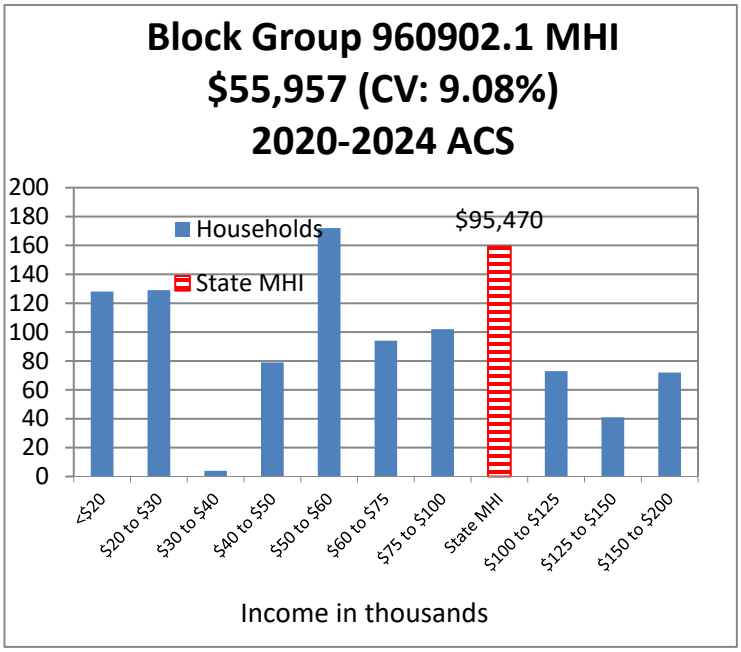
WPCRF BIL/IIJA Loan:	$489,515
WPCRF BIL/IIJA PF:	$470,318
2026 EIAF Grant	$150,000
2026 D&E Grant:	$45,000
2026 Planning Grant:	$10,000
Total:	$1,164,833

PROJECT DESCRIPTION: The project entails upgrades to the headworks.

COMMUNITY PROFILE: Cucharas Sanitation and Water District	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
District Population			1,490	1,710	1,680	1,683	1,648	2.54%
Huerfano County Population	14,491	14,333	14,308	14,419	14,565			0.13%
Huerfano County Jobs	6,834	6,950	7,101	7,059	7,025			0.69%
Number of Sewer Taps			596	684	672	673	659	2.54%
Number of Water Taps			663	665	667	669	672	0.34%
Assessed Value ($000)			12,666	12,492	12,153	12,128	16,556	6.92%
Actual Value ($000)			142,558	144,743	146,411	146,262	226,043	12.21%

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 replace and improve the District's headworks system. The District is a smaller community that has recently taken on debt. However, the District has raised rates to improve its strong financial condition and no further rate increases are projected to be necessary for this proposed project. We therefore recommend the WPCRF Committee approve a $489,515 disadvantaged communities loan and $470,318 in principal forgiveness to the Cucharas Sanitation and Water District.

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PROJECT SUMMARY:

System summary: The District's Wastewater Treatment Facility headworks include a mechanical bar screen, a grit collector, a dewatering screw, and an influent flow meter. The treatment sequence uses two sequencing batch reactor basins equipped with floating decant clarifier units, followed by activated sludge and aerobic digestion processes. Disinfection is achieved with sodium hypochlorite in a dedicated chlorine-contact chamber, followed by dechlorination with liquid sodium bisulfite. Effluent is discharged by pipe to the Cucharas River.

Reason/need: To enhance the performance, efficiency, and operations of the headworks system for plant staff, the current headworks screen and grit system need to be replaced as it has exceeded its useful lifespan.

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

Project Delivery Method: Design/Bid/Build.

Contingency: 8.5% of the total project cost is included as contingency.

CURRENT INDICATORS:	2022	2023	2024	Weak		Average		Strong	
Total Debt per Capita ($):	1,006	834	803		>$2,000		$1,000 - 2,000	X	<$1,000
Total + New Debt/Capita ($):			1,077		>$2,000	X	$1,000 - 2,000		<$1,000
Total Debt/Tap ($):	2,515	2,084	2,009		>$5,000		$2,500 - 5,000	X	<$2,500
Total Debt + New Debt/Tap ($):			2,692		>$5,000	X	$2,500 - 5,000		<$2,500
Current W&S Debt/Tap ($):	2,515	2,084	2,009	X	>$2,000		$1,000 - 2,000		<$1,000
Current W&S + New W&S Debt/Tap ($):			2,692	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	11.83%	11.41%	11.11%		>50%		25-50%	X	<25%
Total Debt + New W&S Debt/Assessed Value:			14.89%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	1.05%	0.98%	0.92%		>10%		5-10%	X	<5%
Total Debt + New W&S Debt/Actual Value:			1.24%		>10%		5-10%	X	<5%
Curr. W&S Debt + New Debt/Tap/MHI:			4.81%		>20%		10-20%	X	<10%
W&S Fund Current Ratio (CA/CL):	436%	431%	328%		<100%		100-200%	X	>200%
W&S Fund Reserves/Current Expense:	109%	123%	96%		<50%	X	50-100%		>100%
W&S Operating Ratio (OR/OE):	104%	110%	101%		<100%	X	100-120%		>120%
Coverage Ratio (TR-OE)/DS:	190%	230%	242%		<110%		110-125%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	177%	216%	181%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan:			189%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			141%		<110%		110-125%	X	>125%
Current Annual W&S Rates/MHI:			0.86%		>3.0%		1.5-3.0%	X	<1.5%
Current W&S Rates + New W&S Debt Service/MHI:			0.94%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			111%		<25%		25-50%	X	>50%
			Total:	**2**		**4**		**15**	

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, 15 are rated strong, four are average and two are considered weak. Overall, the indicators illustrate a smaller system which is in good financial condition. The strong indicators show strong cash flow and affordability. The weak indicators reflect that the proposed debt will burden the community to some degree.

- Operating revenues covered operating expenses for four out of the last five years, averaging 105% of operating expenses.
- In addition to operating revenues from charges, the District supports operations with property taxes.
- Based on 2024 financial information, coverage with the proposed loan is 189% with tap fee revenue and 141% without tap fee revenue.
- In 2025, the District executed a DWRF loan in the amount of $447,789 with $811,511 in principal forgiveness for a total DWRF funding package of $1,259,300. Annual debt service on this loan will be $28,516.
- When including debt service on the 2025 DWRF loan, coverage with the proposed loan is 157% with tap fee revenue and 117% without tap fee revenue. No rate increases are projected to be necessary to meet the 110% coverage ratio requirement.
- Projections submitted by the District show that the District expects revenue growth over the next twenty years from new taps added. The District does not anticipate significant increases in operating expenses.
- Without principal forgiveness, the coverage ratio moves to 133% with tap fee revenue and 100% without tap fee revenue. Additional annual revenue of about $20,883, or $2.64 per tap per month, would increase the coverage ratio to 110% when excluding tap fee revenue.

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Additional Project Financing
The District submitted a DOLA Energy and Mineral Impact Assistance Fund grant application for $554,917. In May 2026, $150,000 was awarded. The District also received a $45,000 D&E grant and a $10,000 planning grant in 2026.

DESCRIPTION OF THE LOAN:

An estimated $489,515 loan with a twenty-year term with two payments annually at an interest rate of 2.50% will cost the District approximately $31,252 in debt service annually. The District also qualifies for $470,318 in IIJA/BIL principal forgiveness.

Disadvantaged Community:

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

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

	Benchmark		Borrower	Met?
P1: MHI	$76,376	>=	$55,957	Y
P2: MHV	$431,520	>=	$415,400	Y
P3: County Unemployment	5.35%	<=	6.42%	Y
County Job Change	0.00%	>=	15.90%	N
S1: County MHI	$76,376	>=	$52,526	Y
S2: Ten Year % Change in Population	0.00%	>=	N/A	N/A
S3: Assessed Value per Housing unit	$24,337	>=	$18,059	Y
S4b: Curr. and Proj. System Debt	0.57%	<	0.83%	Y
S4b: 80th Percentile	1.57%	<	0.83%	N
S5b: Proj. System Cost Per Tap to MHI	1.84%	<	2.44%	Y
S5b: 80th Percentile	2.67%	<	2.44%	N

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

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

IIJA/BIL Principal Forgiveness Eligibility:
In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The District scores 6.5 points as shown below.

IIJA/BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.73%	>	3.35%	0
2a: County Job Change	0.00%	>	15.90%	
2b: County Unemployment	5.35%	<	6.42%	0.5
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	$95,470	>		
	$119,338	<	$55,957	1
4: Rates to MHI	1.32%	<	2.36%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	15.96%	0
7: % Households Housing Burdened	50.00%	<	25.78%	0
8: % Population under 200% Poverty Level	40.00%	<	26.57%	0

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9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	83.42%	1
10: Meets DAC criteria	Yes		Yes	3
			Total Points Scored:	6.5

The District qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 49%, the District qualifies for approximately $470,318 in principal forgiveness, leaving an estimated loan of $489,515.

ECONOMIC ANALYSIS: Based on the State Demographer's estimate of 2.5 people per tap, the District has a 2024 population estimated at 1,680 and has grown at an average annual rate of 0.25% since 2020. Huerfano County has experienced an increase of 0.13% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

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 Title 32, Article 1 water and sanitation district governed by a five-member board of directors and was organized in 1974. The District provides water and wastewater services. Approximately five full-time employees staff the sewer utility. The sewer 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.

Capital Improvement Plan
As part of the application process, the District provided information about anticipated capital improvements. The District expects to complete an outflow measurement project in the range of $10,000 to $20,000 in 2027 which would be paid from reserves. In addition, the District anticipates capital outlay of $500,000 for storage tank painting in the longer term.

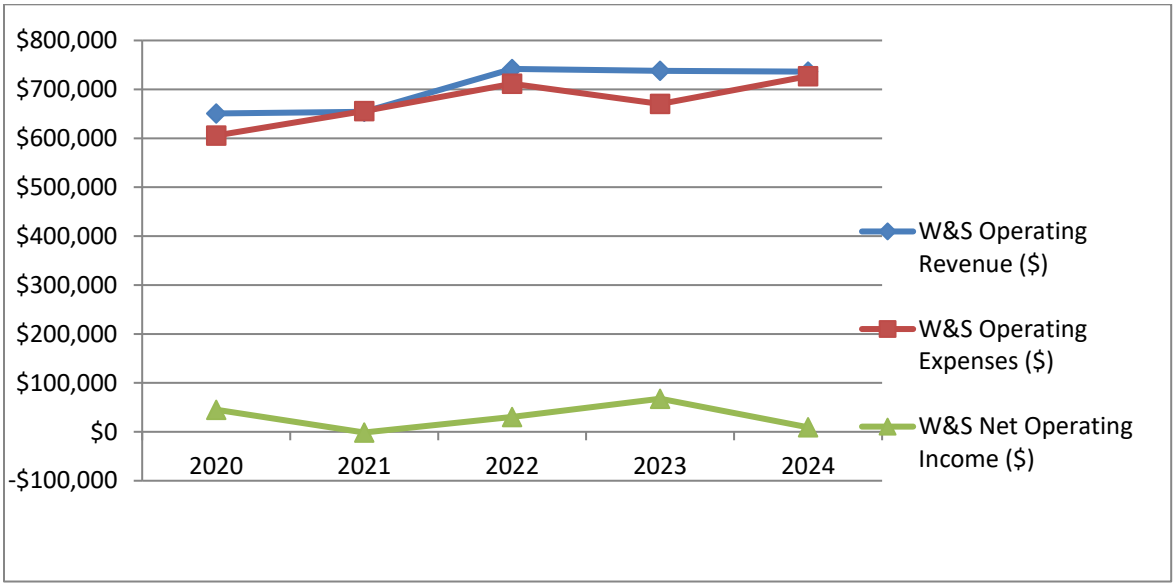
REVENUE ANALYSIS:

Personnel costs led to increases in operating expenses in 2021, 2022, as well as 2024. The District also levies property taxes as a revenue source to support operations. Even without property tax revenue, the District's operating revenues are generally sufficient to cover operating expenses, with net operating revenue dipping slightly negative in 2021. The District increased water and sewer rates in 2025. Based on 659 taps, the $20 increase is expected to generate $158,160 in additional annual revenue, which is anticipated to further strengthen the District's cash flow and projected coverage ratio for the proposed loan.

TRENDS	2020	2021	2022	2023	2024	2025	2026
Monthly Sewer Rate ($)			40.00	40.00	40.00	50.00	50.00
Monthly Water Rate ($)			50.00	50.00	50.00	60.00	60.00
Residential Sewer Tap Fee ($)			7,500	7,500	7,500	10,000	15,000
Residential Water Tap Fee ($)			7,500	7,500	7,500	10,000	15,000
Mill Levy	8.094	8.094	8.094	8.094	8.094		
Total W&S Revenue ($)	776,547	868,859	921,166	923,821	993,439		

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Tap/Development Fees ($)	0	93,000	15,000	15,000	67,500
Property Tax	102,605	103,804	114,351	101,297	124,511
S.O. Tax	0	0	0	10,498	10,102
W&S Operating Revenue ($)	650,783	654,257	741,830	738,023	736,279
W&S Operating Expenses ($)	605,746	655,687	711,433	670,361	726,981
W&S Net Operating Income ($)	45,037	-1,430	30,397	67,662	9,298
W&S Debt ($)	1,714,962	1,260,896	1,498,968	1,425,290	1,349,780
Total Debt ($)	1,714,962	1,260,896	1,498,968	1,425,290	1,349,780
W&S Debt Service ($)	560,318	184,733	110,154	110,162	110,061
W&S Debt Service/Tap/Month ($)			15.40	13.42	13.65
W&S Fund Reserves ($)	987,489	999,638	898,457	958,446	805,678



Recent Rate Increases
The District's most recent sewer rate increase of $10.00 and water rate increase of $10.00 was implemented on January 1, 2025.

User Charges & System Utilization
The District's current estimated average monthly residential sewer rate is a flat rate of $50.00 compared to the 2024 estimated state median of $44.65. Multi-family residences that are less than 650 square feet pay a lower flat rate of $35.00. Commercial users pay a combined water and sewer rate based on tap size ($65.00 for ¾", $100.00 for 1", $250.00 for 2", and $300.00 for 3") in addition to a volume charge of $4.50 per thousand gallons of water consumed. The District uses Equal Quantity Ration (EQR) to determine rates for commercial users.

The District's current monthly water rate is estimated at $60.00 compared to the 2024 estimated state median of $60.61. Residential users pay a $60.00 monthly base rate up to 80,000 gallons of consumption a year. Residences that are less than 650 square feet pay a monthly base rate of $42.00. A volume charge of $1.75 per 1,000 gallons for consumption from over 80,000 gallons per year.

Contributed Capital
Revenue from tap fees has ranged from $0 to $93,000 and has averaged 4.15% of total sewer revenue during the last five years. The District's most recent sewer tap fee rate increase occurred in 2026.

- Residential sewer tap fees are $15,000.
- Residential water tap fees are $15,000.
- Commercial tap fees are determined on a case by case basis.

Current System Utilization | **Current Fee Summary**

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	Usage	Revenue
Residential	97%	97%
Non-residential (per EQR)	3%	3%

Tap size	Sewer user/tap fees	Water user/tap fees
¾”	$50.00/$15,000	$60.00/$15,000
¾”	$76.45/Determined by District	$76.45/Determined by District

DEBT as of December 31, 2024

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2019	CWRPDA-DWRF	2039	Water and sewer revenues	$1,577,262	2.5%	105,151
2012	CWRPDA-DWRF	2033	Water and sewer revenues	$45,045	2%	$5,299

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 their DWRF direct loans dated 2019 and 2012 with the Authority.

The District has also had no debt service payment issues.

Prepared by: Victor Chen
Date: September 8, 2026

Project # 142611W-B
Cost Categories: 100% Secondary Treatment (Category I)

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September 8, 2026 WPCRF Credit Report Cucharas Sanitation and Water District, Huerfano County, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2024	1,680
Number of Sewer Taps/Customers - 2024	672
Total Assessed Valuation - 2024	$12,153,000
Actual Value of All Real Property - 2024	$146,411,000
Median Household Income (MHI) - 2024	$55,957
Monthly Sewer Rate - 2024	$40.00
W&S Operating Revenue - 2024	$736,279
W&S Total Revenue - 2024 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	$993,439
W&S Tap and System Development Fee Revenue - 2024	$67,500
W&S Operating Expense - 2024	$726,981
W&S Current Expense - 2024	$837,042
W&S Debt - 2024	$1,349,780
Total Debt - 2024	$1,349,780
W&S Fund Reserves - 2024	$805,678
W&S Debt Service - 2024	$110,061
New W&S Debt [Requested WPCRF loan amount.]	$489,515
Requested WPCRF Loan Term	20
Requested WPCRF Loan Interest Rate	2.50%
New Loan's Annual W&S Debt Service (two payments annually)	$31,252

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Current Indicators (2024)
Cucharas Sanitation and Water District
(Sewer Only)

1	Total Debt	$1,349,780	÷	Population	1,680	=	$803
	New Debt	$489,515	÷	Population	1,680	=	$291
	Total Debt + New Debt	$1,839,295	÷	Population	1,680	=	$1,095
2	Total Debt	$1,349,780	÷	Number of Taps	672	=	$2,009
	New Debt	$489,515	÷	Number of Taps	672	=	$728
	Total Debt + New Debt	$1,839,295	÷	Number of Taps	672	=	$2,737
3	Total Debt	$1,349,780	÷	Assessed Value	$12,153,000	=	11.11%
	New Debt	$489,515	÷	Assessed Value	$12,153,000	=	4.03%
	Total Debt + New Debt	$1,839,295	÷	Assessed Value	$12,153,000	=	15.13%
4	Total Debt	$1,349,780	÷	Actual Value	$146,411,000	=	0.92%
	New Debt	$489,515	÷	Actual Value	$146,411,000	=	0.33%
	Total Debt + New Debt	$1,839,295	÷	Actual Value	$146,411,000	=	1.26%
5	Current W&S Debt	$1,349,780	÷	Number of Taps	672	=	$2,009
	(Current W&S Debt + New W&S Debt) / Number of Taps	$2,737	÷	MHI	$55,957	=	4.89%
6	Current Ratio (CA / CL)						
	Current Assets	$1,158,952	÷	Current Liabilities	$353,274	=	328%
7	Reserve/Expense Ratio						
	Reserves	$805,678	÷	Current Expenses	$837,042	=	96%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$736,279	÷	Operating Expenses	$726,981	=	101%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$993,439	-				
	Minus Operating Expenses	$726,981					
	=	$266,458	÷	Current Debt Service	$110,061	=	242%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$266,458					
	Minus Tap and Development Fee Revenu	$67,500					
	=	$198,958	÷	Current Debt Service	$110,061	=	181%
11	Projected Coverage Ratio						
	Total Revenues	$993,439					
	Minus Operating Expenses	$726,981					
	=	$266,458		Total Debt Service (with new loan)	$141,313	=	189%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$266,458					
	Minus Tap and Development Fee Revenu	$67,500					
	=	$198,958	÷	Total Debt Service (with new loan)	$141,313	=	141%
13	Current Debt Service	$110,061	÷	Number of Taps	672	=	$163.78
	Annual New W&S Debt Service	$31,252	÷	Number of Taps	672	=	$46.51
14	2024 Annual Sewer Rate (Monthly Rate x 12)	$480.00	÷	MHI	$55,957	=	0.86%
	2024 Annual Sewer Rate + New Annual Debt Service Per Tap	$526.51	÷	MHI	$55,957	=	0.94%
15	Current 2024 Monthly User Charge						$40.00
	(Debt Service on WPCRF Loan / 2024 Taps / Month)						$3.88
	Total						$43.88
16	Operation and Maintenance Reserve						
	Reserves	$805,678	÷	Operating Expenses	$726,981	=	111%

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2026 SRF Disadvantaged Community Criteria

Applicant: Cucharas Sanitation and Water District

Loan Terms

Amount of Loan:	$ 959,833
Interest Rate:	3.25%
Term (years):	20
Annual Payment:	$ 65,642

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 (2024)	<=	10,000	1,683	Y	
	Population 5 years ago (2020)			1,475		
	Poulation 10 years ago (2015)					
	Primary Factors					
P1	MHI (Place)	<=	$ 76,376	55,957	Y	
	Margin of Error (MOE)	±		8,356	OK	
	Reliability (CV)	<=	18.00%	9.08%	Y	BG 1
P2	MHV (Place)	<=	$ 431,520	415,400	Y	
	Margin of Error (MOE)	±		52,937		
	Reliability (CV)	<=	18.00%	7.75%	Y	BG 1
P3	24 Month Unemployment (County)	>=	5.35%	6.42%	Y	
	or 10 Year % Chng. Jobs (County)	<=	0.00%	15.90%	N	
	Jobs (2024)			2,609		
	Jobs (2015)			2,251		
	Priority Factor Count				3	
	Secondary Factors					
S1	MHI (County)	<=	$ 76,376	52,526	Y	
	Margin of Error (MOE)	±		5,017		
	Reliability (CV)	<=	18.00%	5.81%	Y	
S2	10 Year % Chng. Population	<=	0.00%	#DIV/0!	#DIV/0!	
S3	Assessed Value / Housing Unit	<=	$ 24,337	$18,059	Y	
	Assessed Value			12,153,458		
	Total Housing Units			673		Taps used to estimate housing units

						If MHV CV > 18%, calculate result at top of band	Result
S4	Current Debt / Tap / MHV	>	0.57%	0.48%	N		
WS	Current + Projected Debt/Tap/MHV	>	0.57%	0.83%	Y		
	S4b 80th percentile		1.57%	0.83%	N		
						If MHI CV > 18%, calculate result at top of band	**Result**
S5	System Full Cost / Tap / MHI	>	2.03%	3.05%	Y		
	Projected Rate @ 110% Coverage	>	1.84%	2.44%	Y		
	S5b 80th percentile		2.67%	2.44%	N		
	Secondary Factor Count				3		

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

Taps or EQR's	673
Total Debt	1,349,780
Principal & Interest	110,061
Operating Expenses (including operating transfers out)	726,981
Depreciation	422,682

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WPCRF & DWRF

			Benchmark	Applicant	Points	Notes on Data Used
	Eligiblity Criteria					
1	Population loss or growth is slower than the state's over 5 years	<=	0.73%	3.35%	0.0	
	Current Population (2024)			1,683		
	Poulation five years ago (2020)			1,475		
2a	10 Year % County Job Change	>=	0	15.90%	0.0	
2b	County 24 Month unemployment rate exceeds the state's plus 1%	>=	5.35%	6.42%	0.5	
3	Median Household Income	<=	$ 95,470	55,957	1.0	**If MHI CV > 40%, calculate result at top of band** — **Result**
		>=	$ 119,338		0.0	
	Reliability (CV)	<=	40.00%	9.08%	Y	
4	Rates compared to MHI	>	1.32%	2.36%	1.0	**If MHI CV > 40%, calculate result at top of band** — **Result**
WS	Monthly Residential Rate	>		110.00		*$110 flat per month for residential water and sewer service.*
5	Project addresses removal of lead or emerging contaminants		Yes	No	0.0	
6	% Population that identifies as minority is greater than 40%	>	40.00%	15.96%	0.0	
7	% Population that are housing burdened is greater than 50%	>	50.00%	25.78%	0.0	
8	% Population under 200% Poverty Level is greater than 40%	>	40.00%	26.57%	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%	83.42%	1.0	
	% Population over 65 years old			56.85%		
10	Meets base program DAC criteria?			Yes	3.0	
	BIL Eligibility Points				6.5	

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Principal Forgiveness and Priority Point Scoring

Applicant: Cucharas Sanitation and Water District
DWRF or WPCRF: WPCRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 49%

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $489,515

Base DWRF/WPCRF Principal Forgiveness Scoring

DWRF/WPCRF

Water Quality & Public Health + CPDWR Compliance:	0
DOLA Affordability Score:	105
Total Score	105

Eligible as a base program DAC? Yes

Eligible base program DWRF/WPCRF principal forgiveness percentage: 40%

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

Priority Point Scoring

Total WQCD Score:	5
DOLA Affordability Score:	105
Total Score:	110

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2026 IUP WPCRF Priority Point Calculations

Entity Name:	Cucharas SWD
Date of Scoring	8/18/2026
SRF Phase:	Loan app
DOLA Score:	105
DAC:	DAC

Benchmarks

$95,470 **2020-2024 State MHI estimate**

P1	**MHI**			$55,957	59%
	<50% of state MHI	35			
	Between 51% and 80% of state MHI	20	x		
	Between 81% and 100% of state MHI	5			
	>100% state MHI	0			
S5a	**User Fees (current SEWER rate at 110%/tap/MHI)**			3.05%	
	Rates are > 1.14%	45			
	Rates are between 0.80% and 1.14%	25			
	Rates are < 0.80%	0			
	OR				
S5a	**User Fees for a combined water & sewer fund**				
	Rates are > 2.70%	45	x		
	Rates are between 2.03% and 2.70%	25			
	Rates are < 2.03%	0			
S4a	**Current SEWER debt per tap compared to MHV**			0.48%	
	Debt is > 0.53%	45			
	Debt is between 0.15% and 0.53%	25			
	Debt is < 0.15%	0			
	OR				
S4a	**Current water & sewer debt (for combined systems)**				
	Debt is > 1.26%	45			
	Debt is between 0.57% and 1.26%	25			
	Debt is < 0.57%	0	x		
	Population served			1,683	
	Less than 500	35			
	Between 500 and 1,000	25			
	Between 1,000 and 2,000	20	x		
	Between 2,000 and 5,000	15			
	Betweeen 5,000 and 10,000	5			
	>10,000	0			
S3	**Assessed Value/Household**			18,059	
	AV per household is < $12,722	35			
	AV per household is between $12,272 and $24,337	20	x		
	AV per household is between $24,337 and $46,151	10			
	AV per household is greater than $46,151	0			

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-43

A RESOLUTION FOR APPROVAL OF A WASTEWATER DIRECT LOAN TO THE CUCHARAS SANITATION AND WATER DISTRICT AND EXECUTION OF A LOAN AGREEMENT AND OTHER DOCUMENTS NECESSARY THEREFOR

WHEREAS, the Colorado Water Resources and Power Development Authority (the "Authority") has received and reviewed an Application for an Infrastructure Investment Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental direct loan and IIJA/BIL General Supplemental Principal Forgiveness ("PF") direct loan from the Water Pollution Control Revolving Fund ("WPCRF") from the Cucharas Sanitation and Water District (the "Applicant"); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Water Pollution Control Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Water Pollution Control Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Water Pollution Control Revolving Fund.

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

1. That the proposed direct loan to the Cucharas Sanitation and Water District in an amount not to exceed $959,833 (comprised of *$489,515 in IIJA/BIL General Supplemental direct loan and *$470,318 in IIJA/BIL General Supplemental PF) is approved subject to the terms and conditions set forth on the attached Exhibit A**;

2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;

3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

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CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-43 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Durango, Colorado on October 2nd, 2026.

_____

Chair

_____

Secretary

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EXHIBIT A

Borrower:	Cucharas Sanitation and Water District
Project:	The project entails upgrades to the headworks.
Pledge:	Water and Sewer Revenues
Loan Term:	20 Years
Interest Rate:	2.50%
Amount not to exceed:	$959,833 (comprised of *$489,515 in IIJA/BIL General Supplemental direct loan and *$470,318 in IIJA/BIL General Supplemental PF)

Subject to the following terms & conditions:

1. Prepayment Charge - A $15,000 prepayment charge will be applied on any full principal prepayment of the loan. All interest paid through the date of full principal prepayment will be credited against this charge.

* - Estimated PF and direct loan amounts through the IIJA/BIL program. The exact amount will be based on the IIJA/BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

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

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WPCRF LOAN CREDIT REPORT (2026)

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

Recommendation:	**CONDITIONAL APPROVAL**
Loan Request:	$1,559,900
Interest Rate & Term:	1.75%, 30 years
Annual Debt Service:	$34,199
Pledge:	Sewer revenues
Current Rate:	$57.31
Estimated Rate Increase:	$20.83

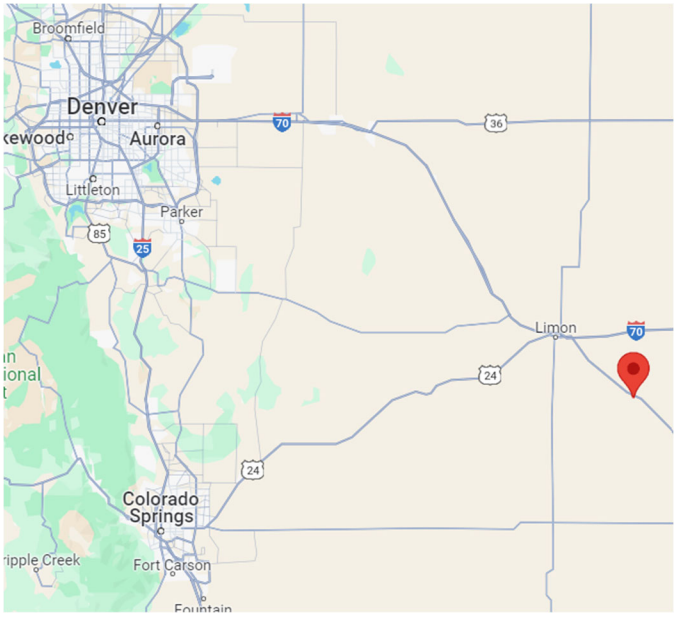
Project Budget

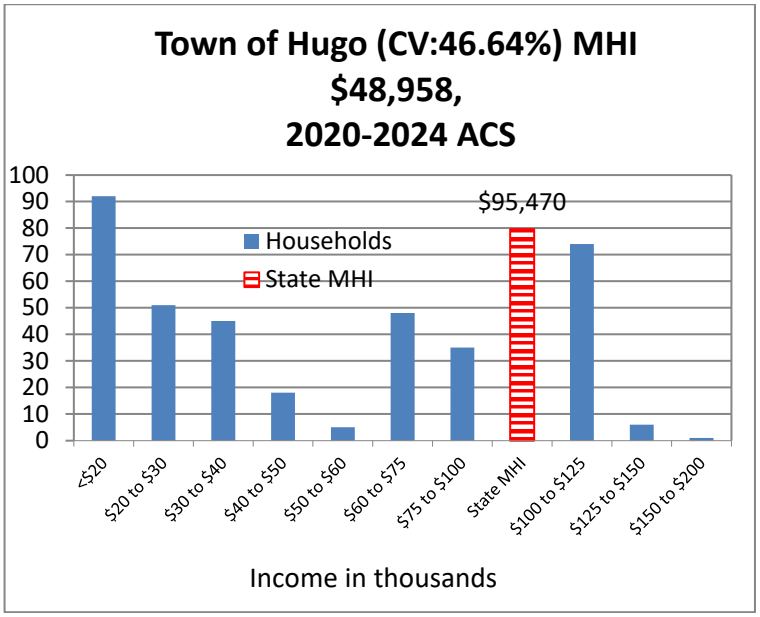
WPCRF IIJA/BIL Loan:	$795,549
WPCRF IIJA/BIL PF:	$764,351
2026 CDBG	$600,000
2025 CDBG-DEEC	$100,000
2026 D&E Grant:	$140,100
Total:	$2,400,000

PROJECT DESCRIPTION: This project includes replacement of the sanitary sewer main, manholes and the ultimate reconnection of the lines. In addition and prior to completion, the project will include surface restoration. This project includes a sanitary sewer main and manhole replacements to include service line reconnections. Other components include surface restoration, which will consist of asphalt and gravel replacement.

COMMUNITY PROFILE: Town of Hugo	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
Town Population	784	791	786	781	774			-0.39%
Lincoln County Population	5,662	5,476	5,522	5,501	5,575			-0.32%
Lincoln County Jobs	6,130	6,180	6,258	6,365	6,316			0.75%
Number of Water Taps			422	422	429	422	422	0.00%
Number of Sewer Taps			411	411	408	412	412	0.06%
Assessed Value ($000)			$4,830	$4,835	$5,005	$4,320	$6,321	6.96%
Actual Value ($000)			$49,213	$49,942	$53,410	$41,581	$72,148	10.04%

BORROWER BRIEF: The Town is the county seat of Lincoln County and located approximately 16 miles southeast of Limon on State Highway 287 and approximately 107 miles southeast of Denver.





RECOMMENDATION: The Town serves a small, rural community on the Eastern Plains in Lincoln County. This proposed loan is necessary to replace large portions of the sewer sanitary system, which is in poor condition and requires emergency repairs. The Town has taken on debt in recent years to deal with needed sewer utility improvements. However, the Town has consistently raised rates to cover the cost of operations and is undergoing a rate study. We therefore recommend the WPCRF Committee approve a $795,549 Infrastructure Investments and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") disadvantaged communities loan and $764,351 in IIJA/BIL

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principal forgiveness ("PF") to the Town of Hugo on the condition that rates are increased sufficiently, if necessary to meet the 110% coverage ratio requirement.

PROJECT SUMMARY:

System summary: The Town is located within eastern Colorado in Lincoln County and serves approximately 412 sewer connections. The Town operates an evaporative lagoon system and wastewater collection system.

Reason/need: The Town owns and operates a wastewater collection and treatment facility (WWTF), built in the early 1960s. Much of the sanitary sewer system is still in its original condition. In 2023, after a sewer collapse, the Town completed a preliminary Engineering Report to shift from reactionary to proactive management. Emergency repairs included replacing deteriorated lines crossing Highway 287 and the Union Pacific Railroad. The Town used smoke testing, cleaning, and video inspections to evaluate system condition. Approximately one-third of the system was inspected, focusing on critical, high-flow areas. Inspected segments are in poor condition and require replacement. Ongoing, phased sewer rehabilitation is needed to reduce emergency repairs and control costs.

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

Project Delivery Method: Design/Bid/Build

Contingency: 18.6% of the total project cost is included as contingency.

CURRENT INDICATORS:	2022	2023	2024	Weak		Average		Strong	
Total Debt per Capita ($):	267	322	581		>$2,000		$1,000 - 2,000	X	<$1,000
Total + New Debt/Capita ($):			724		>$2,000		$1,000 - 2,000	X	<$1,000
Total Debt/Tap ($):	3,489	4,193	7,939	X	>$5,000		$2,500 - 5,000		<$2,500
Total Debt + New Debt/Tap ($):			9,889	X	>$5,000		$2,500 - 5,000		<$2,500
Current Sewer Debt/Tap ($):	3,489	4,193	7,939	X	>$2,000		$1,000 - 2,000		<$1,000
Current Sewer + New Sewer Debt/Tap ($):			9,889	X	>2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	30.49%	36.60%	65%	X	>50%		25-50%		<25%
Total Debt + New Sewer Debt/Assessed Value:			81%	X	>50%		25-50%		<25%
Total Debt/Actual Value:	2.99%	3.54%	6.06%		>10%	X	5-10%		<5%
Total Debt + New Sewer Debt/Actual Value:			7.55%		>10%	X	5-10%		<5%
Curr. Sewer Debt + New Debt/Tap/MHI:			20%	X	>20%		10-20%		<10%
Sewer Fund Current Ratio (CA/CL):	866%	702%	271%		<100%		100-200%	X	>200%
Sewer Fund Reserves/Current Expense:	217%	243%	82%		<50%	X	50-100%		>100%
Sewer Operating Ratio (OR/OE):	163%	261%	110%		<100%	X	100-120%		>120%
Coverage Ratio (TR-OE)/DS:	281%	537%	42%	X	<110%		110-125%		>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	281%	537%	42%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan:			33%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan Excluding Tap Fees:			33%	X	<110%		110-125%		>125%
Current Annual Sewer Rates/MHI:			1.31%		>3.0%		1.5-3.0%	X	<1.5%
Current Sewer Rates + New Sewer Debt Service/MHI:			1.48%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			117%		<25%		25-50%	X	>50%
			Total:	**11**		**4**		**6**	

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, six are rated strong, four are average and 11 are considered weak. Overall, the indicators illustrate a small system which will be burdened by the proposed debt. The strong indicators show affordable rates relative to Median Household Income and strong reserves. The weak indicators reflect high debt burden and the need for further rate increases.

- Operating revenues covered operating expenses consistently for the past five years. Operating revenues averaged 196% of operating expenses over this period and have increased every year, helping the Town cover increased sewer operating expenses in 2024.
- Based on 2024 financial information, coverage with the proposed loan is 33%. Additional annual revenue of about $123,065, or $24.89 per tap per month, would increase the coverage ratio to 110%.

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- Sewer rates have been increased twice for a total increase of $4.06 since 2024. Based on 412 taps, this is expected to increase annual sewer revenues by approximately $20,073. This increases the projected coverage ratio to 46%. Additional annual revenue of about $102,992, or $20.83 per tap per month, would increase the coverage ratio to 110%.
- The Town indicated that a rate study is underway and that it will account for the proposed debt and future Capital Improvement Plan as well as increases required by inflation.
- Projections submitted by the Town show operating expenses increasing by approximately 2% annually. The projections indicated that the Town will increase sewer rates by 5% as necessary to meet the 110% coverage ratio requirement and that significant rate increases are expected in 2027.
- Without principal forgiveness, the coverage ratio moves to 38%. Additional annual revenue of about $139,135, or $28.14 per tap per month, would increase the coverage ratio to 110%.
- The Office of the State Auditor granted an audit extension to the Town for the 2025 audit, so 2024 financial information was used for this analysis.

Additional Project Financing
The Town submitted a CDBG Design, Engineering, and Environmental Clearance application for $100,000 which was awarded in 2025 in addition to submitting a CDBG application for constructions costs for the proposed project for $600,000 which was awarded in 2026. The Town also received a $140,100 D&E grant in 2026.

DESCRIPTION OF THE LOAN:

An estimated $795,549 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the Town approximately $34,199 in debt service annually. The Town also qualifies for $764,351 in IIJA/BIL principal forgiveness.

Disadvantaged Community:

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

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

	Benchmark		Borrower	Met?
P1: MHI	$76,376	>=	$48,958	Y
P2: MHV	$431,520	>=	$254,400	Y
P3: County Unemployment	5.35%	<=	3.20%	N
County Job Change	0.00%	>=	3.59%	N
S1: County MHI	$76,376	>=	$62,861	Y
S2: Ten Year % Change in Population	0.00%	>=	4.03%	N
S3: Assessed Value per Housing unit	$24,337	>=	$8,688	Y
S4b: Curr. and Proj. System Debt	0.15%	<	4.59%	Y
S4b: 80th Percentile	0.75%	<	4.59%	Y
S5b: Proj. System Cost Per Tap to MHI	0.73%	<	2.74%	Y
S5b: 80th Percentile	1.10%	<	2.74%	Y

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

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

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

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IIJA/BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.73%	>	-0.32%	1
2a: County Job Change	0.00%	>	3.59%	
2b: County Unemployment	5.35%	<	3.20%	0
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	$95,470	>		
	$119,338	<	$48,958	1
4: Rates to MHI	0.56%	<	1.31%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	21.13%	0
7: % Households Housing Burdened	50.00%	<	31.70%	0
8: % Population under 200% Poverty Level	40.00%	<	38.91%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	57.16%	1
10: Meets DAC criteria	Yes		Yes	3
			Total Points Scored:	7

The Town qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 49%, the Town qualifies for approximately $764,351 in principal forgiveness, leaving an estimated loan $795,549.

ECONOMIC ANALYSIS: The Town has a 2024 population estimated at 774 and has declined at an average annual rate of -0.39% since 2020. Lincoln County has experienced a decrease of -0.32% in population since 2020. The state population increased at an average annual rate estimated 0.73% since 2000.

The Town's economy is similar to other Eastern Plains local economies with railroad and agricultural origins. The region's economy is dominated by agriculture, government, retail, accommodation services, and construction.

The region's largest employers consist of Lincoln County Community Hospital, with 125 employees; Lincoln County, with 120 employees; Genoa-Hugo School District, with 42 employees; First National Bank, with eight employees; and the Town, with eight employees.

No customer accounts for more than 3% of system utilization.

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

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

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

Organizational Structure

The Town is a Statutory Town governed by a seven-member board of trustees and was incorporated in 1909. The Town provides services including police protection, trash collection, elderly housing, cemetery services, library services, water and wastewater services, public works services, and parks and recreation services. Approximately one full-time employee staffs the sewer utility. The sewer utility is overseen by the sewer supervisor who reports to the board of trustees.

- The Town has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The Town maintains general liability insurance coverage through 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.

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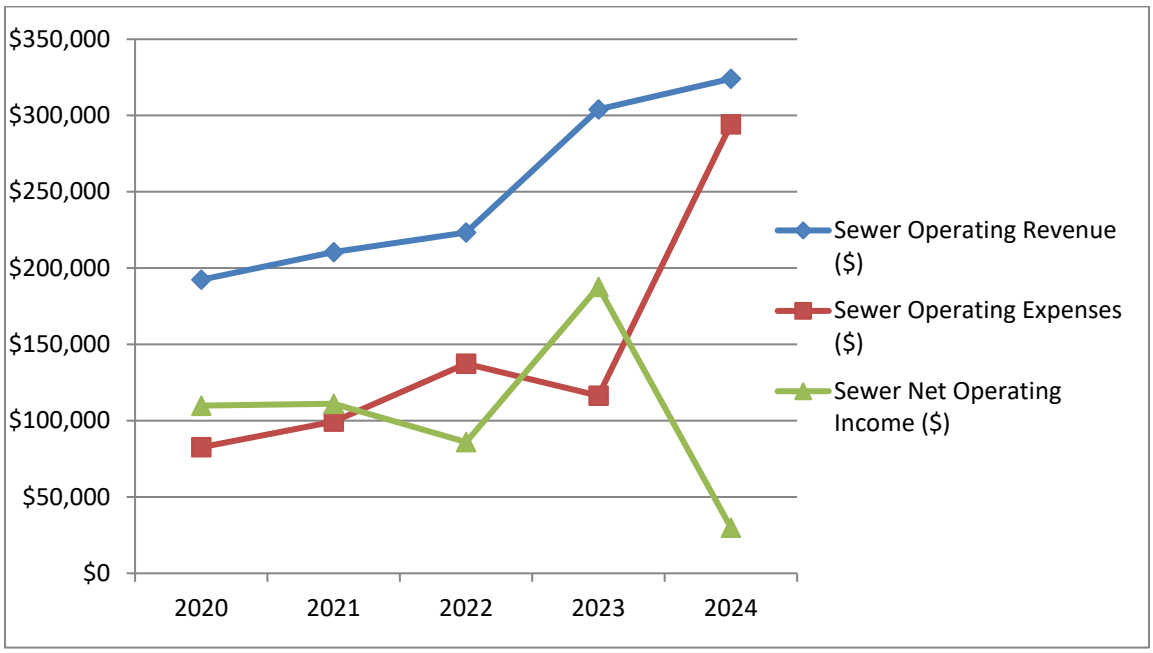
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Capital Improvement Plan
As part of the application process, the Town submitted a capital improvement schedule through 2045, which anticipates capital outlay of $3,250,000 for work on the collection system as well replacing a lift station pump to be funded from a combination of grants, loans, and reserves.

REVENUE ANALYSIS:
Operating revenues have steadily increased in all years examined, which reflects the numerous rate increases that have been implemented in the past five years. Operating expenses increased in 2024 due to hiring a sewer supervisor, bookkeeping expenses, increased personnel costs including health care, and engineering costs. Net operating income is consistently positive.

TRENDS	2020	2021	2022	2023	2024	2025	2026
Monthly Water Rate ($)			40.50	47.84	55.54	57.99	60.99
Monthly Sewer Rate ($)			45.32	53.25	53.25	54.77	57.31
Residential Water Tap Fee ($)			2,500	2,500	2,500	2,500	2,500
Residential Sewer Tap Fee ($)			1,000	1,000	1,000	1,000	1,000
Total Sewer Revenue ($)	192,912	260,093	309,632	392,132	347,866		
Tap/Development Fees ($)	0	0	0	0	0		
Sewer Operating Revenue ($)	192,451	210,491	223,334	304,024	324,091		
Sewer Operating Expenses ($)	82,607	99,383	137,370	116,357	294,230		
Sewer Net Operating Income ($)	109,844	111,108	85,964	187,667	29,861		
Sewer Debt ($)	47,501	1,500,000	1,472,567	1,769,493	3,239,145		
Total Debt ($)	47,501	1,500,000	1,472,567	1,769,493	3,239,145		
Sewer Debt Service ($)	0	7,587	61,221	51,385	126,438		
Sewer Debt Service/Tap/Month ($)			12.09	10.15	24.56		
Sewer Fund Reserves ($)	347,195	431,163	431,739	407,178	344,088		

Ratios	2020	2021	2022	2023	2024	Average
Operating Revenue as % of Total Revenue	100%	81%	72%	78%	93%	85%
Operating Revenue as % of Expenses	233%	212%	163%	261%	110%	196%
Tap Fee Revenue as % of Total Revenue	0%	0%	0%	0%	0%	0%



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Recent Rate Increases
The Town's most recent sewer rate increase of $1.28 was implemented on January 1, 2026.

User Charges & System Utilization
The Town's current estimated average monthly residential sewer rate is $57.31 compared to the 2024 estimated state median of $44.65. All users pay the same flat sewer rate.

The Town's current monthly water rate is estimated at $60.99 compared to the 2024 estimated state median of $60.61. The Town's average monthly water rate is based on typical residential consumption of 7,810 gallons per month. In-Town users pay a $52.42 base rate and out-of-Town users pay a $57.89 base rate for up to 4,000 gallons and a volume charge of $2.25 per 1,000 gallons for consumption over 4,000 gallons. Residential and commercial users pay the same rates.

Contributed Capital
The Town's most recent water tap fee rate increase occurred in 2023. The Town does not have a separate non-residential tap fee rate.

- Water tap fees for ¾'' taps are $2,500.
- Water tap fees for 1'' taps are $3,000.
- Sewer tap fees are $1,000.

Current System Utilization		
	Usage	Revenue
Residential	68%	87%
Non-residential (per EQR)	32%	13%

Current Fee Summary		
Tap size	Sewer user/tap fees	Water user/tap fees
¾"	$57.31/$1,000	$60.99/$2,500
¾"	$57.31/$1,000	$60.99/$2,500

DEBT as of December 31, 2024

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2023	USDA-RD	2062	Sewer revenues	$2,328,157	1.25%	$62,641
2020	CWRPDA-WPCRF	2051	Sewer revenues	$1,474,504	0.50%	$54,612
2024	CWRPDA-WPCRF	2053	Sewer revenues	$523,245	2.75%	$25,959

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

The Town has not met the Rate Covenants on its WPCRF Direct Loans with the Authority, one out of the four years examined. However, as mentioned in the Credit Report, the Town has been proactive in raising rates to address the issue. The Town has also had no debt service payment issues.

Prepared by: Victor Chen
Date: September 8, 2026

Project # 142793W-H
Cost Categories: Sewer System Rehabilitation 100%

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October 8, 2027 DWRF Credit Report Town of Hugo, Lincoln County, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2024	5,575
Number of Sewer Taps/Customers - 2024	408
Total Assessed Valuation - 2024	$5,005,000
Actual Value of All Real Property - 2024	$53,410,000
Median Household Income (MHI) - 2024	$48,958
Monthly Sewer Rate - 2024	$53.25
Sewer Operating Revenue - 2024	$324,091
Sewer Total Revenue - 2024 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	$347,866
Sewer Tap and System Development Fee Revenue - 2024	$0
Sewer Operating Expense - 2024	$294,230
Sewer Current Expense - 2024	$420,668
Sewer Debt - 2024	$3,239,145
Total Debt - 2024	$3,239,145
Sewer Fund Reserves - 2024	$344,088
Sewer Debt Service - 2024	$126,438
New Sewer Debt [Requested DWRF loan amount.]	$795,549
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	1.75%
New Loan's Annual Sewer Debt Service (two payments annually)	$34,199

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Current Indicators (2024)
Town of Hugo
(Sewer)

1	Total Debt	$3,239,145	÷	Population	5,575	=	$581
	New Debt	$795,549	÷	Population	5,575	=	$143
	Total Debt + New Debt	$4,034,694	÷	Population	5,575	=	$724
2	Total Debt	$3,239,145	÷	Number of Taps	408	=	$7,939
	New Debt	$795,549	÷	Number of Taps	408	=	$1,950
	Total Debt + New Debt	$4,034,694	÷	Number of Taps	408	=	$9,889
3	Total Debt	$3,239,145	÷	Assessed Value	$5,005,000	=	64.72%
	New Debt	$795,549	÷	Assessed Value	$5,005,000	=	15.90%
	Total Debt + New Debt	$4,034,694	÷	Assessed Value	$5,005,000	=	80.61%
4	Total Debt	$3,239,145	÷	Actual Value	$53,410,000	=	6.06%
	New Debt	$795,549	÷	Actual Value	$53,410,000	=	1.49%
	Total Debt + New Debt	$4,034,694	÷	Actual Value	$53,410,000	=	7.55%
5	Current Sewer Debt	$3,239,145	÷	Number of Taps	408	=	$7,939
	(Current Sewer Debt + New Sewer Debt) / Number of Taps	$9,889	÷	MHI	$48,958	=	20.20%
6	Current Ratio (CA / CL)						
	Current Assets	$545,855	÷	Current Liabilities	$201,767	=	271%
7	Reserve/Expense Ratio						
	Reserves	$344,088	÷	Current Expenses	$420,668	=	82%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$324,091	÷	Operating Expenses	$294,230	=	110%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$347,866	-				
	Minus Operating Expenses	$294,230					
	=	$53,636	÷	Current Debt Service	$126,438	=	42%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$53,636					
	Minus Tap and Development Fee Revenu	$0					
	=	$53,636	÷	Current Debt Service	$126,438	=	42%
11	Projected Coverage Ratio						
	Total Revenues	$347,866					
	Minus Operating Expenses	$294,230					
	=	$53,636		Total Debt Service (with new loan)	$160,637	=	33%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$53,636					
	Minus Tap and Development Fee Revenu	$0					
	=	$53,636	÷	Total Debt Service (with new loan)	$160,637	=	33%
13	Current Debt Service	$126,438	÷	Number of Taps	408	=	$309.90
	Annual New Sewer Debt Service	$34,199	÷	Number of Taps	408	=	$83.82
14	2024 Annual Sewer Rate (Monthly Rate x 12)	$639.00	÷	MHI	$48,958	=	1.31%
	2024 Annual Sewer Rate + New Annual Debt Service Per Tap	$722.82	÷	MHI	$48,958	=	1.48%
15	Current 2024 Monthly User Charge						$47.84
	(Debt Service on DWRF Loan / 2024 Taps / Month)						$6.99
	Total						$54.83
16	Operation and Maintenance Reserve						
	Reserves	$344,088	÷	Operating Expenses	$294,230	=	117%

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2026 SRF Disadvantaged Community Criteria

Applicant: Town of Hugo

Loan Terms

Amount of Loan:	$ 1,559,900
Interest Rate:	3.25%
Term (years):	20
Annual Payment:	$ 106,681

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 (2024)	<=	10,000	774	Y	
	Population 5 years ago (2020)			784		
	Poulation 10 years ago (2015)			744		
	Primary Factors					
P1	MHI (Place)	<=	$ 76,376	48,958	Y	
	Margin of Error (MOE)	±		37,562	Sub	
P2	MHV (Place)	<=	$ 431,520	254,400	Y	
	Margin of Error (MOE)	±		24,198		
P3	24 Month Unemployment (County)	>=	5.35%	3.20%	N	
	or 10 Year % Chng. Jobs (County)	<=	0.00%	3.59%	N	
	Jobs (2024)			2,596		
	Jobs (2015)			2,506		
	Priority Factor Count				2	
	Secondary Factors					
S1	MHI (County)	<=	$ 76,376	62,861	Y	
	Margin of Error (MOE)	±		10,620		
	Reliability (CV)	<=	18.00%	10.27%	Y	
S2	10 Year % Chng. Population	<=	0.00%	4.03%	N	
S3	Assessed Value / Housing Unit	<=	$ 24,337	$8,688	Y	
	Assessed Value			4,126,592		
	Total Housing Units			475		
						If MHV CV > 18%, calculate result at top of band
S4	Current Debt / Tap / MHV	>	0.15%	3.10%	Y	
S	Current + Projected Debt/Tap/MHV	>	0.15%	4.59%	Y	
	S4b 80th percentile		0.75%	4.59%	Y	
						If MHI CV > 18%, calculate result at top of band
S5	System Full Cost / Tap / MHI	>	0.80%	1.55%	Y	
	Projected Rate @ 110% Coverage	>	0.73%	2.74%	Y	
	S5b 80th percentile		1.10%	2.74%	Y	
	Secondary Factor Count				4	

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

Taps or EQR's	411
Total Debt	3,239,145
Principal & Interest	126,438
Operating Expenses (including operating transfers out)	294,230
Depreciation	18,588

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WPCRF & DWRF

			Benchmark	Applicant	Points	Notes on Data Used
	Eligiblity Criteria					
1	Population loss or growth is slower than the state's over 5 years	<=	0.73%	-0.32%	1.0	
	Current Population (2024)			774		
	Poulation five years ago (2020)			784		
2a	10 Year % County Job Change	>=	0	3.59%	0.0	
2b	County 24 Month unemployment rate exceeds the state's plus 1%	>=	5.35%	3.20%	0.0	
3	Median Household Income	<=	$ 95,470	48,958	1.0	If MHI CV > 40%, calculate result at top of band — Result
		>=	$ 119,338		0.0	
	Reliability (CV)	<=	40.00%	#REF!	#REF!	
4	Rates compared to MHI	>	0.56%	1.31%	1.0	If MHI CV > 40%, calculate result at top of band — Result
S	Monthly Residential Rate	>		53.25		
				$53.25 per open water account per month		
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%	21.13%	0.0	
7	% Population that are housing burdened is greater than 50%	>	50.00%	31.70%	0.0	
8	% Population under 200% Poverty Level is greater than 40%	>	40.00%	38.91%	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%	57.16%	1.0	
	% Population over 65 years old			18.25%		
10	Meets base program DAC criteria?			Yes	3.0	
	BIL Eligibility Points				7.0	

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Principal Forgiveness and Priority Point Scoring

Applicant: Town of Hugo
DWRF or WPCRF: WPCRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 49%

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $764,351

Base WPCRF Principal Forgiveness Scoring

WPCRF

Water Quality & Public Health + CPDWR Compliance:	0
DOLA Affordability Score:	170
Total Score	170

Eligible as a base program DAC? Yes

Eligible base program WPCRF principal forgiveness percentage: 60%

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

Priority Point Scoring

Total WQCD Score:	40
DOLA Affordability Score:	170
Total Score:	210

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2026 IUP WPCRF Priority Point Calculations

Entity Name:	Town of Hugo
Date of Scoring	8/19/2026
SRF Phase:	Pre-qual
DOLA Score:	170
DAC:	DAC

Benchmarks

$95,470 **2020-2024 State MHI estimate**

P1	**MHI**			$48,958	51.28%
	<50% of state MHI	35			
	Between 51% and 80% of state MHI	20	x		
	Between 81% and 100% of state MHI	5			
	>100% state MHI	0			
S5a	**User Fees (current SEWER rate at 110%/tap/MHI)**			1.55%	
	Rates are > 1.14%	45	x		
	Rates are between 0.80% and 1.14%	25			
	Rates are < 0.80%	0			
	OR				
S5a	**User Fees for a combined water & sewer fund**				
	Rates are > 2.70%	45			
	Rates are between 2.03% and 2.70%	25			
	Rates are < 2.03%	0			
S4a	**Current SEWER debt per tap compared to MHV**			3.10%	
	Debt is > 0.53%	45	x		
	Debt is between 0.15% and 0.53%	25			
	Debt is < 0.15%	0			
	OR				
S4a	**Current water & sewer debt (for combined systems)**				
	Debt is > 1.26%	45			
	Debt is between 0.57% and 1.26%	25			
	Debt is < 0.57%	0			
	Population served			774	
	Less than 500	35			
	Between 500 and 1,000	25	x		
	Between 1,000 and 2,000	20			
	Between 2,000 and 5,000	15			
	Betweeen 5,000 and 10,000	5			
	>10,000	0			
S3	**Assessed Value/Household**			8,688	
	AV per household is < $12,722	35	x		
	AV per household is between $12,272 and $24,337	20			
	AV per household is between $24,337 and $46,151	10			
	AV per household is greater than $46,151	0			

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-44

A RESOLUTION FOR APPROVAL OF A WASTEWATER DIRECT LOAN TO THE TOWN OF HUGO AND EXECUTION OF A LOAN AGREEMENT AND OTHER DOCUMENTS NECESSARY THEREFOR

WHEREAS, the Colorado Water Resources and Power Development Authority (the "Authority") has received and reviewed an Application for an Infrastructure Investment Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental direct loan and IIJA/BIL General Supplemental Principal Forgiveness ("PF") direct loan from the Water Pollution Control Revolving Fund ("WPCRF") from the Town of Hugo (the "Applicant"); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Water Pollution Control Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Water Pollution Control Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Water Pollution Control Revolving Fund.

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

1. That the proposed direct loan to the Town of Hugo in an amount not to exceed $1,559,900 (comprised of *$795,549 in IIJA/BIL General Supplemental direct loan and *$764,351 in IIJA/BIL General Supplemental PF) is approved subject to the terms and conditions set forth on the attached Exhibit A**;

2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;

3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

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CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-44 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Durango, Colorado on October 2nd, 2026.

_____

Chair

_____

Secretary

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EXHIBIT A

Borrower:	Town of Hugo
Project:	This project includes replacement of the sanitary sewer main, manholes and the ultimate reconnection of the lines. In addition and prior to completion, the project will include surface restoration. This project includes C sanitary sewer main and manhole replacements to include service line reconnections. Other components include surface restoration, which will consist of asphalt and gravel replacement.
Pledge:	Sewer Revenue
Loan Term:	30 Years
Interest Rate:	1.75%
Amount not to exceed:	$1,559,900 (comprised of *$795,549 in IIJA/BIL General Supplemental direct loan and *$764,351 in IIJA/BIL General Supplemental PF)

Subject to the following terms & conditions:

1. The Town increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution.

2. Prepayment Charge - A $15,000 prepayment charge will be applied on any full principal prepayment of the loan. All interest paid through the date of full principal prepayment will be credited against this charge.

* - Estimated PF and direct loan amounts through the IIJA/BIL program. The exact amount will be based on the IIJA/BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

** - The terms and monetary amounts set forth in Part 1 hereto under the IIJA/BIL General Supplemental loan and the IIJA/BIL General Supplemental PF loan are premised upon the Authority's understanding of and expectations for the resources available to it from the base federal Capitalization Grants and the IIJA/BIL. These amounts, and the allocation of funds available to the Project from each source, are subject to change, amendment, and/or recission depending upon the policies, procedures, and budgetary adjustments adopted by the federal administration. If such changes in policies and procedures or budgetary adjustments are adopted by the federal administration, the Authority reserves the right to review and adjust the terms and monetary amounts set forth herein in a subsequent action. Further, the loan agreement authorized by this resolution is subject to non-execution, cancellation, delay, rescission, or alteration depending upon the terms and conditions, quantities, or availability of federal funds provided under existing or future Capitalization Grants. In addition, funding for this and other approved projects may be re-evaluated under the priority scoring system implem

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Board for all projects based on changes in the availability of anticipated funds. This re-evaluation may result in the funding of some but not all previously-authorized projects, including the project for which the execution of a loan agreement has been authorized by this resolution. The loan agreement authorized by this resolution shall include a term by which Applicant shall hold the Authority harmless for any costs or damages resulting from a change in federal policies, procedures, or funding that results in the requirement that the Authority cancel, delay, rescind, or alter its terms.

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WPCRF LOAN CREDIT REPORT (2026)

Pagosa Springs Sanitation General Improvement District ("The District"), Archuleta County

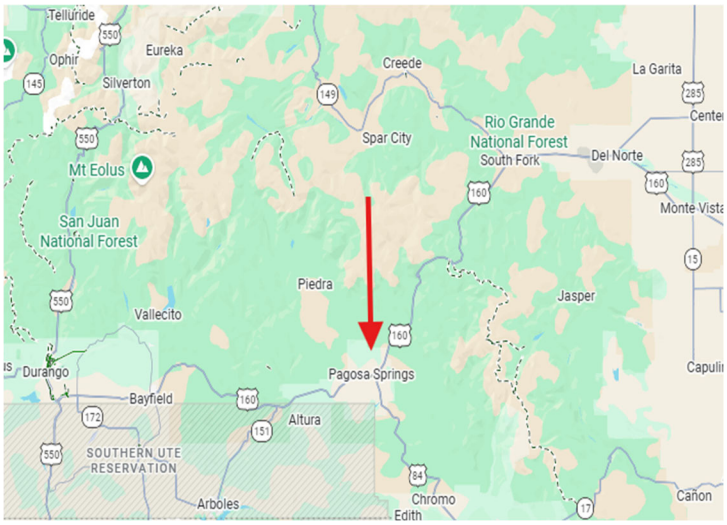
Recommendation:	**CONDITIONAL APPROVAL**
Loan Request:	$3,000,000
Interest Rate & Term:	1.75%, 30 years
Annual Debt Service:	$65,771
Pledge:	Sanitation Fund Revenue
Current Rate:	$71.25
Estimated Rate Increase:	$28.91

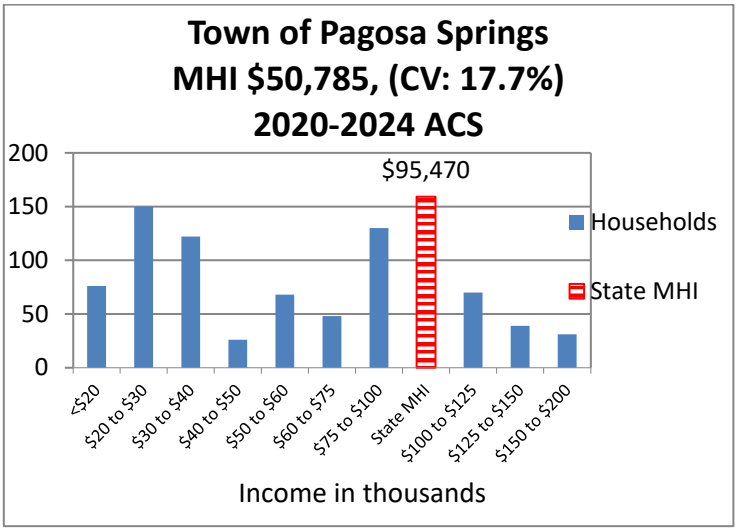
Project Budget	
WPCRF IIJA/BIL Loan:	$1,530,000
WPCRF IIJA/BIL PF:	$1,470,000
2026 D&E Grant:	$300,000
2026 Planning Grant:	$10,000
Reserves:	$97,500
Total:	$3,407,500

PROJECT DESCRIPTION: This project consists of constructing a new lift station, force main, and emergency overflow vault; constructing additional emergency overflow vaults at existing lift stations throughout the District; and replacing failing collection system segments.

COMMUNITY PROFILE: Pagosa Springs Sanitation General Improvement District	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
District Population	1,577	1,633	1,670	1,729	1,748			2.61%
Archuleta County Population	13,429	13,815	13,993	14,182	14,137			1.29%
Archuleta County Jobs	6,406	6,663	6,745	6,931	7,281			3.25%
Number of Sewer Taps		147	153	159	165	171	177	3.71%
Assessed Value ($000)			$50,296	$51,234	$63,845	$63,923	$90,379	16%
Actual Value ($000)			$352,458	$360,269	$496,157	$500,711	$652,039	17%

BORROWER BRIEF: The District encompasses approximately five square miles serving the Town of Pagosa Springs (the Town) in central Archuleta County, situated along the San Juan River in the upper San Juan Basin. U.S. Highway 160 serves as the primary east-west thoroughfare through the District, situated approximately 60 miles east of Durango and 47 miles west of Wolf Creek Pass.





RECOMMENDATION: The District serves a mountainous community in Archuleta County. This proposed loan is necessary to replace failing collection system segments, construct a new lift station and force main across the San Juan River following flood damage to the 1st Street bridge crossing, and install concrete emergency overflow vaults to restore regulatory compliance. While the District will increase its existing debt burden, it is receiving substantial grant and principal forgiveness support totaling $1,780,000 to improve project affordability. We therefore recommend the WPCRF Committee approve a $1,530,000 IIJA/BIL direct loan and $1,470,000 in IIJA/BIL principal forgiveness to the Pagosa Springs Sanitation General Improvement District, on the condition that user rates are managed appropriately to ensure compliance with rate covenants.

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PROJECT SUMMARY:

System summary: The District's wastewater collection system includes three lift stations and roughly 126,000 lineal feet of pipe (8" to 18" in diameter) conveying flow to two large pump stations, where it is pumped uphill via a 7.5-mile force main to the Pagosa Area Water and Sanitation District's Vista WWTF for treatment.

Reason/need: In October 2025, flood debris destroyed a 50-foot suspended pipe crossing at the 1st Street bridge within the 100-year floodplain. The project will suspend a new force main under an upstream pedestrian bridge above the floodplain, requiring a new lift station. Additionally, inflow and infiltration ("I/I") accounts for roughly 20% of annual flows, necessitating collection line replacements. Following overflow events, CDPHE directed the District to construct concrete overflow vaults at all lift stations.

System Compliance: The District operates under Notice of Violation/Cease and Desist Order No. DO-230509-3 issued by CDPHE on May 9, 2023, regarding sanitary sewer overflows; the proposed improvements are intended to achieve full compliance.

Project Delivery Method: Design/Bid/Build.

Contingency: 13.4% of total project cost.

CURRENT INDICATORS:	2022	2024	2025	Weak		Average		Strong	
Total Debt per Capita ($):	1,841	1,687	4,269	X	>$2,000		$1,000 - 2,000		<$1,000
Total + New Debt/Capita ($):			5,145	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Tap ($):	20,014	17,876	43,642	X	>$5,000		$2,500 - 5,000		<$2,500
Total Debt + New Debt/Tap ($):			52,590	X	>$5,000		$2,500 - 5,000		<$2,500
Current Sewer Debt/Tap ($):	20,014	17,876	43,642	X	>$2,000		$1,000 - 2,000	X	<$1,000
Current Sewer + New Sewer Debt/Tap ($):			52,590	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	6.21%	4.62%	12%		>50%		25-50%	X	<25%
Total Debt + New Sewer Debt/Assessed Value:			14%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	0.88%	0.59%	1.49%		>10%		5-10%	X	<5%
Total Debt + New Sewer Debt/Actual Value:			1.80%		>10%		5-10%	X	<5%
Curr. Sewer Debt + New Debt/Tap/MHI:			104%	X	>20%		10-20%		<10%
Sewer Fund Current Ratio (CA/CL):	245%	203%	542%		<100%		100-200%	X	>200%
Sewer Fund Reserves/Current Expense:	55%	44%	222%		<50%		50-100%	X	>100%
Sewer Operating Ratio (OR/OE):	107%	125%	118%		<100%	X	100-120%		>120%
Coverage Ratio (TR-OE)/DS:	154%	157%	113%		<110%	X	110-125%		>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	66%	137%	103%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan:			99%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan Excluding Tap Fees:			91%	X	<110%		110-125%		>125%
Current Annual Sewer Rates/MHI:			1.68%		>3.0%	X	1.5-3.0%		<1.5%
Current Sewer Rates + New Sewer Debt Service/MHI:			2.44%		>3.0%	X	1.5-3.0%		<1.5%
Operation and Maintenance Reserve:			311%		<25%		25-50%	X	>50%
			Total:	**10**		**4**		**7**	

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, seven are rated strong, four are average, and ten are considered weak. Overall, the indicators illustrate an elevated debt burden relative to community size, combined with expenses from recent major emergency repairs and infrastructure spending. The strong indicators reflect very low debt relative to the community's assessed and actual property values as well as healthy reserves. The weak indicators highlight elevated total and new debt per capita/tap, alongside narrow debt service coverage ratios.

- Audits indicate that operating revenues were insufficient to cover total operating expenses in 2025 due to $661,336 in non-recurring costs ($505,047 in emergency capital repairs and $156,289 in bond issuance costs). Considering these were temporary, project-related expenditures, this amount was excluded from baseline operating expenses to normalize the financial analysis.
- Based on 2025 financials, the projected coverage with the new loan is 99% including tap fees and 91% excluding tap fees. Additional annual revenue of $59,326, or about $29.00 per tap per month would be needed to achieve the required 110% coverage ratio with tap fee revenues; without tap fee revenues, additional revenue of $104,385, or about $51.00 per tap per month is the projected requirement.
- However, voters approved a new 1.00% Town sales tax dedicated exclusively to the sanitation fund in November 2025 (effective January 2026), which is projected to generate $3,000,000 in 2026 and increase in future years.
    - When excluding the $661,336 in emergency/one-time expenses and including the anticipated $3,000,000 sales tax increase, the District is not projected to require a rate increase.
- Without principal forgiveness, the coverage ratio moves to 89% with tap fees. Additional annual revenue of about $128,838, or about $63 per tap per month, would increase the coverage ratio to 110%.

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Additional Project Financing
The District is contributing $97,500 from its sewer fund reserves, $300,000 from a 2026 Design and Engineering (D&E) Grant, and $10,000 from a 2026 Planning Grant toward the overall $3,407,500 project budget.

DESCRIPTION OF THE LOAN:

An estimated $1,530,000 WPCRF IIJA/BIL direct loan with a 30-year term with two payments annually at an interest rate of 1.75% will cost the District approximately $65,771 in debt service annually. The District also qualifies for $1,470,000 in WPCRF IIJA/BIL principal forgiveness.

Disadvantaged Community:

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

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

	Benchmark		Borrower	Met?
P1: MHI	$76,376	>=	$50,785	Y
P2: MHV	$431,520	>=	$374,600	Y
P3: County Unemployment	5.35%	<=	3.72%	N
County Job Change	0.00%	>=	26.33%	N
S1: County MHI	$76,376	>=	$83,065	N
S2: Ten Year % Change in Population	0.00%	>=	10.84%	N
S3: Assessed Value per Housing unit	$24,337	>=	$55,614	N
S4b: Curr. and Projected System Debt	0.15%	<	16.33%	Y
S4b: 80th Percentile	0.75%	<	16.33%	Y
S5b: Proj. System Cost Per Tap to MHI	0.73%	<	22.28%	Y
S5b: 80th Percentile	1.10%	<	22.28%	Y

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

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

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

IIJA/BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.73%	>	2.54%	0
2a: County Job Change	0.00%	>	26.33%	
2b: County Unemployment	5.35%	<	3.72%	0
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	$95,470	>		
	$119,338	<	$50,785	1
4: Rates to MHI	0.56%	<	1.68%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	60.53%	1
7: % Households Housing Burdened	50.00%	<	46.71%	0
8: % Population under 200% Poverty Level	40.00%	<	62.81%	1
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	78.79%	1
10: Meets DAC criteria	Yes		Yes	3
			Total Points Scored:	8

The District qualifies for IIJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan with a principal forgiveness funding package. Using an estimated principal forgiveness award of 49.00%, the District qualifies for approximately $1,470,000 in IIJA/BIL principal forgiveness, leaving an estimated repayable loan of $1,530,000.

ECONOMIC ANALYSIS: The District has a 2024 population estimated at 1,748 and has grown at an average annual rate of 2.61% since 2020. Archuleta County has experienced an increase of 1.29% in population since 2020. The state population increased at an average annual rate estimated at 0.95%.

The region's economy is primarily supported by tourism, resort services, construction, retail trade, and local government. Archuleta County's jobs are dominated by services, government, construction, and retail trade. The area's largest commercial employers consist of the San Juan Motel (15 employees), Riverwalk Inn (10 employees), Wolf Creek Run Motorcoach Resort (8 employees), Fireside Cabins (8 employees), and Pagosa River Domes (8 employees).

No customer accounts for more than 3% utilization.

ORGANIZATIONAL ANALYSIS:

Bond Rating
The District's debt was rated BBB by Standard & Poor's in 2024.

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 was established as a general improvement district and is governed by the Town Council of the Town of Pagosa Springs acting ex officio as the District Board. The Town of Pagosa Springs was incorporated in 1891 and operates under a Council-Manager form of government. The District provides sanitary sewer collection services, while treatment services are provided by the Pagosa Area Water and Sanitation District (PAWSD). System operations and management are staffed by Town of Pagosa Springs administrative and public works personnel.

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

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- The District maintains general liability insurance coverage through the Colorado Intergovernmental Risk Sharing Agency (CIRSA).
- There are currently no pending lawsuits against the District.
- There have been no recall elections in the last ten years.

Capital Improvement Plan
As part of the application process, the District submitted a capital improvement schedule through 2028, which anticipates capital outlay for major collection system and pipeline rehabilitation projects, including work coordinated with the US 160 construction corridor. Funding sources include WPCRF loan proceeds, state grants, dedicated enterprise revenues, reserves, and proceeds from a 1% dedicated municipal sales tax approved by voters in November 2025 (effective January 2026) specifically dedicated to sanitation infrastructure.

Intergovernmental
The District has two Intergovernmental Agreements (IGAs) with the Pagosa Area Water and Sanitation District (PAWSD).

The District entered into an Amended and Restated Intergovernmental Agreement (IGA) with PAWSD on June 17, 2016 (amended March 26, 2018). Under this agreement, the District conveys raw sewage from its service area to PAWSD's Vista Wastewater Treatment Plant (Vista WWTP) for treatment and discharge. The 2018 First Amendment established terms for decommissioning PAWSD Lift Stations 17 and 18, diverting wastewater flows to District Pump Station 2 (PS2), and defining pro-rata cost-sharing mechanisms for PS2 operations, maintenance, and future capital expansions.

The District entered into an Intergovernmental Agreement (IGA) with the Pagosa Area Water and Sanitation District (PAWSD) on January 3, 2012 (amended September 8, 2022). Under the agreement, PAWSD provides wastewater treatment services for sewage collected by the District, and the District pays PAWSD for its proportional share of treatment costs and debt service obligations associated with the shared treatment facility.

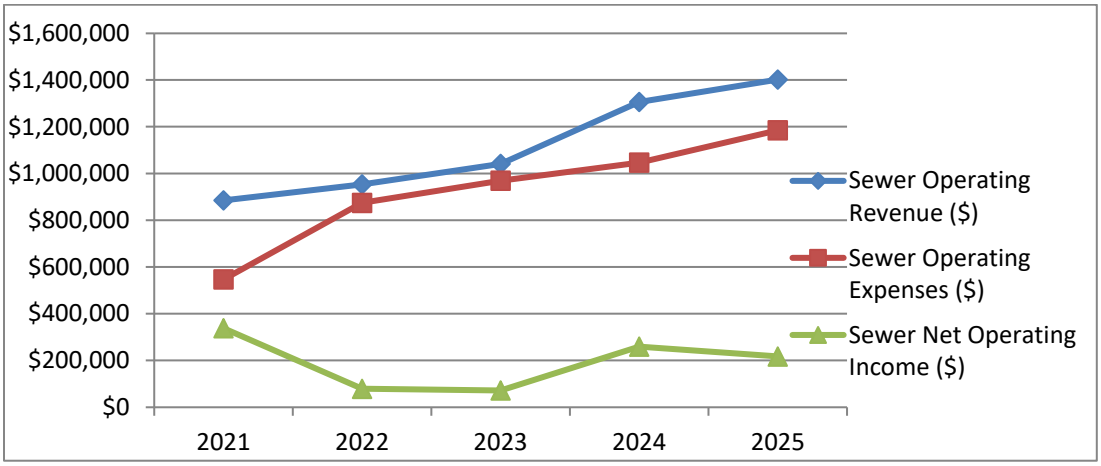
REVENUE ANALYSIS:

The District's sewer operating revenues have experienced steady growth over the observed five-year period, climbing from $885,312 in 2021 to $1,402,077 in 2025. Total sewer revenues reached $1,721,924 in 2025, supported by $76,019 in property tax revenues and $45,059 in tap and system development fees. Operating expenditures increased in 2025 (after deducting non-recurring expenses), producing a positive net operating income. To establish long-term financial sustainability and support ongoing capital improvements, voters approved a dedicated 1% municipal sales tax in November 2025 (effective January 2026), which is projected to generate $3,000,000 in 2026 and increase in future years to support the sanitation fund. Reserves grew significantly in 2025 due to $3,951,458 in restricted cash. This growth was driven by enterprise revenue bonds—secured strictly by sanitation revenues—which generated over $4.5 million in construction funds, leaving $3.9 million available at year-end for repairs.

TRENDS	2021	2022	2023	2024	2025	2026
Monthly Sewer Rate ($)		50.08	53.50	66.50	71.25	71.25
Residential Sewer Tap Fee ($)		4,550	5,000	6,250	6,250	7,500
Total Sewer Revenue ($)	1,176,339	1,177,714	1,413,264	1,498,908	1,721,924	
Tap/Development Fees ($)	64,947	138,626	255,626	59,662	45,059	
Property Tax	56,035	59,480	60,362	74,716	76,019	
Sewer Operating Revenue ($)	885,312	953,264	1,040,880	1,305,913	1,402,077	
Sewer Operating Expenses ($)	547,138	874,363	969,123	1,046,592	1,184,851	
Sewer Net Operating Income ($)	338,174	78,901	71,757	259,321	217,226	
Sewer Debt ($)	3,636,352	3,411,185	3,182,260	2,949,505	7,462,851	
Total Debt ($)	3,636,352	3,411,185	3,182,260	2,949,505	7,462,851	
Sewer Debt Service ($)	482,264	287,657	287,657	287,658	476,410	
Sewer Debt Service/Tap/Month ($)	273.39	156.68	150.76	145.28	232.17	
Sewer Fund Reserves ($)	657,230	695,378	582,196	391,310	3,681,069	

Ratios	2021	2022	2023	2024	2025	Average
Operating Revenue as % of Total Revenue	75%	81%	74%	87%	81%	79%
Operating Revenue as % of Expenses	162%	109%	107%	125%	118%	126%
Tap Fee Revenue as % of Total Revenue	5.52%	12%	18%	3.98%	2.62%	9.84%

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Recent Rate Increases
The District's most recent sewer rate increase of $4.75 was implemented on January 1, 2025.

User Charges & System Utilization
The District's current monthly sewer rate is $71.25, compared to the 2024 estimated state median of $44.65. Flat-rate user charges are assessed per equivalent unit (EU) across residential and commercial accounts.

Contributed Capital

- Revenue from tap and Capital Improvement Fees (CIF) has ranged from $45,059 to $255,626 over the last five years, averaging 9.84% of total sewer revenue. The District's current Capital Improvement Fee is $7,500 per EU (effective January 2026, up from $6,520 in 2025) for both residential and commercial connections. Under the District's adoption plan, the CIF will increase by $2,500 every five years ($10,000 in 2031 and $12,500 in 2036).

Current System Utilization		
	Usage	Revenue
Residential	78%	78%
Non-residential (per EQR)	22%	22%

Current Fee Summary	
Tap size	Sewer user/tap fees
¾"	$71.25/$7,500
¾"	$71.25/$7,500

DEBT as of December 31, 2025

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2025	Wastewater Revenue Bonds (Series 2025)	1-Mar-45	Enterprise Property & Net Wastewater Revenues	$4,750,000	4.125% - 5.500%	$254,150
2014	Colorado Water Resources and Power Development Authority (CWRPDA)	1-May-35	Sanitation Pipeline Infrastructure & Net Revenues	$1,019,097	1.00%	$112,718
2012	Pagosa Area Water and Sanitation District (PAWSD)	30-Nov-36	Sanitation Pipeline Infrastructure & Shared Treatment Revenues	$1,693,754	2.19%	$174,940

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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 WPCRF direct loan dated 2014 with the Authority. The District has also had no debt service payment issues.

Prepared by: Peter Dieterich
Date: September 8, 2026

Cost Categories:
III-A. Infiltration/Inflow Correction: 12%
III-B. Sewer Replacement/Rehabilitation: 88%

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September 8, 2026 WPCRF Credit Report Pagosa Springs SGID, Archuleta County, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2024	**1,748**
Number of Sewer Taps/Customers - 2025	**171**
Total Assessed Valuation - 2025	**$63,923,000**
Actual Value of All Real Property - 2025	**$500,711,000**
Median Household Income (MHI) - 2024	**$50,785**
Monthly Sewer Rate - 2025	**$71.25**
Sewer Operating Revenue - 2025	**$1,402,077**
Sewer Total Revenue - 2025 **[May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]**	**$1,721,924**
Sewer Tap and System Development Fee Revenue - 2025	**$45,059**
Sewer Operating Expense - 2025	**$1,184,851**
Sewer Current Expense - 2025	**$1,661,261**
Sewer Debt - 2025	**$7,462,851**
Total Debt - 2025	**$7,462,851**
Sewer Fund Reserves - 2025	**$3,681,069**
Sewer Debt Service - 2025	**$476,410**
New Sewer Debt [Requested WPCRF loan amount.]	**$1,530,000**
Requested WPCRF Loan Term	**30**
Requested WPCRF Loan Interest Rate	**1.75%**
New Loan's Annual Sewer Debt Service (two payments annually)	**$65,771**

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Current Indicators (2025)

Pagosa Springs SGID

(Sewer Only)

1	Total Debt	$7,462,851	÷	Population	1,748	=	$4,269
	New Debt	$1,530,000	÷	Population	1,748	=	$875
	Total Debt + New Debt	$8,992,851	÷	Population	1,748	=	$5,145
2	Total Debt	$7,462,851	÷	Number of Taps	171	=	$43,642
	New Debt	$1,530,000	÷	Number of Taps	171	=	$8,947
	Total Debt + New Debt	$8,992,851	÷	Number of Taps	171	=	$52,590
3	Total Debt	$7,462,851	÷	Assessed Value	$63,923,000	=	11.67%
	New Debt	$1,530,000	÷	Assessed Value	$63,923,000	=	2.39%
	Total Debt + New Debt	$8,992,851	÷	Assessed Value	$63,923,000	=	14.07%
4	Total Debt	$7,462,851	÷	Actual Value	$500,711,000	=	1.49%
	New Debt	$1,530,000	÷	Actual Value	$500,711,000	=	0.31%
	Total Debt + New Debt	$8,992,851	÷	Actual Value	$500,711,000	=	1.80%
5	Current Sewer Debt	$7,462,851	÷	Number of Taps	171	=	$43,642
	(Current Sewer Debt + New Sewer Debt) / Number of Taps	$52,590	÷	MHI	$50,785	=	103.55%
6	Current Ratio (CA / CL)						
	Current Assets	$4,514,005	÷	Current Liabilities	$832,936	=	542%
7	Reserve/Expense Ratio						
	Reserves	$3,681,069	÷	Current Expenses	$1,661,261	=	222%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$1,402,077	÷	Operating Expenses	$1,184,851	=	118%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$1,721,924	-				
	Minus Operating Expenses	$1,184,851					
	=	$537,073	÷	Current Debt Service	$476,410	=	113%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$537,073					
	Minus Tap and Development Fee Revenu	$45,059					
	=	$492,014	÷	Current Debt Service	$476,410	=	103%
11	Projected Coverage Ratio						
	Total Revenues	$1,721,924					
	Minus Operating Expenses	$1,184,851					
	=	$537,073		Total Debt Service (with new loan)	$542,181	=	99%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$537,073					
	Minus Tap and Development Fee Revenu	$45,059					
	=	$492,014	÷	Total Debt Service (with new loan)	$542,181	=	91%
13	Current Debt Service	$476,410	÷	Number of Taps	171	=	$2,786.02
	Annual New Sewer Debt Service	$65,771	÷	Number of Taps	171	=	$384.63
14	2025 Annual Sewer Rate (Monthly Rate x 12)	$855.00	÷	MHI	$50,785	=	1.68%
	2025 Annual Sewer Rate + New Annual Debt Service Per Tap	$1,239.63	÷	MHI	$50,785	=	2.44%
15	Current 2025 Monthly User Charge						$71.25
	(Debt Service on WPCRF Loan / 2025 Taps / Month)						$32.05
	Total						$103.30
16	Operation and Maintenance Reserve						
	Reserves	$3,681,069	÷	Operating Expenses	$1,184,851	=	311%

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2026 SRF Disadvantaged Community Criteria

Applicant: Pagosa Springs SGID

Loan Terms

Amount of Loan:	$	3,000,000
Interest Rate:		3.25%
Term (years):		20
Annual Payment:	$	205,168

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

			Benchmark	Applicant	Result	Notes on Data Used
	Current Population (2024)	<=	10,000	1,748	Y	
	Population 5 years ago (2020)			1,581		
	Poulation 10 years ago (2015)			1,577		
	Primary Factors					
P1	MHI (Place)	<=	$ 76,376	50,785	Y	
	Margin of Error (MOE)	±		14,790		
P2	MHV (Place)	<=	$ 431,520	374,600	Y	
	Margin of Error (MOE)	±		77,869		
P3	24 Month Unemployment (County)	>=	5.35%	3.72%	N	
	or 10 Year % Chng. Jobs (County)	<=	0.00%	26.33%	N	
	Jobs (2024)			7,298		
	Jobs (2015)			5,777		
	Priority Factor Count				3	
	Secondary Factors					
S1	MHI (County)	<=	$ 76,376	83,065	N	
	Margin of Error (MOE)	±		7,046		
	Reliability (CV)	<=	18.00%	5.16%	Y	
S2	10 Year % Chng. Population	<=	0.00%	10.84%	N	
S3	Assessed Value / Housing Unit	<=	$ 24,337	$55,682	N	
	Assessed Value			63,922,820		
	Total Housing Units			1148		

						If MHV CV > 18%, calculate result at top of band	Result
S4	Current Debt / Tap / MHV	>	0.15%	11.65%	Y		
S	Current + Projected Debt/Tap/MHV	>	0.15%	16.33%	Y		
	S4b 80th percentile		0.75%	16.33%	Y		
						If MHI CV > 18%, calculate result at top of band	**Result**
S5	System Full Cost / Tap / MHI	>	0.80%	18.98%	Y		
	Projected Rate @ 110% Coverage	>	0.73%	22.28%	Y		
	S5b 80th percentile		1.10%	22.28%	Y		
	Secondary Factor Count				4		

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

Taps or EQR's	171
Total Debt	7,462,851
Principal & Interest	476,410
Operating Expenses (including operating transfers out)	1,184,851
Depreciation	463,836

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WPCRF & DWRF

			Benchmark	Applicant	Points	Notes on Data Used
	Eligiblity Criteria					
1	Population loss or growth is slower than the state's over 5 years	<=	0.73%	2.54%	0.0	
	Current Population (2024)			1,748		
	Poulation five years ago (2020)			1,581		
2a	10 Year % County Job Change	>=	0	26.33%	0.0	
2b	County 24 Month unemployment rate exceeds the state's plus 1%	>=	5.35%	3.72%	0.0	
3	Median Household Income	<=	$ 95,470	50,785	1.0	**If MHI CV > 40%, calculate result at top of band** — **Result**
		>=	$ 119,338		0.0	
	Reliability (CV)	<=	40.00%	N/A	N	
4	Rates compared to MHI	>	0.56%	1.68%	1.0	**If MHI CV > 40%, calculate result at top of band** — **Result**
S	Monthly Residential Rate	>		71.25		
				based on application only, needs to be confirmed		
5	Project addresses removal of lead or emerging contaminants		Yes	No	0.0	
6	% Population that identifies as minority is greater than 40%	>	40.00%	60.53%	1.0	
7	% Population that are housing burdened is greater than 50%	>	50.00%	46.71%	0.0	
8	% Population under 200% Poverty Level is greater than 40%	>	40.00%	62.81%	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%	78.79%	1.0	
	% Population over 65 years old			15.98%		
10	Meets base program DAC criteria?			Yes	3.0	
	BIL Eligibility Points				8.0	

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2026 IUP WPCRF Priority Point Calculations

Entity Name:	Pagosa Springs S GID
Date of Scoring	9/8/2026
SRF Phase:	Loan app
DOLA Score:	130
DAC:	DAC

Benchmarks

$95,470 2020-2024 State MHI estimate

P1	**MHI**		$50,785	53%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20		
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5a	**User Fees (current SEWER rate at 110%/tap/MHI)**		1.86%	
	Rates are > 1.14%	45		
	Rates are between 0.80% and 1.14%	25		
	Rates are < 0.80%	0		
	OR			
S5a	**User Fees for a combined water & sewer fund**			
	Rates are > 2.70%	45		
	Rates are between 2.03% and 2.70%	25		
	Rates are < 2.03%	0		
S4a	**Current SEWER debt per tap compared to MHV**		1.14%	
	Debt is > 0.53%	45		
	Debt is between 0.15% and 0.53%	25		
	Debt is < 0.15%	0		
	OR			
S4a	**Current water & sewer debt (for combined systems)**			
	Debt is > 1.26%	45		
	Debt is between 0.57% and 1.26%	25		
	Debt is < 0.57%	0		
	Population served		1,748	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Betweeen 5,000 and 10,000	5		
	>10,000	0		
S3	**Assessed Value/Household**		55,682	
	AV per household is < $12,722	35		
	AV per household is between $12,272 and $24,337	20		
	AV per household is between $24,337 and $46,151	10		
	AV per household is greater than $46,151	0		

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Principal Forgiveness and Priority Point Scoring

Applicant: Pagosa Springs Sanitation GID
DWRF or WPCRF: WPCRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 49.00%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): $1,470,000

Base DWRF/WPCRF Principal Forgiveness Scoring

DWRF/WPCRF

Water Quality & Public Health + CPDWR Compliance:	50
DOLA Affordability Score:	130
Total Score	180

Eligible as a base program DAC? Yes

Eligible base program DWRF/WPCRF principal forgiveness percentage: No

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

Priority Point Scoring

Total WQCD Score:	65
DOLA Affordability Score:	130
Total Score:	195

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COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-45

A RESOLUTION FOR APPROVAL OF A WASTEWATER DIRECT LOAN TO THE PAGOSA SPRINGS SANITATION GENERAL IMPROVEMENT DISTRICT AND EXECUTION OF A LOAN AGREEMENT AND OTHER DOCUMENTS NECESSARY THEREFOR

WHEREAS, the Colorado Water Resources and Power Development Authority (the "Authority") has received and reviewed an Application for an Infrastructure Investment Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental direct loan and IIJA/BIL General Supplemental Principal Forgiveness ("PF") direct loan from the Water Pollution Control Revolving Fund ("WPCRF") from the Pagosa Springs Sanitation General Improvement District (the "Applicant"); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Water Pollution Control Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Water Pollution Control Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Water Pollution Control Revolving Fund.

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

1. That the proposed direct loan to the Pagosa Springs Sanitation General Improvement District in an amount not to exceed $3,000,000 (comprised of *$1,530,000 in IIJA/BIL General Supplemental direct loan and *$1,470,000 of IIJA/BIL General Supplemental PF) is approved subject to the terms and conditions set forth on the attached Exhibit A**;

2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;

3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

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CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 26-45 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Durango, Colorado on October 2nd, 2026.

_____
Chair

_____
Secretary

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EXHIBIT A

Borrower:	Pagosa Springs Sanitation General Improvement District
Project:	This project consists of constructing a new lift station, force main, and emergency overflow vault; constructing additional emergency overflow vaults at existing lift stations throughout the District; and replacing failing collection system segments.
Pledge:	Sanitation Fund Revenue
Loan Term:	30 Years
Interest Rate:	1.75%
Amount not to exceed:	$3,000,000 (comprised of *$1,530,000 in IIJA/BIL General Supplemental direct loan and *$1,470,000 of IIJA/BIL General Supplemental PF)

Subject to the following terms & conditions:

1. The District increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution.

2. Prepayment Charge - A $15,000 prepayment charge will be applied on any full principal prepayment of the loan. All interest paid through the date of full principal prepayment will be credited against this charge.

* - Estimated PF and direct loan amounts through the IIJA/BIL program. The exact amount will be based on the IIJA/BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

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

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for any costs or damages resulting from a change in federal policies, procedures, or funding that results in the requirement that the Authority cancel, delay, rescind, or alter its terms.

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WPCRF ALLOTMENTS UPDATE
September 17, 2026

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

Program	Grant Year		Grant Amount		Funds Remaining	% Complete
Technical ("Technical") Assistance	2022 IIJA/BIL Supplemental	$	284,720	$	0	100%
	2023 IIJA/BIL Supplemental	$	333,480	$	174,627	48%
	2024 IIJA/BIL Supplemental	$	363,820	$	363,820	0%
	*2025 IIJA/BIL Supplemental	$	0	$	0	0%
	Totals	**$**	**982,020**	**$**	**538,447**	**45%**

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

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COLORADO WATER RESOURCES
&
POWER DEVELOPMENT AUTHORITY

PROJECT FINANCE COMMITTEE
MEETING AGENDA

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

Via Zoom Conference Call

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

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

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

AGENDA

1. **DWRF Loan Applications:**

   - Bristol Water & Sanitation District (IIJA/BIL Supp.) – Direct Loan Request – Kevin **(Board Action)**

   - Town of Saguache (IIJA/BIL Supp.) – Direct Loan Request – Daniel **(Board Action – Staff recommends consent agenda)**

   - City of Trinidad (Base) – Supplemental Direct Loan Request – Gio **(Board Action – Staff recommends consent agenda)**

2. **WPCRF Loan Applications:**

   - Cucharas Sanitation & Water District (IIJA/BIL Supp.) – Direct Loan Request – Emma **(Board Action – Staff recommends consent agenda)**

   - Town of Hugo (IIJA/BIL Supp.) – Direct Loan Request – Gio **(Board Action)**

   - Pagosa Springs Sanitation General Improvement District (IIJA/BIL Supp.) – Direct Loan Request – Ian **(Board Action)**

Note: A Zoom conference call has been scheduled for **Friday, 9:00 a.m. September 25, 2026**. The link to join via online is: https://us06web.zoom.us/j/89619641367?pwd=5v0s3Oo6Vt6PnsySNbfB18LCuo2jMF.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **896 1964 1367**. The passcode is: **667568**.

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COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY
The Amp - Suite 820, 1580 N. Logan Street, Denver, Colorado 80203
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PROJECT FINANCE COMMITTEE
MINUTES
September 25, 2026
9:00 a.m. Zoom Conference Call

PROJECT FINANCE COMMITTEE MEMBERS PRESENT:	Bruce Whitehead (Chair), Eric Wilkinson, Mike Fabbre, Karen Wogsland, Chris Treese (ex officio)
STAFF/COUNSEL:	Keith McLaughlin, Jim Griffiths, Ian Loffert, Kevin Carpenter, Danica Rowe, Giorgi Gazashvili, Daniel Lockard, Emma Tucker
DOLA:	Victor Chen, Peter Dieterich, Monica Munoz-Revelo
WQCD:	Armando Herald, Aly Ulibarri, Alex Hawley, James Wheatley, Siobhan Yoest, Laura Leaonard, Kathy Boyer, Erick Worker, Ana Ruiz
OTHER BOARD MEMBERS:	Patti Wells, Steve Vandiver, Matthew Shuler, Roy Heald

The Project Finance Committee conference call was brought to order at 9:00 a.m. by Chair Whitehead.

DRINKING WATER REVOLVING FUND ("DWRF") PROGRAM

- **Bristol Water and Sanitation District**

Kevin Carpenter presented the Bristol Water and Sanitation District's (the "District") request for a DWRF Disadvantaged Communities ("DAC") Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental direct loan in the amount of $1,659,000, (comprised of *$902,629 in IIJA/BIL Principal Forgiveness ("PF"), and a *$756,371 IIJA/BIL Loan). The loan will be for a term of 30 years, at an interest rate of 1.75%, subject to the District increasing rates sufficiently to meet the Authority's coverage ratio requirement prior to loan execution. This project is to address combined radium for which the District was issued an enforcement order for exceeding the maximum contaminant level ("MCL") in their potable water supply. The project consists of installing a new Water Treatment Plant, Hydrous Manganese Dioxide ("HMO") equipment, constructing evaporative tanks for the waste stream, and complete site work.

Director Whitehead asked about the timeline for entities needing to comply with enforcement orders. Alex Hawley outlined the deadline process, which differs depending on the individual entity. Through working with the entity, and them submitting quarterly reports, CDPHE can help track progress while working towards compliance.

Director Treese asked about the District being out of compliance with the rate covenant for 3 out of the 5 years analyzed in the credit report. Mr. Carpenter explained how the compliance review process typically happens a calendar year after the initial audit is submitted. Each year, the Authority notifies entities who were out of compliance during the audited year and requires a written response outlining their plan to return to compliance, often through a rate increase. Although, compliance cannot be re-evaluated until the following year's audit reflects those changes.

Director Wogsland asked about the risk of default for the District because of their compliance issue. Mr. Carpenter explained how the District has not had issues making debt service payments, and that the Authority is confident that with the proposed rate increase, the District will strengthen their rate and operation and maintenance ("O&M") reserve covenants in order to meet and maintain compliance. Additionally, the District has been informed that it can transfer other revenues and property taxes into the fund associated with its loan to further help to keep them in compliance, as long as the transfers are reoccurring consistently three or more years.

Director Wilkinson asked if the percentage of contribution regarding the District's property taxes would cause any complications with TABOR and further questioned if any revenue related to property tax can be expected

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from the District in relation to this pledge. Mr. Carpenter answered that if the District exceeds a certain threshold with revenue generated from property taxes, it can lose its TABOR enterprise status; additionally, while the District has not given a direct statement committing to this, they seem firm with their plans to include property tax in their revenue, which won't be reflected until the 2026 audit. Keith McLaughlin further confirmed that 10% of revenues is the state and local transfer threshold for TABOR and reassured that the Authority does require an opinion from entities' bond counsel in regard to TABOR before execution of any loan. Mr. Carpenter added that the DOLA staff have talked to the District's Bond Attorney, who has been advising the District to receive the property taxes under the General Fund and that a vote is not necessary for the District to take on this loan.

A motion was made to move the loan application to the full Board with a favorable recommendation, subject to the District increasing rates sufficiently to meet the Authority's coverage ratio requirement prior to loan execution.

Motion: Karen Wogsland
2nd: Eric Wilkinson
Vote: Motion Carried

- **Town of Saguache**

Daniel Lockard presented the Town of Saguache's (the "Town") request for a DWRF DAC IIJA/BIL General Supplemental direct loan in the amount of $2,500,000, (comprised of *$1,360,200 in IIJA/BIL PF, and *$1,139,800 in IIJA/BIL Loan). The loan will be for a term of 30 years, at an interest rate of 2.75%. The project consists of the construction of a new water storage tank, rehabilitation of an existing water storage tank, and distribution system improvements.

Director Whitehead praised the Town's proactive approach with the project and for its plans to allow for redundancy. Director Treese also voiced his appreciation for the Town's proactiveness.

A motion was made to move the loan application to the full Board with a favorable recommendation and place it on the consent agenda.

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

- **City of Trinidad**

Giorgi Gazashvili presented the City of Trinidad's (the "City") request for a Supplemental DWRF base direct loan in the amount of $1,000,000. The loan will be for a term of 20 years, at an interest rate of 2.50%. This project consists of replacing or rehabilitating four municipal water storage tanks (North, South, Allendale, and Monument Lake Reservoir replacement), upgrading distribution system connections to maintain service continuity during tank repairs, and replacing a critical 1920s-era raw water transmission line.

A motion was made to move the loan application to the full Baord with a favorable recommendation and place it on the consent agenda.

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

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WATER POLUTION CONTROL REVOLVING FUND ("WPCRF") PROGRAM

- **Cucharas Sanitation and Water District**

Emma Tucker presented the Cucharas Sanitation and Water District's (the "District") request for a WPCRF DAC IIJA/BIL General Supplemental direct loan in the amount of $959,833 (comprised of a *$489,515 IIJA/BIL General Supplemental direct loan, and *$470,318 in IIJA/BIL PF). The loan will be for a term of 20 years, at an interest rate of 2.50%. The project entails upgrades to the headworks.

Director Wells commented on the District's 2025 loan not appearing in the bottom section of credit report and questioned if this would impact the credit's worthiness. Ms. Tucker responded that the credit report was developed using the District's 2024 audited financials which does not yet include the 2025 CWRPDA loan. However, Victor Chen and Director Wilkinson further clarified that the financial analysis section on the credit report does include coverage ratio calculation taking into account the 2025 loan's debt service, and that no rate increase is projected to be necessary.

A motion was made to move the loan application to the full Board with a favorable recommendation and place it on the consent agenda.

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

- **Town of Hugo**

Giorgi Gazashvili presented the Town of Hugo's (the "Town") request for a WPCRF DAC IIJA/BIL General Supplemental direct loan in the amount of $1,559,900 (comprised of a *$795,549 IIJA/BIL General Supplemental direct loan, and *$764,351 in IIJA/BIL PF). The loan will be for a term of 30 years, at an interest rate of 1.75%, subject to the Town increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution. This project includes replacement of the sanitary sewer main, manholes and the ultimate reconnection of the lines. In addition, and prior to completion, the project will include surface restoration. This project includes C sanitary sewer main and manhole replacements to include service line reconnections. Other components include surface restoration, which will consist of asphalt and gravel replacement.

Director Whitehead questioned if there was a chance that the required rate increase would be higher if the Town's increased expenses were to continue. Mr. Gazashvili answered that this is possible, but that the increase was likely due to one-time project-related expenses.

Director Treese questioned the rate study and three of four expense increases being related to personnel, asking if this would likely be a consistent expense or not. Victor Chen answered that staff will follow up on the rate study and explained that the Town did not indicate that any of the expenses were one-time expenses, therefore the financial analysis reflects the possibility that these operating expenses will continue to occur.

Director Treese asked what the "DEEC" stands for and if there is a risk or an issue with the entity receiving the D&E alongside this grant. Mr. Gazashvili responded that "DEEC" stands for "Design Engineering and Environmental Clearance". Mr. Gazashvili and Mr. McLaughlin confirmed that there are no issues with this, as far as staff is aware.

Director Treese also asked for clarification regarding what the "C sanitary sewer main" is referring to. Aly Ulibarri responded that it likely refers to the C class certification required for the operator but confirmation will be sent to the Board.

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A motion was made to move the loan application to the full board with a favorable recommendation, subject to the Town increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution..

Motion: Chris Treese
2nd: Eric Wilkinson
Vote: Motion Carried

- **Pagosa Springs Sanitation General Improvement District**

Ian Loffert presented the Pagosa Springs Sanitation General Improvement District's (the "District") request for a WPCRF DAC IIJA/BIL General Supplemental direct loan in the amount of $3,000,000 (comprised of an *$1,530,000 IIJA/BIL General Supplemental direct loan, and *$1,470,000 in IIJA/BIL PF). The loan will be for a term of 30 years, at an interest rate of 1.75%, subject to the District increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution. This project consists of constructing a new lift station, force main, and emergency overflow vault; constructing additional emergency overflow vaults at existing lift stations throughout the District; and replacing failing collection system segments.

Director Whitehead noted that much of the damage in this area was caused by the flooding of San Juan River last year and questioned if any priority is given to projects that have experienced emergency circumstances. Mr. Loffert answered that while there are priority points counted toward the application during an emergency situation, the Authority does not have a special approach to employ during these unforeseen circumstances. Mr. Loffert reassures that the District's system is now in a stable condition and that this and future projects are intended to further resolve any issues.

Director Treese questioned if the sales tax revenue can be used to support the enterprise fund and how this would be reflected on the loan agreement. Mr. Loffert answered that the District does not wish to lose their enterprise status, and the ballot language states that the District may only use these funds to support the sanitation fund but they cannot be explicitly pledged by the District. Therefore, the District plans to limit the amount they transfer in the fund until the loan is executed, in order to maintain enterprise status. After execution, they'll be able to transfer the full amount to aid with debt service and maintaining rate covenant and O&M reserve covenant compliance. The loan agreement will be a standard WPCRF loan back by a sewer enterprise pledge.

Director Treese pointed out a discrepancy on the amount of reserves that was reported on the credit report. Mr. Loffert explained staff will look into it and update the credit report, if needed, prior to the board meeting.

Director Vandiver questioned the project boundary map and if the proposed project would cover the Town of Pagosa Springs. Mr. Loffert mentions that this is an estimated boundary and that the District's service area does cover Town boundaries. Mr. Loffert continued by stating Authority staff with follow up with the project manager and the District to ensure that the most up to date map is available and that the service area and Town boundaries are clear.

Director Wilkinson asked for clarification regarding the District's 2025 revenue bond issuance and if the revenue could be used as additional security for the loan by bolstering sanitation fund revenues, which would reduce any necessary rate increases. Mr. Loffert highlighted that the language in the District's audit was not clear on the flow of the funds and that Authority staff will need to reach out to the District to clarify and will follow up with the Board.

Director Treese proposed a motion to forward the application to the full board with a neutral recommendation, pending answers to the questions regarding the project's service area and Town boundaries, 2025 revenue bond issue, use of sales tax revenue, and to allow for discussion with the full Board.

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Director Whitehead commented on the application stating it is still strong despite the pending questions. Mr. Loffert responds that while the rate increase is significant there are still strong indicators and the rate increase required without support from sales tax is not unusually high.

Motion: **Chris Treese**
2nd: **Eric Wilkinson**
Vote: Motion carried with one opposed (Bruce Whitehead)

The meeting was adjourned at 10:33am.

* - Estimated PF and direct loan amounts through the IIJA/BIL and/or Base programs. The exact amount will be based on the IIJA/BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

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COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY
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MEMORANDUM

September 22, 2026

TO: Karen Wogsland (Chair), Roy Heald, Matt Shuler and Chris Treese (ex-officio)

FROM: Justin Noll, Controller

RE: Transmittal of the Draft 2027 Budget and Budget Documentation

2027 Draft Budget

Attached are copies of the Draft 2027 Budget, Budget Documentation, and other supporting documents. The Committee will meet via zoom on **September 25, 2025, at 2:00 p.m.** Certain WQCD and DOLA staff plan to attend the meeting and will be available for questions from the Committee.

Zoom meeting link:
https://us06web.zoom.us/j/87301046114?pwd=VJHjwZWVCUtAZrvwuWeIwcrjxCYlc7.1

Alternatively, you can use the following call in number to join the meeting: 1-719-359-4580 and use the meeting ID: 873 0104 6114 Passcode: 374172

The Board will consider this Draft 2027 Budget at its meeting on October 2nd. During the October meeting, the Board will review the draft budget, including any additional changes, and authorize staff to publish a notice that the draft budget will be available for public inspection. During October and November, the Authority staff will continue to review the budgeted amounts and may propose adjustments to the Board at the December 4, 2026, meeting.

Summarized below are some of the more significant items for your consideration:

1. The budget consists of three sections.
   - Water Operations Fund – Includes the Authority operating revenues and expenses, and the financial activity for the Water Revenue Bonds Program (WRBP), the two newer programs – the Small Hydropower Loan Program and the Watershed Protection and Healthy Forests Program
   - Water Pollution Control Revolving Fund (WPCRF)
   - Drinking Water Revolving Fund (DWRF)

2. The 2027 Draft Budget has been prepared under existing Colorado law.

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3. Note that for certain line items the 2026 Estimated Actual Expenditures exceed the approved budget amounts and may require amendments to those budgeted amounts. During the coming months, and prior to presenting the 2027 budget for final approval at the December Board meeting, I will update the projected 2027 actual amounts with the most current information. Amendments to the budget will be made in accordance with the Authority's existing policy. Based upon financial information available at this time, the possibility exists that the total budgeted expenditures for certain funds may exceed the total 2026 approved spending group amounts and, therefore, the Authority may be required to republish the 2026 budget for the public inspection process.

4. The "temporary" last column on the right computes the changes between the 2027 and 2026 budget line items. This column is provided for your analysis of the draft budget.

5. In the Water Operations Fund budget, the WRBP bonds/loans budget totals $50 million. Also, the WRBP program budget includes refunding bonds that may be issued if favorable market conditions develop during 2027. Borrowers continue to prepay their loans. To account for this, an additional amount is added to the loans and bonds budget line items.

6. During the 2008 Colorado legislative session, SB 08-221 was passed authorizing the Authority to issue up to $50 million in "moral obligation" bonds and make loans to communities to mitigate the pine bark beetle infestation in Colorado. To date no applications for funding have been received. This program was scheduled to sunset on July 1, 2013, but the legislature chose to extend this program another 10 years and change the definition of forest health projects to include biomass projects. They also changed the eligibility for forest health project borrowers to include private entities. The program was extended another 10 years by the legislature in 2021. The authorization is now set to repeal on July 1, 2033.

7. During 2008, the Authority Board approved the implementation of the Small Hydropower Loan Program (SHLP) and the associated matching feasibility grant program. In 2017, the Board chose to make the SHLP a revolving fund. This means loan repayments received will go back into the SHLP program to be loaned out again. Included in the 2027 budget is $5.0 million for loans and $165,000 for grants, which includes a possible carryover of prior years' grants. These loans and grants will be funded from the Authority's cash reserves.

8. The 2027 Draft Salary Expense budget increased by $58,000 from the 2026 budget. This is an increase of 3% from the previous year's budget.

9. Both the WPCRF and the DWRF budgets contain resources and expenditures that are based upon estimates supplied by the Authority's staff, WQCD's staff and DLG's staff, in addition to known amounts from existing loans and bonds.

10. The 2027 budgets for the WPCRF & DWRF programs include $40 million in each respective program for potential bond issues. Amounts have also been included in resources and expenditures for refunding certain series of bonds in both the WPCRF and DWRF programs. Also, included in the Loan Principal Forgiveness line item for both programs are Design & Engineering principal forgiveness loans.

Forvis' Engagement Letter will be provided in a separate email.

If you have any questions about these draft budgets, please feel free to contact me at 303-830-1550, extension 1019.

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Attachments

- 2026 Draft Budget
- 2026 Draft Budget Documentation
- WQCD Budget Request Letter dated August 28, 2026, and Attachments
- DLG Budget Request Letter dated August 21, 2026

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Colorado Water Resources
and
Power Development Authority

Budget and Audit Committee Minutes

September 25, 2026

Call to Order
Chair Karen Wogsland called the meeting to order at 2:01 p.m.

Attendance
Committee members attending via a video conference call: Chair Karen Wogsland, Chris Treese, Matthew Shuler, and Roy Heald.

Other Board members included: Eric Wilkinson, Patricia Wells, Bruce Whitehead, Mike Fabbre, and Steve Vandiver.

Others present included: Keith McLaughlin (Executive Director), Jim Griffiths (Deputy Director), Justin Noll (Controller), Valerie Lovato (Assistant Controller), Stephanie Hines (Senior Accountant I), Danica Rowe (Interdepartmental Administrative Specialist I), Mike Beck (WQCD), Alex Hawley (WQCD), Nicole Rowan (WQCD), Armando Herald (WQCD), Cynthia Thayer (DOLA), Victor Chen (DOLA), and Tyson Ingels (WQCD)

Introduction
Ms. Wogsland stated the objectives of the meeting were to review the draft 2027 budget, consider forwarding it to the full Board for publication with a recommendation, and review the Forvis Mazars audit engagement letter.

Water Quality Control Division(WQCD) and Department of Local Affairs(DOLA) Budget Presentations
Nicole Rowan presented WQCD's 2027 budget request.

Key items included: Reduced Drinking Water SRF and set-aside requests compared to 2026, a slight increase in Clean Water SRF funding related to the Clean Water Needs Survey, continued efforts to reduce FTEs and maintain set-aside balances within a three-year spend-down target, continued transition planning from CEOS to EnABLE, and no proposed operating budget increase from 2026 levels.

Alex Hawley reviewed SRF workload trends, noting increasing project volume and complexity since 2020. WQCD expects project-management workload to remain high through 2027 despite planned staffing reductions.

Mr. Shuler joined the meeting at 2:15 p.m.

Committee discussion focused on the rationale for maintaining approximately three years of set-aside reserves, future funding diversification efforts, and the potential benefits of the Clean Watershed Needs Survey. Staff explained the survey could improve Colorado's future Clean Water SRF allocations.

Victor Chen presented DOLA's budget request, which reflects a return to pre-IIJA staffing levels while continuing support for the Small Communities Technical Services Program.

Authority Budget Presentation
Justin Noll presented the Authority's 2027 draft budget.

Major assumptions included: Conservative investment income projections, approximately $50 million in Water Revenue Bond Program lending, continued placeholder funding for the Watershed Protection and Forest Health Program, increased board and staff travel budgets due to higher costs and anticipated training opportunities, an estimated 3% increase in salaries, an increase in the healthcare budget to account for the two new Kaiser plans available in 2027, additional funding for IT services, potential firewall replacement, and other technology needs, and a reduced furniture and fixture expenditures following completion of the office remodel.

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Mr. Noll also reviewed the Clean Water and Drinking Water SRF budgets, including anticipated bond issuances, leveraged loans, principal forgiveness, administrative expenses, and arbitrage liabilities. Committee members discussed administrative expense allocations and increased arbitrage-related costs.

Ms. Wells left the meeting at 2:52 p.m.

Motion: Mr. Noll called for a motion to forward the Colorado Water and Power Authority's draft of the 2027 budget to the Board of Directors with a recommendation to authorize publication of the budget for public inspection.
Motion: Mr. Shuler
2nd: Mr. Heald
Vote: Unanimously Approved

Mr. Noll presented the Forvis Mazar's engagement letter and reiterated that the Authority did go out for RFP for audit services and ended up committing to Forvis Mazar's for an additional five years. Mr. Noll wanted to highlight the fees in the engagement letter noting that they are the same as the RFP response which includes the single audit of one program. Mr. Noll indicated that there would be an additional fee if a second program needed a single audit.

Motion: A favorable recommendation of the Forvis engagement letter
Motion: Mr. Heald
2nd: Mr. Shuler
Vote: Unanimously Approved

Closing Remarks

The meeting was adjourned at 3:04 p.m. and the Chair thanked staff and directors for their participation.

Respectfully submitted,

_____

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

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Forvis Mazars, LLP
1801 California Street, Suite 2900
Denver, CO 80202
P 303.861.4545 | F 303.832.5705
forvismazars.us

September 24, 2026

Budget and Audit Committee and Board of Directors
Keith McLaughlin, Executive Director
Chris Trees, Chair of the Board of Directors
Colorado Water Resources and Power Development Authority
1580 Logan Street, Suite 820
Denver, CO 80203

We appreciate your selection of **Forvis Mazars, LLP** (Forvis Mazars) as your service provider and are pleased to confirm the arrangements of the engagement in this letter agreement (this letter agreement and the attachments hereto are collectively referred to as the "Agreement"). Within the requirements of our professional standards and any duties owed to the public, regulatory, or other authorities, our goal is to provide you an **Unmatched Client Experience**®.

The Agreement shall include the following, each incorporated fully by this reference:

- Scope of Services
- Terms and Conditions Addendum

Summary Scope of Services

As described in the attached **Scope of Services**, Forvis Mazars' services will include the following:

Colorado Water Resources and Power Development Authority
- Audit Services for the year ended December 31, 2026

You agree to be ultimately responsible for the results of nonattest services, including assuming all management responsibility, overseeing the services by a management-level individual(s) who possesses suitable skill, knowledge, and/or experience, and evaluating the adequacy and results of the services, as well as the business decisions you make following the services or any other services Forvis Mazars may provide.

Engagement Fees

The fee for the services will be $103,975. The fee for the financial statement and single audit includes the 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 $9,475.

The fee above includes an administrative fee of five percent (5%) (the "Administrative Fee") to cover certain technology and administrative costs associated with the services.

Pricing under this Agreement for this engagement and the fee structure are based upon the expectation that invoices will be paid promptly. Payment of all Forvis Mazars' invoices is due upon receipt. We will issue progress billings during the course of our engagement.

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Agreement

Please sign and return this Agreement to indicate your acknowledgment of, and agreement with, the arrangements for the completion of the services subject to this Agreement including each party's respective responsibilities.

Forvis Mazars, LLP

Forvis Mazars, LLP

Acknowledged and agreed to as it relates to the entire Agreement, including the **Scope of Services** and **Terms and Conditions Addendum**, on behalf of Colorado Water Resources and Power Development Authority.

BY _____
Keith McLaughlin, Executive Director

DATE _____

BY _____
Chris Trees, Chair of the Board of Directors

DATE _____

Scope of Services – Audit Services

Forvis Mazars will audit the business-type activities and each major fund and related disclosures, which collectively comprise the basic financial statements for the following entity:

Colorado Water Resources and Power Development Authority as of and for the year ended December 31, 2026

The audit has the following broad objectives:

- Obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- Expressing opinions on the financial statements
- Issuing a report on your internal control over financial reporting and compliance and other matters based on the audit of your financial statements in accordance with *Government Auditing Standards*
- Expressing an opinion on your compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect to each of your major federal award programs in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
- Issuing a report on your internal control over compliance in accordance with the Uniform Guidance
- Issuing a report on your schedule of expenditures of federal awards

You have informed Forvis Mazars that the audited financial statements are expected to be presented along with management's annual financial report, the popular annual financial report and the EPA Annual Reports (annual reports). Management is responsible for the other information included in the annual reports. The other information comprises the annual reports but does not include the financial statements and the auditor's report thereon. Forvis Mazars' opinion on the financial statements will not cover the other information, and Forvis Mazars will not express an opinion or any form of assurance thereon. In connection with the audit of the financial statements, Forvis Mazars' responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or whether the other information otherwise appears to be materially misstated. If, based on the work performed, Forvis Mazars concludes that an uncorrected material misstatement of the other information exists, Forvis Mazars is required to describe it in the report.

Forvis Mazars will also express an opinion on whether Regulatory Basis Combining Schedules and Notes, Budgetary Schedules and all other schedules listed as supplementary information in the table of contents of the Authority's basic financial statements (supplementary information) is fairly stated, in all material respects, in relation to the financial statements as a whole.

Forvis Mazars will complete the auditee portion of the Form SF-SAC (Data Collection Form) through the Federal Audit Clearinghouse. Forvis Mazars will not make the submission on your behalf. You will review a draft(s) of the submission prior to transmission and agree that you are solely responsible for approving the final draft for transmission as well as for the auditee submission and certification.

You agree to assume all management responsibilities and to oversee the nonattest services Forvis Mazars will provide by designating an individual possessing suitable skill, knowledge, and/or experience. You acknowledge that nonattest services are not covered under *Government Auditing Standards*. You are responsible for:

- Making all management decisions and performing all management functions
- Evaluating the adequacy and results of the services performed
- Accepting responsibility for the results of such services
- Designing, implementing, and maintaining internal controls, including monitoring ongoing activities

Anna Thigpen, managing director, is responsible for supervising the engagement team and authorizing the signing of reports.

Forvis Mazars will issue a written report(s) upon completion of the audit(s), addressed to the following parties:

Entity Name	Party Name
Colorado Water Resources and Power Development Authority (the Authority)	Budget and Audit Committee and Board of Directors of the Authority

You are responsible to distribute the reports to other officials who have legal oversight authority or those responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.

The following apply for the audit services described above:

Forvis Mazars' Responsibilities

Forvis Mazars will conduct the audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Uniform Guidance. Those standards require that Forvis Mazars plan and perform:

- The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error
- The audit of compliance to obtain reasonable rather than absolute assurance about whether the entity(ies) complied with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each major federal award program

Forvis Mazars will exercise professional judgment and maintain professional skepticism throughout the audit.

Forvis Mazars will identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for Forvis Mazars' opinion.

Forvis Mazars will obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

Forvis Mazars will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Forvis Mazars will also conclude, based on audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Forvis Mazars will identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis,

evidence regarding the entity's compliance with compliance requirements subject to audit and performing such other procedures as the auditor considers necessary in the circumstances.

Forvis Mazars will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed.

Forvis Mazars is required to communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit.

Limitations & Fraud

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit that is planned and conducted in accordance with GAAS will always detect a material misstatement or material noncompliance with federal award programs when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. Forvis Mazars' responsibility as auditors is limited to the period covered by the audit and does not extend to any later periods for which Forvis Mazars is not engaged as auditors.

The risk of not detecting a material misstatement or material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

Forvis Mazars' understanding of internal control is not for the purpose of expressing an opinion on the effectiveness of your internal control. However, Forvis Mazars will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that are identified during the audit.

Forvis Mazars is available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of Forvis Mazars' normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate agreement to be signed by you and Forvis Mazars.

Opinion

Circumstances may arise in which the report may differ from its expected form and content based on the results of the audit. Depending on the nature of these circumstances, it may be necessary to modify the opinion, add an emphasis-of-matter paragraph or other-matter paragraph(s) to the auditor's report, or if necessary, decline to express an opinion or withdraw from the engagement.

If Forvis Mazars discovers conditions that may prohibit Forvis Mazars from issuing a standard report, Forvis Mazars will notify you. In such circumstances, further arrangements may be necessary to continue the engagement.

Your Responsibilities

Management and, if applicable, those charged with governance acknowledge and understand their responsibility for the accuracy and completeness of all information provided and for the following:

- **Audit Support** – to provide Forvis Mazars with:
  - Unrestricted access to persons within the entity or within components of the entity (including management, those charged with governance, and component auditors) from whom Forvis Mazars determines it necessary to obtain audit evidence
  - Information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including access to information relevant to disclosures
  - Information about events occurring or facts discovered subsequent to the date of the financial statements, of which management may become aware, that may affect the financial statements
  - Information about any known or suspected fraud affecting the entity involving management, employees with significant role in internal control, and others where fraud could have a material effect on the financials
  - Identification and provision of report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented
  - Additional information that may be requested for the purpose of the audit

- **Internal Control and Compliance** – for the:
  - Design, implementation, and maintenance of internal control relevant to compliance with laws and regulations and the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - Alignment of internal control to ensure that appropriate goals and objectives are met; that management and financial information is reliable and properly reported; and that compliance with and identification of the laws, regulations, contracts, grants, or agreements (including any federal award programs) applicable to the entity's activities is achieved
  - Remedy, through timely and appropriate steps, of fraud and noncompliance with provisions of laws, regulations, contracts, or other agreements reported by the auditor
  - Establishment and maintenance of processes to track the status and address findings and recommendations of auditors

- **Accounting and Reporting** – for the:
  - Maintenance of adequate records, selection and application of accounting principles, and the safeguard of assets
  - Adjustment of the financial statements to correct material misstatements and confirmation to Forvis Mazars in the representation letter that the effects of any uncorrected misstatements aggregated by Forvis Mazars are immaterial, both individually and in the aggregate, to the financial statements taken as a whole
  - Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (or other basis if indicated in the Agreement)

- Inclusion of the auditors' report in any document containing financial statements that indicates that such financial statements have been audited by Forvis Mazars
- Distribution of audit reports to any necessary parties

Required Supplementary Information

Accounting principles generally accepted in the United States of America provide for certain required supplementary information (RSI) to accompany the basic financial statements. Forvis Mazars understands the following RSI will accompany the basic financial statements:

1. Management's Discussion and Analysis (MD&A)
2. Pension and Other Postemployment Benefit information

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Management is responsible for the fair presentation of the RSI. As part of the engagement, Forvis Mazars will apply certain limited procedures to the RSI in GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to the inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements.

Forvis Mazars will not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

With regard to any supplementary information that Forvis Mazars is engaged to report on:

- Management is responsible for its preparation in accordance with applicable criteria
- Management will provide certain written representations regarding the supplementary information at the conclusion of the engagement
- Management will include the report on this supplementary information in any document that contains this supplementary information and indicates Forvis Mazars has reported on the supplementary information
- Management will make the supplementary information readily available to intended users if it is not presented with the audited financial statements

Such information is:

- Presented for the purpose of additional analysis of the financial statements
- Not a required part of the financial statements
- The responsibility of management
- Subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with GAAS

Written Confirmations Required

As part of the audit process, Forvis Mazars will request from management and, if applicable, those charged with governance written confirmation acknowledging certain responsibilities outlined in this Agreement and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by Forvis Mazars during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

Peer Review Report

Government Auditing Standards require that Forvis Mazars provides you with a copy of Forvis Mazars' most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the Agreement, upon request. If you would like a copy, please request from your engagement executive.

Terms and Conditions Addendum

GENERAL

1. **Overview.** This Terms and Conditions Addendum ("Terms and Conditions") sets forth the standard terms and conditions applicable to Forvis Mazars, LLP ("Forvis Mazars") providing services (collectively the "Services") to the specific client ("You" or "Client"). Capitalized terms not otherwise defined in these Terms and Conditions shall be defined as set forth in the Agreement.

BILLING, PAYMENT, & TERMINATION

2. **Billing and Payment Terms.** Forvis Mazars will bill Client for fees and costs as outlined in the Agreement. Unless otherwise provided in the Agreement, payment is due upon receipt. Interest will be charged on any unpaid balance after 30 days at the rate of 10% per annum. All fees, charges, and other amounts payable to Forvis Mazars hereunder do not include any sales, use, excise, value-added, or other applicable taxes, tariffs, or duties, payment of which shall be the Client's sole responsibility. Fees also do not include any applicable taxes based on Forvis Mazars' net income or taxes arising from the employment or independent contractor relationship between Forvis Mazars and Forvis Mazars' personnel.

   Forvis Mazars reserves the right to suspend or terminate work under the Agreement for nonpayment of fees. If the Services are suspended or terminated for nonpayment of fees, Client acknowledges and agrees that Forvis Mazars will not be responsible for Client's failure to meet any deadlines or for any penalties or interest that may be assessed against Client resulting from failure to meet such deadlines.

   Client agrees that the fees incurred to complete the Services may increase if Forvis Mazars' duties or responsibilities are increased by the rulemaking of any regulatory body or any new accounting or auditing standards. The fees do not include any time for post-engagement consultation with Client's personnel or third parties, consent letters and related procedures for the use of the reports generated as part of the Services, in offering documents, inquiries from regulators, or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

3. **Billing Records.** If the Services are determined to be within the scope and authority of Section 1861(v)(1)(I) of the Social Security Act, Forvis Mazars will make available to the Secretary of Health and Human Services, or to the U.S. Comptroller General, or their duly authorized representatives, the books, documents, and records that are necessary to certify the nature and extent of the Services, until the expiration of four (4) years after the furnishing of the Services. The Agreement allows access to contracts of a similar nature between subcontractors and related organizations of the subcontractor, and to their books, documents, and records.

4. **Termination.** Either party may terminate the Agreement at any time for any reason. If the Agreement is terminated, Client agrees to pay Forvis Mazars for time expended through the date of termination. In addition, Client will be billed costs and fees for services from other professionals, if any, as well as the Administrative Fee. Unless terminated sooner in accordance with the Agreement, the Agreement shall terminate upon the completion of the Services.

DISPUTES & DISCLAIMERS

5. **Mediation.** Any dispute arising out of or related to the Agreement will, prior to resorting to litigation, be submitted for nonbinding mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute through mediation. The mediator will be selected by agreement of the parties. The mediation proceeding shall be confidential. Each party will bear its own costs in the mediation, but the fees and expenses of the mediator will be shared equally.

6. **Indemnification.** Client agrees to indemnify, defend, and hold harmless Forvis Mazars and any of its partners, principals, shareholders, officers, directors, members, employees, agents, or assigns with respect to any and all third-party claims including, but not limited to, claims for direct, indirect, consequential, incidental, and special damages such as loss of revenue and anticipated profits (collectively "Damages") arising from the Services, regardless of the nature of the claim, except to the extent the Damages were caused by the intentional or willful misconduct of Forvis Mazars. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.

7. **Statute of Limitations.** Client agrees that any claim or legal action arising out of or related to the Agreement shall be commenced no more than one (1) year from the date of delivery of the Work Product to Client or the termination of the Services (whichever is earlier), regardless of any law, regulation, or statute of limitations prescribing a longer period of time for commencing such a claim. This time limitation shall apply regardless of whether Forvis Mazars performs other or subsequent services for Client. A claim is understood to be a demand for money or services, demand for mediation, or the service of suit based on a breach of the Agreement or the acts or omissions of Forvis Mazars in performing the Services. This provision shall not apply if enforcement is disallowed by applicable law or professional standards.

8. **Limitation of Liability.** Client agrees that Forvis Mazars' liability, if any, arising out of or related to the Agreement shall be limited to the amount of the fees paid by Client for the Services. This limitation shall not apply to the extent it is finally, judicially determined that the liability resulted from the intentional or willful misconduct of Forvis Mazars or if enforcement of this provision is disallowed by applicable law or professional standards.

9. **Waiver of Certain Damages.** In no event shall Forvis Mazars be liable to Client or a third party for any indirect, special, consequential, punitive, or exemplary damages, including but not limited to lost profits, loss of revenue, interruption, loss of use, damage to goodwill or reputation, regardless of whether Client was advised of the possibility of such damages, regardless of whether such damages were reasonably foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise.

10. **Choice of Law.** Client acknowledges and agrees that any dispute arising out of or related to this Agreement shall be governed by the laws of the State of Colorado, without regard to its conflict of laws principles.

11. **WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY THE PARTIES AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.**

12. **Severability.** If any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, and each such term and provision of this Agreement shall be fully valid and enforceable permitted by law.

13. **Assignment.** Client acknowledges and agrees that the terms and conditions of this Agreement shall be binding upon and inure to the parties' successors and assigns, subject to applicable laws and regulations.

14. **Disclaimer of Legal or Investment Advice.** The Services do not constitute legal or investment advice. Client should seek the advice of legal counsel in such matters. Client acknowledges the applicable laws, regulations, and regulators' enforcement activities related to the Services may change over time. Regulatory authorities may interpret circumstances differently than Forvis Mazars has in completing the Services.

RECORDS, WORKPAPERS, DELIVERABLES, & PROPRIETARY INFORMATION

15. **Maintenance of Records.** Client agrees to assume full responsibility for maintaining Client's original data and records and that Forvis Mazars has no responsibility to maintain this information. Client agrees that Client will not rely on Forvis Mazars to provide hosting, electronic security, or backup services, *e.g.*, business continuity or disaster recovery services, to Client unless separately engaged to do so. Client understands that Client's access to data, records, and information from Forvis Mazars' servers, *i.e.*, Forvis Mazars portals used to exchange information, can be terminated at any time and Client will not rely on using these services to host Client's data and records.

16. **Forvis Mazars Workpapers.** Forvis Mazars' Workpapers and documentation retained in any form of media for this engagement are the property of Forvis Mazars. "Workpapers" are papers or records of the procedures applied, tests performed, information obtained, and conclusions reached in the work, including programs or documents for professional services, analyses, memoranda, correspondence, checklists, and other supporting documentation for the work so specified, retained in any form of media.

17. **Subpoenas or Other Legal Process.** Client acknowledges Forvis Mazars can be compelled to provide information under legal process. In addition, Forvis Mazars may be requested by regulatory or enforcement bodies (including any State Board) to make certain Client information or Workpapers available to them pursuant to authority granted by law or regulation. Unless Forvis Mazars is prohibited from doing so by law or regulation, Forvis Mazars will inform Client of any such legal process or request. Client agrees that Forvis Mazars has no legal responsibility to Client in the event Forvis Mazars determines Forvis Mazars is obligated to provide such documents or information. In the event Forvis Mazars is required to respond to any subpoena, court order, government regulatory inquiry legal process, or request for the production of documents and/or testimony relative to information Forvis Mazars obtained or prepared incident to this Agreement, in a matter in which Forvis Mazars is not a party, Client agrees to compensate Forvis Mazars for reasonable time expended in connection with such response at normal and customary hourly rates. Furthermore, Client will reimburse Forvis Mazars for all reasonable out-of-pocket expenses incurred in such response.

18. **Use and Disclosure of Work Product and Drafts.** Client agrees to not modify any deliverables or drafts prepared by Forvis Mazars for internal use or for distribution to third parties. Client also understands that Forvis Mazars may on occasion send Client documents marked as draft and understands that those are for the Client's review purpose only, should not be distributed in any way, and should be destroyed as soon as possible.

    Forvis Mazars' report on any financial statements must be associated only with the financial statements that were the subject of Forvis Mazars' engagement. Client may make copies of Forvis Mazars' report, but only if the entire financial statements (exactly as attached to Forvis Mazars' report, including related footnotes) and any supplementary information, as appropriate, are reproduced and distributed with Forvis Mazars' report. Client agrees not to reproduce or associate Forvis Mazars' report with any other financial statements, or portions thereof, that are not the subject of Forvis Mazars' engagement.

19. **Forvis Mazars Proprietary Information.** Client acknowledges that Forvis Mazars' pre-existing proprietary information, documents, materials, management techniques, and other intellectual property are a material source of the Services Forvis Mazars performs. Excluding Work Product, any new forms, software, documents, or intellectual property Forvis Mazars develops during completion of the Services for Client's use shall belong to Forvis Mazars, and Client shall have the limited right to use the Work Product solely within Client's business. Excluding the Work Product, all reports, templates, manuals, forms, checklists, questionnaires, letters, agreements, and other documents which Forvis Mazars makes available to Client are confidential and proprietary. Neither Client, nor any of Client's agents, will copy, electronically store, reproduce, or make any such documents available to anyone other than Client's personnel. This provision will apply to all materials whether in digital, "hard copy" format, or other medium.

REGULATORY

20. **U.S. Securities and Exchange Commission ("SEC") and other Regulatory Bodies.** Where Forvis Mazars provides services requiring independence either for (a) an entity that is registered with the SEC; (b) an affiliate of such registrant; or (c) an entity or affiliate that is subject to rules, regulations, or standards beyond those of the American Institute of Certified Public Accountants ("AICPA"), any term of this Agreement that would be prohibited by or impair independence under applicable law or regulation shall not apply to the extent necessary only to avoid such prohibition or impairment.

21. **Offering Document.** Client may wish to include Forvis Mazars report(s) on financial statements in an exempt offering document. Client agrees that any report, including any auditor's report, or reference to Forvis Mazars, will not be included in any such offering document without notifying Forvis Mazars. Any agreement to perform work in connection with an exempt offering document, including providing agreement for the use of the auditor's report in the exempt offering document, will be a separate engagement.

    Any exempt offering document issued by Client with which Forvis Mazars is not involved will clearly indicate that Forvis Mazars is not involved by including a disclosure such as, "Forvis Mazars, LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Forvis Mazars, LLP also has not performed any procedures relating to this offering document."

22. **Not a Municipal Advisor.** Forvis Mazars is not acting as Client's municipal advisor under Section 15B of the *Securities Exchange Act of 1934*, as amended. As such, Forvis Mazars is not recommending any action to Client and does not owe Client a fiduciary duty with respect to any information or communications regarding municipal financial products or the issuance of municipal securities. Client should discuss such matters with internal or external advisors and experts Client deems appropriate before acting on any such information or material provided by Forvis Mazars. Any such information is provided purely for educational purposes only.

23. **Not a Fiduciary.** Client acknowledges and agrees that Forvis Mazars is not in a fiduciary relationship with Client, and Forvis Mazars has no fiduciary responsibilities to Client in the performance of the Services.

TECHNOLOGY

24. **Electronic Sites.** Client agrees to notify Forvis Mazars if Client desires to place any of the Work Product, including, if applicable, any reports on Client's financial statements, along with other information, such as a report by management or those charged with governance on operations, financial summaries or highlights, financial ratios, etc., on an electronic site. Client acknowledges and agrees that Forvis Mazars has no responsibility to review information contained in/on electronic sites.

25. **Electronic Signatures and Counterparts.** This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software, will have the same effect as physical delivery of the paper document bearing an original signature.

26. **Electronic Data Communication and Storage.** In the interest of facilitating the Services, Forvis Mazars may send data over the internet, temporarily store electronic data via computer software applications hosted remotely on the internet, or utilize cloud-based storage. Client acknowledges and agrees that Client's confidential electronic data may be transmitted or stored using these methods. In using these data communication and storage methods, Forvis Mazars will employ industry recognized measures designed to maintain data security. Forvis Mazars will use reasonable efforts to keep such communications and electronic data secure in accordance with any obligations under applicable laws, regulations, and professional standards.

    Client acknowledges and agrees that Forvis Mazars has no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed to keep such data secured. Client agrees to Forvis Mazars' use of these electronic devices and applications during the completion of the Services.

OTHER MATTERS

27. **Cooperation.** Client agrees to cooperate with Forvis Mazars in the performance of completing the Services, including the reasonable and timely access to Client's facilities, data, information, and personnel. Client shall be responsible for the performance and actions of Client's employees and agents.

28. **Service Providers.** Forvis Mazars may from time to time utilize affiliates, subsidiaries, third-party service providers, including but not limited to entities in the Network (defined hereafter), onshore providers, and offshore providers. Forvis Mazars may need to disclose confidential information about Client to other Forvis Mazars firms or third-party service providers to comply with regulatory requirements, to check conflicts, to provide financial accounting and other administrative support services, for quality and risk management services, or in order to complete the Services, and Client data may reside or be accessed outside of the United States. Forvis Mazars maintains internal policies, procedures, and safeguards to protect the confidentiality and security of Client's information.

Forvis Mazars will be responsible to You for maintaining the confidentiality of the Client information.

29. **Independent Contractor.** When providing services to Client, Forvis Mazars will be functioning as an independent contractor; and in no event will Forvis Mazars or any Forvis Mazars employees be an officer of Client. This Agreement does not create a relationship of joint venturers, partners, employer and/or employee, principal and/or agent, or any similar relationship giving rise to a fiduciary duty to Client. Decisions regarding management of Client's business remain the sole responsibility of Client at all times. Neither Client nor Forvis Mazars shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

30. **Hiring of Forvis Mazars Personnel.** Forvis Mazars asks that Client respect the employment relationship that Forvis Mazars personnel have with the firm and to refrain from any employment offers to Forvis Mazars personnel. However, if Client finds it necessary to make an offer of employment and if it is accepted, during the term of this engagement and for a period of 18 months after Forvis Mazars stops providing Services, Client agrees that Forvis Mazars will be paid a one-time employment fee equal to 100% of the employee's highest annual salary. This fee will be payable prior to Forvis Mazars personnel commencing employment with Client. Provided, however, Client shall not be in violation of the nonsolicitation covenant set forth herein with respect to any position Client advertises in the form of a general solicitation not delivered to or focused upon any single individual.

31. **Use of Party Names.** Any time either party intends to reference the other party's name in any manner in any published materials, including on an electronic site, the referencing party agrees to provide the other party with draft materials for review and written approval before publishing or posting such information. For purposes of this approval, email approval is deemed sufficient by both parties.

32. **Network.** Forvis Mazars Global Limited ("the Network") is a leading global professional services network consisting of independent members Forvis Mazars, LLP in the U.S. and Forvis Mazars Group, a Belgium integrated partnership with member firms operating in over 100 countries. The Network is a United Kingdom company limited by guarantee and does not provide any services to clients.

33. **Entire Agreement.** The Agreement, including these Terms and Conditions, the Business Associate Agreement (if any) and any other attachments or addenda, encompasses the entire agreement between Client and Forvis Mazars and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this Agreement must be made in writing and signed by both Client and Forvis Mazars.

34. **Force Majeure.** Excluding incurred fees, neither party shall be held responsible for any failure to fulfill its obligations under this Agreement if such failure was caused by circumstances beyond its control, including, without limitation, fire or other casualty, act of God, act of terrorism, strike or labor dispute, war or other violence, explosion, flood or other natural catastrophe, epidemic or pandemic, or any law, order, or requirement of any governmental agency or authority affecting either party, including without limitation orders incident to any such epidemic or pandemic, lockdown orders, stay-at-home orders, and curfews.

35. **Data Usage.** Notwithstanding anything herein to the contrary, Client's information and data may be utilized for internal purposes applying various technologies, including but not limited to large language models or generative artificial intelligence. To the extent necessary, Forvis Mazars will utilize confidentiality and similar standards for such applications as it utilizes for similar work on Forvis Mazars' own work and processes. Forvis Mazars shall not sell or resell information obtained from Client.

BACK TO AGENDA

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER OPERATIONS FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
ESTIMATED RESOURCES:					
Authority Investment Interest Income	1,519,298.00	1,200,000.00	930,000.00	930,000.00	-
WPCRF State Match Loan Repayment	1,306,000.00	2,500,000.00	6,000,000.00	4,000,000.00	(2,000,000.00)
DWRF State Match Loan Repayment	5,051,358.00	4,000,000.00	7,000,000.00	6,000,000.00	(1,000,000.00)
WRBP Loan Interest Income	2,315,716.00	2,341,397.00	7,300,000.00	6,100,000.00	(1,200,000.00)
WRBP Loan Principal Repayments	1,760,000.00	1,990,000.00	23,100,000.00	20,000,000.00	(3,100,000.00)
WRBP Bond Proceeds	-	-	100,000,000.00	50,000,000.00	(50,000,000.00)
WRBP Refunding Bond Proceeds	-	-	30,000,000.00	30,000,000.00	-
Interim Loan Principal Repayments	-	-	7,000,000.00	7,000,000.00	-
Interim Loan Interest Income	-	-	200,000.00	200,000.00	-
Water Rights Purchase Principal Repayments (Durango)	209,836.00	214,000.00	215,000.00	220,000.00	5,000.00
Water Rights Purchase Interest Income (Durango)	36,089.00	32,000.00	33,000.00	30,000.00	(3,000.00)
Authority Loan Principal Repayments (Cokedale, Genoa)	8,656.00	8,725.00	8,800.00	8,800.00	-
Authority Loan Interest Income (Genoa)	1,509.00	1,440.00	1,500.00	1,500.00	-
Small Hydro Loan Principal Payments	431,457.00	440,500.00	445,000.00	450,000.00	5,000.00
Small Hydro Loan Interest Income	127,182.00	118,205.00	120,000.00	110,000.00	(10,000.00)
Watershed Protection & Forest Health Prgm Loan Principal	-	-	1,700,000.00	1,700,000.00	-
Watershed Protection & Forest Health Prgm Loan Interest	-	-	2,000,000.00	2,000,000.00	-
Watershed Protection & Forest Health Prgm Bond Proceeds	-	-	30,000,000.00	30,000,000.00	-
Interest Income-La Plata Escrow Fund	4,451.00	4,100.00	-	4,000.00	4,000.00
Income from Sub-Lease (Colorado Water Congress)	68,688.00	66,000.00	64,000.00	79,000.00	15,000.00
Miscellaneous Revenue	1,566.00	1,000.00	-	-	-
TOTAL AVAILABLE RESOURCES	12,841,806.00	12,917,367.00	216,117,300.00	158,833,300.00	(57,284,000.00)
OPERATING EXPENSES:					
BOARD EXPENSES					
Per Diems	16,200.00	18,000.00	25,000.00	25,000.00	-
Travel, Lodging, Meals, etc.	27,698.00	59,200.00	50,000.00	65,000.00	15,000.00
Meeting Expenses	17,236.00	13,300.00	25,000.00	25,000.00	-
Memberships	8,125.00	13,645.00	15,000.00	20,000.00	5,000.00
Board Insurance	-	-	30,000.00	30,000.00	-
Sub-total	69,259.00	104,145.00	145,000.00	165,000.00	20,000.00

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BACK TO AGENDA

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER OPERATIONS FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
SALARIES EXPENSE					
Staff Salaries	1,569,049.00	1,679,100.00	1,822,000.00	1,880,000.00	58,000.00
Temporary Services	32,328.00	30,525.00	60,000.00	60,000.00	-
Third Party Payroll & HR Services	3,587.00	5,400.00	8,000.00	8,000.00	-
Annual Employment Vacation and Sick Leave Accrual	97,949.00	20,000.00	100,000.00	100,000.00	-
Less: Salaries Allocated to Project Expenses	(28,177.00)	(18,000.00)	(43,000.00)	(46,000.00)	(3,000.00)
Sub-total	1,674,736.00	1,717,025.00	1,947,000.00	2,002,000.00	55,000.00
EMPLOYEE BENEFITS					
Pension Expense	317,824.00	355,000.00	382,000.00	395,000.00	13,000.00
Healthcare Trust Expense	15,729.00	15,729.00	19,000.00	20,100.00	1,100.00
Medical and Dental Insurance & HRA	213,812.00	219,000.00	316,000.00	335,500.00	19,500.00
Life and LT Disability Insurance and Unemployment Cost	13,550.00	17,200.00	15,500.00	40,600.00	25,100.00
Medicare - Employer's Match	22,779.00	23,700.00	28,000.00	28,400.00	400.00
Denver City Tax - Employer's Match	588.00	765.00	800.00	800.00	-
401k Match	37,488.00	39,000.00	52,000.00	55,000.00	3,000.00
State Workman's Compensation Insurance	2,844.00	2,267.00	4,000.00	4,000.00	-
Tuition Reimbursement	15,689.00	10,000.00	25,000.00	25,000.00	-
Public Transportation Incentive	-	-	1,400.00	1,400.00	-
Sub-total	640,303.00	682,661.00	843,700.00	905,800.00	62,100.00
OUTSIDE SERVICES EMPLOYED					
General Legal Fees	37,542.00	36,500.00	100,000.00	125,000.00	25,000.00
General Consulting Services	46,719.00	25,500.00	70,000.00	70,000.00	-
Audit and Budgetary Fees	25,413.00	22,218.00	30,000.00	30,000.00	-
Sub-total	109,674.00	84,218.00	200,000.00	225,000.00	25,000.00
EMPLOYEE / ADMINISTRATIVE EXPENSES					
Travel, Lodging, Meals, etc.	21,692.00	20,000.00	25,000.00	30,000.00	5,000.00
Registration and Training Fees	3,739.00	10,000.00	15,000.00	20,000.00	5,000.00
Contributions & Sponsorships	29,675.00	35,000.00	45,000.00	45,000.00	-
Dues, Subscriptions, and Publications	10,261.00	13,000.00	15,000.00	15,000.00	-
Sub-total	65,367.00	78,000.00	100,000.00	110,000.00	10,000.00

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BACK TO AGENDA

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER OPERATIONS FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

(Page 3 of 6)

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
GENERAL OFFICE EXPENSES					
Office Rent Expense	231,240.00	350,000.00	352,000.00	357,000.00	5,000.00
Interest expense-leases	54,058.00	$44,000.00	70,000.00	45,000.00	(25,000.00)
Telephone, Internet Charges and Web Site Fees	10,978.00	11,500.00	20,000.00	20,000.00	-
Postage and Delivery Fees	114.00	200.00	3,500.00	3,000.00	(500.00)
Copying, Printing and Advertising Costs	5,397.00	3,700.00	9,000.00	9,000.00	-
Office Supplies	17,239.00	18,300.00	19,000.00	20,000.00	1,000.00
Technical Support Activities	78,361.00	91,000.00	110,000.00	120,000.00	10,000.00
Office Insurance	6,731.00	800.00	9,000.00	9,000.00	-
Records Retention	1,714.00	1,700.00	30,000.00	20,000.00	(10,000.00)
Sub-total	405,832.00	521,200.00	622,500.00	603,000.00	(19,500.00)
OFFICE ASSETS EXPENSES					
Furniture and Fixtures	3,837.00	19,000.00	25,000.00	12,000.00	(13,000.00)
Machines	28,449.00	10,000.00	58,000.00	70,000.00	12,000.00
Computer Software	84,414.00	90,000.00	90,000.00	105,000.00	15,000.00
Machine Maintenance and Maintenance Contracts	2,950.00	1,300.00	15,000.00	15,000.00	-
Office Improvements	22,525.00	82,000.00	100,000.00	30,000.00	(70,000.00)
Sub-total	142,175.00	202,300.00	288,000.00	232,000.00	(56,000.00)
OPERATING EXPENSES ALLOCATED TO OTHER FUNDS: WPCRF and DWRF					
Allocated Salaries Expense - WPCRF	(395,340.00)	(429,000.00)	(495,000.00)	(525,000.00)	(30,000.00)
Allocated Employee Benefits - WPCRF	(217,799.00)	(244,000.00)	(301,000.00)	(315,000.00)	(14,000.00)
Allocated General Overhead Expenses - WPCRF	(196,442.00)	(214,400.00)	(294,000.00)	(294,200.00)	(200.00)
Allocated Salaries Expense - DWRF	(385,120.00)	(384,000.00)	(468,000.00)	(513,000.00)	(45,000.00)
Allocated Employee Benefits - DWRF	(212,947.00)	(218,000.00)	(284,000.00)	(308,000.00)	(24,000.00)
Allocated General Overhead Expenses - DWRF	(181,289.00)	(185,300.00)	(257,000.00)	(281,500.00)	(24,500.00)
Sub-total	(1,588,937.00)	(1,674,700.00)	(2,099,000.00)	(2,236,700.00)	(137,700.00)
SUB-TOTAL: OPERATING EXPENSES	1,518,409.00	1,714,849.00	2,047,200.00	2,006,100.00	(41,100.00)

BACK TO AGENDA

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER OPERATIONS FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
CAPITAL EXPENSES:					
APPROVED PROJECTS					
Water Revenue Bonds Program Expenses	83,010.00	97,000.00	120,000.00	123,000.00	3,000.00
Small Hydroelectric Power Program Expenses	7,597.00	12,200.00	25,000.00	25,000.00	-
Watershed Protection & Forest Health Program Expenses	-	-	65,000.00	65,000.00	-
Small Hydroelectric Power Program Planning & Design Grants	-	15,000.00	165,000.00	165,000.00	-
WPCRF State Match Loan	2,538,200.00	2,500,000.00	3,500,000.00	6,000,000.00	2,500,000.00
DWRF State Match Loan	3,821,000.00	4,000,000.00	6,000,000.00	7,000,000.00	1,000,000.00
Small Hydroelectric Power Loan Draws	-	-	10,000,000.00	5,000,000.00	(5,000,000.00)
Interim Loans	-	-	7,000,000.00	7,000,000.00	-
Sub-total	6,449,807.00	6,624,200.00	26,875,000.00	25,378,000.00	(1,497,000.00)
POTENTIAL PROJECTS					
Other Potential Projects	-	-	1,000,000.00	1,000,000.00	-
Sub-total	-	-	1,000,000.00	1,000,000.00	-
WATER REVENUE BONDS PROGRAM					
WRBP Bond Interest Expense	2,356,404.00	2,234,304.00	4,800,000.00	4,400,000.00	(400,000.00)
WRBP Bond Principal Payments	1,760,000.00	1,990,000.00	23,100,000.00	20,000,000.00	(3,100,000.00)
WRBP Bond Issuance Expense	6,642.00	-	3,000,000.00	1,500,000.00	(1,500,000.00)
WRBP Loans Made	-	-	100,000,000.00	50,000,000.00	(50,000,000.00)
WRBP Refunding Escrow Payments	-	-	30,000,000.00	30,000,000.00	-
WRBP Refunding Issuance Costs	-	-	900,000.00	900,000.00	-
Sub-total	4,123,046.00	4,224,304.00	161,800,000.00	106,800,000.00	(55,000,000.00)
WATERSHED PROTECTION & HEALTHY FORESTS PROGRAM					
Watershed Protection & Forest Health Program Bond Interest	-	-	2,000,000.00	2,000,000.00	-
Watershed Protection & Forest Health Program Bond Principal	-	-	1,700,000.00	1,700,000.00	-
Watershed Protection & Forest Health Program Bond COI	-	-	1,500,000.00	1,500,000.00	-
Watershed Protection & Forest Health Program Loans Made	-	-	30,000,000.00	30,000,000.00	-
Sub-total	-	-	35,200,000.00	35,200,000.00	-
SUB-TOTAL: CAPITAL EXPENSES	10,572,853.00	10,848,504.00	224,875,000.00	168,378,000.00	(56,497,000.00)
OPERATING and CAPITAL EXPENSES	12,091,262.00	12,563,353.00	226,922,200.00	170,384,100.00	(56,538,100.00)
AVAILABLE RESOURCES OVER / (UNDER) EXPENSES	750,544.00	354,014.00	(10,804,900.00)	(11,550,800.00)	(745,900.00)
Beginning Water Operations Fund Net Position - January 1	49,799,289.00	50,549,833.00	50,549,833.00	50,903,847.00	354,014.00
Ending Water Operations Fund Net Position - December 31	50,549,833.00	50,903,847.00	39,744,933.00	39,353,047.00	(391,886.00)

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER POLLUTION CONTROL REVOLVING FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

(Page 5 of 6)

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
ESTIMATED RESOURCES:					
Net Investment Interest Income	5,831,127.00	5,000,000.00	4,900,000.00	4,900,000.00	-
Administrative Fee Income	7,632,853.00	7,800,000.00	7,200,000.00	7,600,000.00	400,000.00
Loan Interest Income	5,317,608.00	5,400,000.00	6,200,000.00	7,400,000.00	1,200,000.00
Capital Contributions - EPA	16,418,021.00	21,000,000.00	30,000,000.00	30,000,000.00	-
Capital Contributions - Colorado State Match	2,538,200.00	2,000,000.00	3,000,000.00	4,000,000.00	1,000,000.00
Loan Principal Repayments	52,379,386.00	52,202,449.00	41,500,000.00	43,700,000.00	2,200,000.00
WPCRF Bond Proceeds	-	3,500,000.00	60,000,000.00	40,000,000.00	(20,000,000.00)
Refunding Bond Proceeds	-	-	40,000,000.00	40,000,000.00	-
TOTAL AVAILABLE RESOURCES	90,117,195.00	96,902,449.00	192,800,000.00	177,600,000.00	(15,200,000.00)
ESTIMATED EXPENSES:					
Bond Interest Expense	6,179,006.00	5,500,000.00	7,000,000.00	7,200,000.00	200,000.00
Administrative Expenses*	5,962,330.00	5,548,600.00	6,936,177.00	7,375,347.00	439,170.00
Planning Grants to Small Local Governments	12,613.00	100,000.00	315,000.00	360,000.00	45,000.00
Authority State Match Loan Payments	1,306,000.00	2,538,200.00	6,000,000.00	6,000,000.00	-
Transfer Administrative Fees to DWRF	460,480.00	225,000.00	500,000.00	530,000.00	30,000.00
Bond Principal Payments	20,105,000.00	12,100,000.00	14,000,000.00	15,000,000.00	1,000,000.00
Loan Principal Forgiveness	6,940,542.00	6,000,000.00	10,000,000.00	10,000,000.00	-
Payment To Refunded Bond Escrow	-	-	39,600,000.00	39,600,000.00	-
Refunding Bonds Issuance Cost	-	-	400,000.00	400,000.00	-
Arbitrage Rebate Payments	-	1,200,000.00	700,000.00	800,000.00	100,000.00
WPCRF Leveraged Loans Made	-	10,000,000.00	120,000,000.00	75,000,000.00	(45,000,000.00)
Project Costs Paid - Direct Loans	22,816,660.00	34,000,000.00	90,000,000.00	65,000,000.00	(25,000,000.00)
Capital Asset Acquisitions	-	-	5,000.00	5,000.00	-
TOTAL WPCRF EXPENSES	63,782,631.00	77,211,800.00	295,456,177.00	227,270,347.00	(68,185,830.00)
AVAILABLE RESOURCES OVER / (UNDER) EXPENSES	26,334,564.00	19,690,649.00	(102,656,177.00)	(49,670,347.00)	52,985,830.00
Beginning WPCRF Net Position - January 1	538,375,732.00	564,710,296.00	564,710,296.00	584,400,945.00	19,690,649.00
Ending WPCRF Net Position - December 31	564,710,296.00	584,400,945.00	462,054,119.00	534,730,598.00	72,676,479.00

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

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

DRINKING WATER REVOLVING FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

(Page 6 of 6)

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
ESTIMATED RESOURCES:					
Net Investment Interest Income	6,680,070.00	5,160,000.00	4,300,000.00	4,300,000.00	-
Administrative Fee Income - Loans	8,426,827.00	8,700,000.00	8,500,000.00	8,300,000.00	(200,000.00)
Transfer Administrative Fees from WPCRF	460,480.00	225,000.00	500,000.00	530,000.00	30,000.00
Loan Interest Income	4,178,656.00	4,200,000.00	5,400,000.00	5,500,000.00	100,000.00
Capital Contributions - EPA	89,478,298.00	41,800,000.00	80,000,000.00	70,000,000.00	(10,000,000.00)
Capital Contributions - Colorado State Match	3,821,000.00	3,000,000.00	6,000,000.00	6,000,000.00	-
EPA Grant Set Aside Income	11,750,200.00	12,420,000.00	14,875,000.00	13,175,000.00	(1,700,000.00)
Loan Principal Repayments	28,081,500.00	30,000,000.00	32,600,000.00	33,500,000.00	900,000.00
DWRF Bond Proceeds	18,825,000.00	1,500,000.00	50,000,000.00	40,000,000.00	(10,000,000.00)
Refunding Bond Proceeds	-	-	30,000,000.00	30,000,000.00	-
TOTAL AVAILABLE RESOURCES	171,702,031.00	107,005,000.00	232,175,000.00	211,305,000.00	(20,870,000.00)
ESTIMATED EXPENSES:					
Bond Interest Expense	4,491,058.00	4,700,000.00	5,800,000.00	5,700,000.00	(100,000.00)
Administrative Expenses*	4,359,337.00	4,300,000.00	5,650,686.00	5,563,381.00	(87,305.00)
Planning Grants to Small Local Governments	99,798.00	120,000.00	295,000.00	325,000.00	30,000.00
Authority State Match Loan Payments	5,051,358.00	3,821,000.00	7,000,000.00	7,000,000.00	-
Bond Principal Payments	6,975,000.00	7,455,000.00	10,500,000.00	10,500,000.00	-
Loan Principal Forgiveness	55,714,834.00	25,000,000.00	80,000,000.00	70,000,000.00	(10,000,000.00)
Payment To Refunded Bond Escrow	-	-	29,700,000.00	29,700,000.00	-
Refunding Bonds Issuance Cost	-	-	300,000.00	300,000.00	-
DWRF Leveraged Loans Made	31,713,084.00	5,000,000.00	100,000,000.00	75,000,000.00	(25,000,000.00)
Project Costs Paid - Direct Loans	102,424,272.00	35,000,000.00	198,000,000.00	103,000,000.00	(95,000,000.00)
EPA Capitalization Grant Set-Asides (excluding Admin. Exp)	8,405,688.00	9,670,000.00	12,125,000.00	9,525,000.00	(2,600,000.00)
Arbitrage Rebate Payments	-	88,897.00	600,000.00	700,000.00	100,000.00
Capital Asset Acquisitions	-	-	5,000.00	5,000.00	-
TOTAL DWRF EXPENSES	219,234,429.00	95,154,897.00	449,975,686.00	317,318,381.00	(132,657,305.00)
AVAILABLE RESOURCES OVER / (UNDER) EXPENSES	(47,532,398.00)	11,850,103.00	(217,800,686.00)	(106,013,381.00)	111,787,305.00
Beginning DWRF Net Position - January 1	447,721,564.00	400,189,166.00	400,189,166.00	412,039,269.00	11,850,103.00
Ending DWRF Net Position - December 31	400,189,166.00	412,039,269.00	182,388,480.00	306,025,888.00	123,637,408.00

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

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2027 APPROVED WATER OPERATIONS FUND
BUDGET DOCUMENTATION

ESTIMATED RESOURCES

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

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OPERATING EXPENSES

BOARD EXPENSES

Per Diems	Allows for the attendance of nine Board members at seven meetings.	$	25,000
Travel, Lodging, Meals, etc.	Actual amounts vary depending on member expenses in conjunction with meeting attendance. Included in this item are costs for board meetings held at locations outside of Denver.		65,000
Meeting Expenses	Refreshments, meals, room rental, visual aids, etc., for meetings, including the additional off-site meetings.		25,000
Memberships	Membership dues to Colorado Water Congress, Council of Infrastructure Financing Authorities, Employers Council, Colorado Municipal League, and other related associations.		20,000
Board Insurance	Public Official D&O Insurance - Authority is currently self insured due to sharp rise in policy premiums. Should those rates become cost beneficial during the year, a policy may be purchased.		30,000
	Sub-total	$	165,000

SALARIES EXPENSE

Salaries Expense	The amount assumes: fully staffed at 16, and also includes annual staff salary adjustments. The Personnel Committee meets in December to review personnel compensation with the Executive Director. Also Includes 0.5 part-time FTE.	$	1,880,000
Employment/Temporary Services	Employment agency fees if a candidate is hired. Also includes Includes costs for temporary help on an as needed basis.		60,000
Third Party Payroll & HR Services	Third party payroll vendor to process semi-monthly payroll, quarterly reporting and year-end reporting. Third party HR software for employee reviews and other HR documents.		8,000
Annual Employment Vacation and Sick Leave Accrual	To cover accrued annual vacation and sick leave compensation upon termination of employment.		100,000
Less: Salaries Allocated to Project Expenses	Labor costs allocated to other project expenses (Animas-La Plata, Small Water Resources Projects Program, Water Revenue Bonds Program, Small Hydro Loan Program and Bark Beetle Bond Program)		(46,000)
	Sub-total	$	2,002,000

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EMPLOYEE BENEFITS			
Pension Expense	The Authority's contributions to PERA. The actual expense could be higher. We budget for contributions, not the expense recorded.	$	395,000
Healthcare Trust Expense	1.02% of the Authority's portion contributed to PERA. This is a subsidy PERA provides for heath insurance to keep premiums down for retiree's. The actual expense could be higher. We budget for contributions, not the expense recorded.		20,100
Medical and Dental Insurance & HRA Plan	Cost includes coverage for staff of 16, and includes a minimal PERACare premium increase. The amount is reduced by the implementation of 20% employee premium cost sharing.		335,500
Employee Insurance	Amount for employees' long term disability, and life insurance, plus Unemployment Provision (self insured).		40,600
Medicare - Employer's Match	Authority must pay 1.45% of gross salary to match the employees' Medicare tax withheld.		28,400
Denver City Tax - Employer's Match	Denver Occupational Tax - The employer's portion of this tax is $4 / month per employee.		800
401k Match	Authority Match up to 3% of employee's contributions. Will match 20% of the 3% the first year and an additional 20% every following year until year 5. After year 5 if the employee is employed at the Authority, they will receive the entire 3% they did not receive over the 5 year period.		55,000
State Workman's Compensation Insurance	The amount of coverage, premiums, etc., is set by statute. Includes coverage for nine board members.		4,000
Tuition Reimbursement	Covers cost of tuition for employees who are receiving additional education in order to enhance skills for their positions.		25,000
Public Transportation Incentive	The budgeted amount includes use of public transportation.		1,400
	Sub-total	$	905,800
OUTSIDE SERVICES EMPLOYED			
General Legal Fees	General legal services for the Authority. The balance of other legal services are charged to other programs.	$	125,000
General Consulting Services	Covers financial, technical and other consulting services for potential projects, legislative issues, employee flex/HRA plan consulting, etc. Also includes fees associated with pre-employment background checks and drug testing.		70,000
Audit and Budgetary Fees	Includes annual audit expenses and budget expenses for the Authority. Audit expenses for WPCRF, DWRF, WRBP are incorporated into the respective programs.	$	30,000
	Sub-total	$	225,000
EMPLOYEE / ADMINISTRATIVE EXPENSES			
Travel, Lodging, Meals, etc.	Includes staff expenses to attend board meetings, workshops, seminars, conferences, and other meetings. Covers additional board meetings to be held at locations outside of Denver.	$	30,000
Registration and Training Fees	Registration fees for attending conferences, meetings, workshops, and continuing education classes.		20,000
Contributions & Sponsorships	Funding provided to various organizations (CSU, Water Ed. Foundation, Colorado Water Congress etc), Memorial donations.		45,000
Dues, Subscriptions, and Publications	Dues to professional organizations, periodical, subscriptions, and costs of other published materials.		15,000
	Sub-total	$	110,000

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GENERAL OFFICE EXPENSES			
Office Rent Expense	Includes rent and parking costs based upon the lease renewal and prorata increase in operating expenses.	$	357,000
Interest Expense-Leases	Interest expense charged on leases	$	45,000
Telephone and Internet Charges	Phone system equipment lease and monthly fees, internet access and website fees.internet access and website fees.		20,000
Postage and Delivery Fees	Covers postage for all U.S. Mail and Authority deliveries. Federal Express and local delivery service charges are allocated to the various programs as specified.		3,000
Copying, Printing and Advertising Costs	Covers the copying and/or printing costs for stationery, envelopes, business cards, the Authority annual report, any newsletters, brochures and other marketing costs that are not otherwise allocated to the financing programs, by a commercial printer. Also includes advertising for new hires and ads in conference programs.		9,000
Office Supplies	Covers the purchase of standard office supplies, cost of recycling pickup, etc.		20,000
Technical Support Activities	Computer hardware/software technical support for local area network, e-mail server, Laserfiche, accounting system.		120,000
Office Insurance	Amount for property, casualty and general liability insurance, plus employee dishonesty coverage.		9,000
Records Retention	Includes off site storage for permanent records, computer software, back-up tapes, and retrieval of boxes.		20,000
	Sub-total	$	603,000
OFFICE ASSETS EXPENSES			
Furniture and Fixtures	Allows for purchase of additional furniture or fixtures.	$	12,000
Machines	Upgrades to IT system including laptop computers, printers, copiers, servers and tablets.		70,000
Computer Software and maintenance plans.	Server operating system upgrades, additional software upgrades, Office 365 and Accounting & Laserfiche agreements.		105,000
Machine Maintenance and Maintenance Contracts	Coverage for copier, postage equipment, telephone system, printers and other equipment or office repairs.		15,000
Office Improvements	Potential costs for miscellaneous improvements to the office space including any significant repairs or modifications.		30,000
	Sub-total	$	232,000
	SUB-TOTAL: OPERATING EXPENDITURES	$	4,242,800

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OPERATING EXPENSES ALLOCATED TO OTHER FUNDS:		
Allocated Salaries Expense- WPCRF		$ (525,000)
Allocated Employee Benefits- WPCRF		(315,000)
Allocated General Overhead Expenses - WPCRF		(294,200)
Allocated Salaries Expense- DWRF		(513,000)
Allocated Employee Benefits- DWRF		(308,000)
Allocated General Overhead Expenses - DWRF		(281,500)
	Sub-total	$ (2,236,700)
SUB-TOTAL: NET OPERATING EXPENSES		$ 2,006,100
CAPITAL EXPENSES		
APPROVED PROJECTS		
Water Revenue Bonds Program	Includes Authority expenses allocated to WRBP - trustee fees, arbitrage rebate calculations, allocated labor costs, marketing etc.	123,000
Small Hydroelectric Power Program Expenses	Direct loan program-includes Authority staff time and direct costs associated with implementing and marketing the loan program.	25,000
Watershed Protection & Forest Health Program Expenses	Loan/bond program-includes Authority staff time and direct costs associated with implementing the program.	65,000

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

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WATERSHED PROTECTION & HEALTHY FORESTS PROGRAM

Watershed Protection & Forest Health Program Bond Interest	Bond interest expense assumes bonds are taxable and are outstanding for a portion of the year.	2,000,000
Watershed Protection & Forest Health Program Bond Principal	Bond principal payments.	1,700,000
Watershed Protection & Forest Health Program Bond Issuance (COI)	Issuance costs relating to potential bonds issued.	1,500,000
Watershed Protection & Forest Health Program Loans Made	Potential loans that may be funded from bond proceeds of the new loan program.	30,000,000
	Sub-total	$ 35,200,000
SUB-TOTAL: CAPITAL EXPENSES		$ 168,378,000
TOTAL OPERATING and CAPITAL EXPENSES		$ 170,384,100
AVAILABLE RESOURCES OVER/(UNDER) EXPENSES - WATER OPERATIONS FUND		$ (11,550,800)
Beginning Water Operations Fund Net Position - January 1, 2027		$ 50,903,847
Ending Water Operations Fund Net Position - December 31, 2027		$ 39,353,047

2027 RECONCILIATION OF WATER OPERATIONS FUND OPERATING EXPENSES BUDGET

TOTAL OPERATING EXPENSES PER THE WATER OPERATIONS FUND BUDGET	$ 2,006,100
ADD BACK OPERATING EXPENSES ALLOCATED TO OTHER PROGRAMS:	
Allocated Salaries Expense- WPCRF	525,000
Allocated Employee Benefits- WPCRF	315,000
Allocated General Overhead Expenses- WPCRF	294,200
Allocated Salaries Expense- DWRF	513,000
Allocated Employee Benefits- DWRF	308,000
Allocated General Overhead Expenses- DWRF	281,500
SUB-TOTAL: OPERATING EXPENSES ALLOCATED TO OTHER PROGRAMS	$ 2,236,700
TOTAL OPERATING EXPENSES FOR THE WATER OPERATIONS FUND BUDGET BEFORE ALLOCATIONS TO OTHER PROGRAMS	$ 4,242,800

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2027 APPROVED WATER POLLUTION CONTROL REVOLVING FUND BUDGET DOCUMENTATION

ESTIMATED RESOURCES

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

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ESTIMATED EXPENSES

Bond Interest Expense - Interest on Clean Water Bonds			$ 7,200,000
Administrative Expenses - Covers the administrative costs of the following three agencies:			7,375,347
Authority		2,090,200	
	Allocated Labor/Benefit Costs	840,000	
	Allocated General Overhead Exp.'s	294,200	
	Consulting, Inspection and Other Activities	200,000	
	Legal Fees	70,000	
	Audit/Accounting Fees	70,000	
	Trustee Fees	140,000	
	Arbitrage Rebate Calculations	26,000	
	Other Direct Expenses (Travel, Training, Postage, marketing, etc.)	50,000	
	New Information Management System	400,000	
WQCD-	Water Quality Control Division FTEs=13.05	5,056,022	
DLG -	Colorado Dept. of Local Affairs FTEs=2	191,625	
	Small and Rural Communities Technical Services Contractor	37,500	
Planning Grants to small local governments (Paid from loan admin fees)			360,000
Authority State Match Loan payments represent the repayment of loan principal to the Authority for providing the 20% State Match. Funds will be provided from the loan administrative fees collected, if available.			6,000,000
Transfer of Administrative Fees to the DWRF - will be used to pay Authority administrative costs not eligible from the Admin set aside, thus freeing up DWRF loan admin fees to provide the state match funds and/or reimbursement of the state match loan.			530,000
Bond Principal Payments - Principal payments on Clean Water Bonds			15,000,000
Loan Principal Forgiveness -Includes potential Design & Engineering (D&E) grants to qualifying borrowers. If not all D&E grants are issued, the remainder of funds will be used to reduce direct loan borrowers principal.			10,000,000
Payment To Refunded Bond Escrow - refunding would be transacted if market conditions are favorable			39,600,000
Refunding Bond Issuance Costs			400,000
Other Expenses - PUT agreement fees, arbitrage rebate payments to US Treasury, etc.			800,000
WPCRF Leveraged Loans Made - Total bond proceeds and State Match provided by the Authority on leveraged loans			75,000,000
Project Costs Paid - Direct Loans - Construction proceeds requested from the fund during the calendar year on direct loans			65,000,000
Capital asset acquisitions			5,000
TOTAL EXPENSES			$ 227,270,347
AVAILABLE RESOURCES OVER/(UNDER) EXPENSES - WATER POLLUTION CONTROL REVOLVING FUND			$ (49,670,347)
Beginning WPCRF Net Assets - January 1, 2027			$ 584,400,945
Ending WPCRF Net Assets - December 31, 2027			$ 534,730,598

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2027 APPROVED DRINKING WATER REVOLVING FUND
BUDGET DOCUMENTATION

ESTIMATED RESOURCES

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

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ESTIMATED EXPENSES

Bond Interest Expense - Interest on Drinking Water Bonds			$ 5,700,000
Administrative Expenses - Covers the administrative costs of the following three agencies:			5,563,381
Authority		2,032,500	
	Allocated Labor/Benefit Costs	821,000	
	Allocated General Overhead Exp.'s	281,500	
	Consulting, Inspection and Other Activities	200,000	
	Legal Fees	70,000	
	Audit/Accounting Fees	70,000	
	Trustee Fees	120,000	
	Arbitrage Rebate Calculations	20,000	
	Other Direct Expenses (Travel, Training, Postage, marketing, etc.)	50,000	
	New Information Management System	400,000	
WQCD-	Water Quality Control Division FTEs= 15.05	3,301,756	
DLG -	Colorado Dept. of Local Affairs FTEs=2	191,625	
	Small and Rural Communities Technical Services Contractor	37,500	
Planning Grants to small local governments (Paid from loan admin fees)			325,000
Authority State Match Loan payments represent the repayment of loan principal to the Authority for providing the 20% State Match. Funds will be provided from the loan administrative fees collected, as available.			7,000,000
Bond Principal Payments - Principal payments on Drinking Water Bonds.			10,500,000
Loan Principal Forgiveness -Includes potential Design & Engineering (D&E) grants to qualifying borrowers. If not all D&E grants are issued, the remainder of funds will be used to reduce direct loan borrowers principal.			70,000,000
Payment To Refunded Bond Escrow - refunding would be transacted if market conditions are favorable			29,700,000
Refunding Bond Issuance Costs			300,000
DWRF Leveraged Loans Made - Total bond proceeds and State Match provided on leveraged loans.			75,000,000
Project Costs Paid - Direct Loans (Construction loan proceeds requisitioned)			103,000,000
EPA Capitalization Grant Set-Asides - Disbursements (excluding administration)			9,525,000
	Base Grant		
	Well Head Protection	-	
	Small Systems Technical Training (SSTTA)	-	
	Capacity Development	-	
	Public Water Systems Supervision (PWSS)	-	
	BIL Grant-Supplemental		
	Well Head Protection	1,175,000	
	Small Systems Technical Training (SSTTA)	675,000	
	Capacity Development	2,325,000	
	Public Water Systems Supervision (PWSS)	2,600,000	
	BIL Grant-Emergent Contaminants (EC)		
	Public Water Systems Supervision (PWSS)	950,000	
	BIL Grant-Lead		
	Public Water Systems Supervision (PWSS)	1,800,000	
Arbitrage Rebate Payments Anticipated			700,000
Capital asset acquisitions			5,000
TOTAL EXPENSES			$ 317,318,381
AVAILABLE RESOURCES OVER/(UNDER) EXPENSES - DRINKING WATER REVOLVING FUND			$ (106,013,381)
Beginning DWRF Net Assets - January 1, 2027			$ 412,039,269
Ending DWRF Net Assets - December 31, 2027			$ 306,025,888

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COLORADO
Department of Public Health & Environment

August 28, 2026

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

Re: 2027 Water Quality Control Division Budget

Dear Mr. McLaughlin:

This letter transmits the 2027 Water Quality Control Division (division) budget in accordance with the Memoranda of Agreements (MOAs) for consideration by the Colorado Water Resources and Power Development Authority Board of Directors (Authority). Attachment 1 contains the budget spreadsheets, including the line items for the administration and implementation of the Infrastructure Investment and Jobs Act (IIJA) funding. In light of the discussions at the August 19, 2026, Authority board meeting and our subsequent discussion on August 25, 2026, the division made the following adjustments to its 2027 budget request:

- Reduced 2.1 IIJA 4%-funded full-time equivalents (FTE).
- Reduced the 2027 Drinking Water Set-Aside budget request by $2,600,000 as compared to 2026.
- Proposes reverting $1,550,000 in current Drinking Water Set-Aside balances to the loan program.

Additionally, the division will continue workload and spending analyses to inform its future budget requests. Specifically, the division will analyze the IIJA project workload and status to evaluate its FTE needs and reduce them accordingly as the IIJA projects come to a close. The division will also evaluate set-aside balances and spending plans to determine whether it can propose future set-aside reversions. The set-aside proposal in this request reflects a total set-aside balance that the division estimates would take three years to spend down, and the division is committed to maintaining set-aside balances with a three-year spend-down as the goal. As the application for Year 5 IIJA funding has not been submitted and the timing of that award is uncertain, the division intends to repeat this evaluation, taking into account the Year 5 IIJA awards when it submits its 2028 budget request, at which time it may propose additional balance reversions. The division also commits to providing periodic updates to you and the Authority board on the project workload and set-aside status.

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Jared Polis, Governor | Jill Hunsaker Ryan, MPH, Executive Director

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Base Personal Services

The 2027 personal services request for the base Drinking Water State Revolving Fund (DWSRF) and Water Pollution Control Revolving Fund (WPCRF) programs includes standard increases for employee salaries and benefits. As part of the strategy to reduce reliance on drinking water administrative fees, the table below identifies opportunities to shift eligible existing staff costs from the base DWSRF program to IIJA funding.

IIJA Personal Services

The 2027 request includes personal services funding necessary to support the ongoing administration of both the Drinking Water and Clean Water IIJA programs. Again, the table below identifies the 2027 resource needs and the continued reassignment of eligible base DWSRF FTE to IIJA grant funding. Because the state fully funded the required IIJA match, this strategy helps preserve base DWSRF administrative fees.

2027 IIJA FTE request					2027 IIJA FTE reassignment from DWSRF base				
Year	Infra	EC	LSLR	Total	Year	Infra	EC	LSLR	Total
2027					2027				
DW	0.8	1.30	0.8	2.9	DW	6.15	0.0	0.80	6.95
CW	3.0	-	-	3.0					
			Total	5.9*				Total	6.95

*This reflects a reduction from the 8.0 FTE identified in the IIJA MOA Addendum to 5.9 FTE.

Operating Costs

The base DWSRF operating, travel, and supplies request remains the same as in 2026: $15,375 from Loan Admin Fees. As a reminder, the 2026 budget requested that the base DWSRF 4% portion be moved to DWSRF IIJA funding due to eligibility requirements. The same is true for the 2027 request. The base WPCRF operating, travel, and supplies request remains the same as in 2026: $37,852. The IIJA DWSRF and WPCRF operating, travel, and supplies request remains the same as in 2026: $66,913.

DWSRF and WPCRF Program Activities

The DWSRF base program budget request for the excellence program remains at $150,000 for 2027. The WPCRF priority projects request remains the same as in 2026 at $1,500,000, including $200,000 for disaster support and contingency. The 2027 projects list is included as Attachment 2.

In anticipation of a federal shift toward allocating WPCRF funding based on documented state needs rather than the historical formula, the division plans to hire a contractor, as it did in 2022, to conduct the Clean Watersheds Needs Survey. This effort will help ensure that Colorado accurately documents its clean water infrastructure needs and is positioned to maximize future federal funding. To initiate the request for proposals (RFP) and secure a contract as soon as possible, the division will allocate $50,000 from the 2026 WPCRF priority project budget. The 2027 budget request includes an additional $275,000, bringing the total contractual support to $325,000.

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Information Management Projects
Previously, annual operating, hosting, and maintenance expenses for CEOS were budgeted at $60,000. This budget proposes $100,000 ($50,000 per program) for the ongoing operation, maintenance, and hosting of EnABLE, the new system. Division and Authority staff are currently evaluating whether these costs should be paid from the division budget, the Authority budget, or shared between both entities. To maintain financial flexibility, this line item has been incorporated into both budgets, with the understanding that the full allocation may not be expended depending on the final arrangement.

WPCRF IIJA 2% Technical Assistance Set-Aside
At $225,000, the 2% technical assistance set-aside budget remains unchanged from 2026. The division provides technical assistance to small and rural wastewater systems.

Base Drinking Water Set-Asides
The division is not requesting any set-asides from the base DWSRF.

IIJA Drinking Water Set-Asides
Based on the unprecedented cuts to the base State Revolving Fund programs, the state's full payment of the IIJA match, and the administration fee reduction strategy, the division has been drawing set-asides from IIJA funding rather than from the base DWSRF program. For the 2027 budget request, the division evaluated available set-aside balances and reviewed past and planned expenditures. As a result, the division reduced its 2027 IIJA set-aside budget request by $2.6 million, as detailed in Attachment 1. When IIJA funding ends, the division will need to resume drawing set-asides from the base DWSRF program or identify alternative funding sources to support the continued operation of the state's safe drinking water program.

Reversion of IIJA Set-Aside Balances to the Loan Fund
In response to recent discussions with the Authority, the division evaluated projected expenditures over the next three years to identify opportunities to revert set-aside balances. As a result, the division proposes transferring $1,550,000 in IIJA set-aside balances back to the DWSRF Loan Fund as listed below:

- $500,000 from the IIJA Emerging Contaminants 4% Set-Aside
- $300,000 from the IIJA Lead 4% Set-Aside
- $750,000 from the IIJA Lead Program Management Set-Aside

While transferring these resources increases available capital for direct loans, $1,000,000 of this reduction requires scaling back the Lead and Copper Rule Revision Technical Assistance Program by eliminating the contract providing direct support to public water systems in locating and identifying lead service lines.

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We greatly appreciate our partnership with you and the Authority. My team and I are available to meet with you and the Budget and Audit Committee to review the budget request and answer questions. I appreciate the work you, the Authority, and the Water Quality Control Commission have done over the years, which has led to a coordinated approach to funding water quality priorities in Colorado.

Sincerely,

Digitally signed by
Nicole Rowan
Date: 2026.08.28
11:36:57 -06'00'

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

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

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

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Jared Polis, Governor | Jill Hunsaker Ryan, MPH, Executive Director

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Attachment 1

Drinking Water State Revolving Fund
2027 Budget Request

	2026 Approved Budget	CY2027 Request
Base Personal Services/Fringe Benefits	**$ 869,746**	**$ 915,530**
Base	**6.10 FTE**	**6.10 FTE**
4% Federal Grant		
Loan Admin Fees	$ 869,746	$ 915,530
IIJA Personal Services/Fringe Benefits*	**$ 1,856,786**	**$ 1,663,601**
Supplemental	**2.20 FTE (6.15 E)**	**0.8 FTE (6.15 E)**
4% Federal Grant	$ 1,294,588	$ 1,167,111
Emerging Contaminant	**1.30 FTE (0.0 E)**	**1.3 FTE (0.0 E)**
4% Federal Grant	$ 207,351	$ 216,679
Lead Service Line	**1.40 FTE (0.80 E)**	**0.8 FTE (0.8E)**
4% Federal Grant	$ 354,847	$ 279,810
Base DWRF Admin Activities	**$ 150,000**	**$ 150,000**
Excellence Program		
4% Federal Grant		
Loan Admin Fees	$ 150,000	$ 150,000
Base Operating & Travel	**$ 15,375**	**$ 15,375**
General O&T		
4% Federal Grant		
Loan Admin Fees	$ 15,375	$ 15,375
IIJA Operating & Travel	**$ 41,913**	**$ 41,913**
General O&T		
4% Federal Grant	$ 41,913	$ 41,913
Information Management	**$ 30,000**	**$ 50,000**
EnABLE (previoulsy CEOS) Annual O&M and Hosting^		
IIJA Supplemental 4% Federal Grant		$ 50,000
Base Loan Admin Fees	$ 30,000	
Indirect Rates^^	**$ 490,325**	**$ 465,337**
4% Federal Grant	$ 330,374	$ 298,409
Loan Admin Fees	$ 159,951	$ 166,927
Total	**$ 3,454,145**	**$ 3,301,756**
Total 4% Federal Grant	$ 2,229,073	$ 2,053,923
Total Loan Admin Fees	$ 1,225,072	$ 1,247,833

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

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

^ The EnABLE budget will be used only if the WQCD is responsible for paying annual hosting and operations and maintenance fees.

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

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Water Pollution Control Revolving Fund
2027 Budget Request

	2026 Approved Budget	CY2027 Request
Base Personal Services/Fringe Benefits	**$ 1,855,886**	**$ 1,950,079**
Base	12.05 FTE	12.05FTE
4% Federal Grant	$ 636,491	$ 663,027
Loan Admin Fees	$ 1,219,396	$ 1,287,052
IIJA Personal Services/Fringe Benefits	**$ 679,661**	**$ 687,918**
Supplemental	3.10 FTE	3.0 FTE
4% Federal Grant	$ 454,661	$ 462,918
Emerging Contaminant		
4% Federal Grant		
2% Technical Assistance Set Aside		
Federal Grant	$ 225,000	$ 225,000
Base Operating & Travel	**$ 37,852**	**$ 37,852**
General O&T		
4% Federal Grant	$ 20,342	$ 20,342
Loan Admin Fees	$ 17,510	$ 17,510
IIJA Operating & Travel	**$ 25,000**	**$ 25,000**
General O&T		
4% Federal Grant	$ 25,000	$ 25,000
Base WPCRF Admin Activities	**$ 1,500,000**	**$ 1,775,000**
Program Priority Projects		
Loan Admin Fees	$ 1,300,000	$ 1,300,000
Disaster Support/Contingency		
Loan Admin Fees	$ 200,000	$ 200,000
Post-Wildfire NPS Project Request		
Loan Admin Fees		
Clean Watersheds Needs Survey		
Loan Admin Fees		$ 275,000
Information Management	**$ 30,000**	**$ 50,000**
EnABLE (previoulsy CEOS) Annual O&M and Hosting^		
IIJA Supplemental 4% Federal Grant		$ 50,000
Base Loan Admin Fees	$ 30,000	
Indirect Rates^^	**$ 520,237**	**$ 530,173**
Federal Grant	$ 236,900	$ 244,604
Loan Admin Fees	$ 283,337	$ 285,569
Total	**$ 4,648,636**	**$ 5,056,022**
Total Federal Grant	$ 1,598,394	$ 1,690,891
Total Loan Admin Fees	$ 3,050,242	$ 3,365,131

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

^ The EnABLE budget will be used only if the WQCD is responsible for paying annual hosting and operations and maintenance fees.

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

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Drinking Water State Revolving Fund
2027 IIJA Grant Set Aside Budget

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

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

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Attachment 2

Water Pollution Control Revolving Fund
2027 Project List

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

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COLORADO
Department of Local Affairs
Division of Local Government

MEMORANDUM

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

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

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

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

Other notable features of the budget request include:

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

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

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

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

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

NOMINATING COMMITTEE AGENDA

September 23, 2026
4:00 PM

Board Members: Steve Vandiver, Chris Treese, Mike Fabbre

Authority Staff: Keith McLaughlin, Jim Griffiths

AGENDA

1. Slate of Officers 2026-2028- discussion and possible action.
2. Nominating Process and Information.

Note: A Zoom conference call has been scheduled for **Wednesday, 4:00 pm. September 23, 2026**. The link to join via online is: https://us06web.zoom.us/j/83298306711?pwd=oonfYW4B2pKIr74BGUIhqiOQLM44Uu.1

If you prefer to dial in, the call-in number is: **1.719.359.4580**

Meeting ID: 832 9830 6711
Passcode:783686

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2026 CWRPDA Board

Position/Officers	Name	Term	Notes
Chair	Chris Treese	2026	Apppointed for 3rd term
Vice Chair	Mike Fabbre	2027	2nd term
Treasurer/Secretary	Karen Wogsland	2029	2nd term
	Bruce Whitehead	2026	Appointed for 2nd term
	Steve Vandiver	2027	3rd term
	Matt Shuler	2027	1st term
	Patti Wells	2028	2nd term
	Eric Wilkinson	2028	2nd term
	Roy Heald	2029	1st term

Board terms are 4 years
Officers serve 2 years

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

NOMINATING COMMITTEE
MINUTES

September 23, 2026
4:00 p.m. Zoom Conference Call

NOMINATING COMMITTEE MEETING

MEMBERS PRESENT: Chris Treese, Mike Fabbre, Steve Vandiver

STAFF/COUNSEL: Keith McLaughlin, Jim Griffiths

The Nominating Committee meeting was called to order at 4:00 p.m. via video teleconferencing by Keith McLaughlin, Executive Director of CWRPDA. Mr. McLaughlin noted that all Nominating Committee members were present, and that the purpose of this committee meeting was to provide a slate of 2026-2028 officer recommendations to the full Board of Directors. Mr. McLaughlin further noted that the slate of officers includes the Chair, Vice Chair, and Secretary/Treasurer, and each officer serves for two years.

Mr. McLaughlin mentioned that he spoke with Director Wogsland and Director Fabbre to gauge their interest in serving in the Vice Chair and Chair role, respectively and noted that both are willing to serve. Committee members discussed a potential slate of officers based on remaining terms and existing leadership assignments, which included Mike Fabbre for Chair, Karen Wogsland for Vice Chair, and Roy Heald for Secretary/Treasurer. Committee members recognized that Roy is an accountant by trade and has served in various officer roles during his previous Board appointment. Mr. McLaughlin reminded committee members that, under the amended bylaws, any Board member may be elected to any of the three officer positions, eliminating the automatic progression from Secretary/Treasurer to Vice Chair to Chair.

Mike Fabbre noted that he is willing to continue to serve as an officer, including the Chair role, but that he would not be offended if another board member wanted to serve in that role. Keith McLaughlin noted that Karen Wogsland provided very similar sentiments. Steve Vandiver expressed appreciation for both Mike's and Karen's comments and acknowledged the Board's overall strength, humility, and collaborative spirit. If approved, all terms would be effective as of the adoption by the full Board on October 2, 2026.

Following discussion, Chris Treese moved to recommend that the Board of Directors nominate and elect Mike Fabbre as Chair, Karen Wogsland as Vice Chair, and Roy Heald as Secretary-Treasurer, each to serve a two-year term.

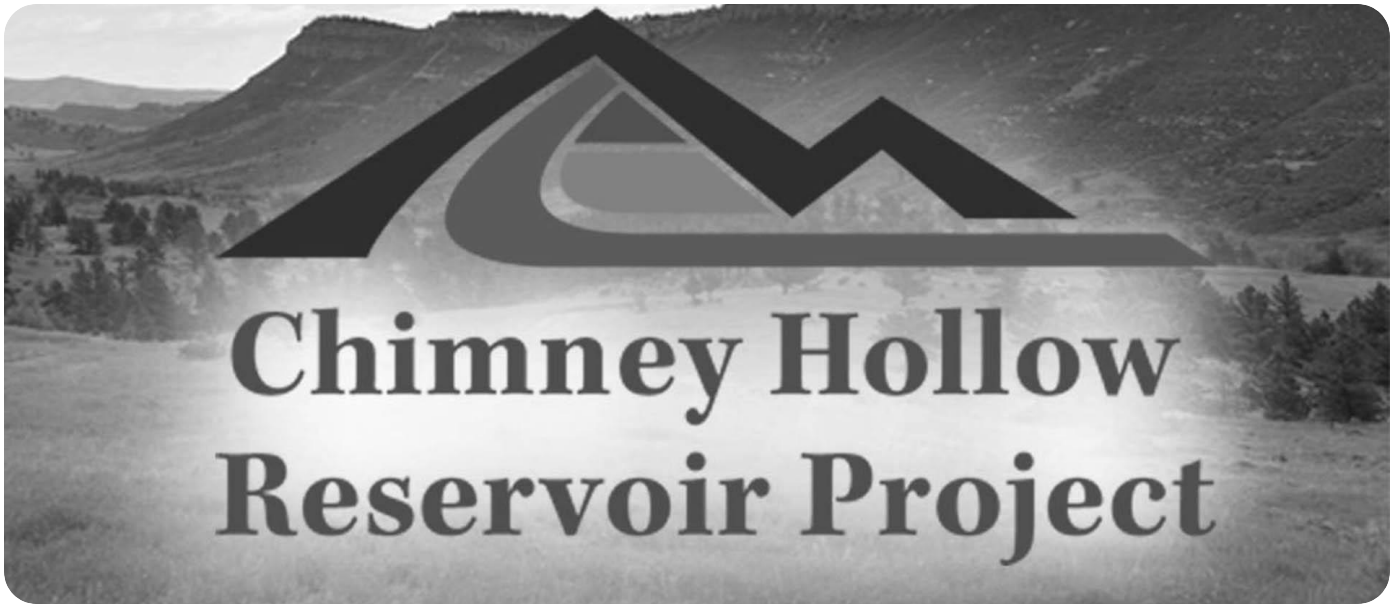
Motion Made By: Chris Treese
Motion 2nd By: Steve Vandiver
Vote: All Nominating Committee Members voted in favor of the motion

Chris Treese noted that he will call both Karen and Roy to let them know of the Committee's recommendations.

The Nominating Committee meeting was adjourned at 4:26 PM.

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July 24, 2026

Chimney Hollow Reaches Final Completion

After more than 20 years of planning, permitting and design, followed by five years of construction, the Chimney Hollow Reservoir Project reached final completion on July 24. The project's final construction cost was $592 million. With contractor Barnard Construction demobilized from the site, Northern Water has assumed responsibility for reservoir operations and security.

The project reached substantial completion on Dec. 19, 2025, signifying that the project infrastructure was ready for operation. Since then, Barnard has focused on final closeout activities, including completing punch list items, providing closeout documentation and final submittals, and commissioning infrastructure.

Final completion marks a historic milestone for one of Northern Colorado's largest water infrastructure projects in decades. While the discovery of mineralized uranium required Northern Water and the Chimney Hollow participants to modify certain plans, it is an issue that can be

safely managed. The new reservoir remains an important part of securing Northern Colorado's long-term water supplies and supporting the region's future water needs.

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Denver Water can finish and fill Gross Reservoir, US appeals court rules

10th Circuit Court lifts an injunction barring the filling of the expensive, controversial dam expansion in western Boulder County



Work to raise Gross Dam by 130 feet was nearly complete in fall of 2025, including the middle section, which is curved to give the dam strength as water pushes up against the structure. (Denver Water website photos)

Denver Water can finish its Gross Dam expansion and fill the controversial reservoir in western Boulder County, the 10th U.S. Circuit Court of Appeals ruled Tuesday, lifting an injunction by a lower court judge and confirming the dam's permits as sound.

The appeals court said the U.S. Army Corps of Engineers had acted responsibly in issuing construction permits for the $600 million expansion, which is largely complete and will be filled using water rights Denver holds in the Colorado River basin on the western side of the Continental Divide.

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While a federal district judge in Denver had issued the injunction after declaring the Corps had failed to consider less-damaging alternatives, or the fact that climate change could rob Colorado of river water, the appeals court rejected that view.

“We do not think the Corps’s choice of cost methodology was arbitrary or capricious,” the appeals court ruling said. The plaintiffs, including nonprofit Save the Colorado, argued the Corps rejected clear evidence of climate change, but the appeals court ruled the Corps gave the research fair consideration.

“The Corps considered — and rejected — the reliability of that and similar studies, one of which showed that in the Colorado River Basin, ‘no consistent trends in annual precipitation have been detected over the last 100 years,’” the appeals court said.

“In the end, the environmental groups ask us to substitute our judgment for the Corps’s. They point out scientific studies that, in their view, rebut the Corps’s reading of the scientific literature and ask us to opine on what the scientific research establishes,” the appellate ruling said. “But our job is not to second-guess the Corps’s assessment as long as it rests on a reasoned basis.”

Denver Water said it looked forward to completing a crucial water supply project it began permitting 23 years ago.

“We’re pleased to see the 10th Circuit Court of Appeals confirm that the Gross Reservoir Expansion Project was lawfully permitted by the U.S. Army Corps of Engineers and that Denver Water can proceed with the final stages of this critical project to ensure a safe, secure water supply for the 1.5 million people we serve,” according to a statement from spokesperson Todd Hartman. “With this decision, Denver Water can move forward with completion of construction, site preparation and eventual filling of the expanded reservoir. An expanded Gross Reservoir is vital to the future of the Denver region.”

Save the Colorado’s Gary Wockner, who has led battles against many projects threatening to further alter the ecology of Colorado river systems, said the appeals court decision doesn’t change Colorado’s water challenges.

“It’s nonsensical to be putting more straws in, and further draining, the Colorado River at this point in history,” Wockner said. “That the law allows it to happen doesn’t make it right, it just makes it legal. I saw something wrong,

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I stood up, spoke out and took action. It was the right thing to do and I would do it all over again."

Wockner said Tuesday the plaintiffs would not be appealing the decision to the U.S. Supreme Court.

Gross Reservoir Dam backs up South Boulder Creek, while also taking in water through the Moffat Tunnel under the divide, from the Fraser and Williams Fork rivers in the Colorado River basin. Denver Water has said the expansion is needed to balance its water storage system currently heavily concentrated on the southern end of the metro area.

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Where Things Stand on Water Infrastructure Legislation in Congress

By:

- **Carolyn Berndt**

September 25, 2026 - (4 min read)

- Infrastructure
- Sustainability & Resilience

This month, as Members of Congress left Washington, D.C. for the campaign trail, they did so after moving key legislation forward and laying the groundwork for continued negotiations on reauthorization of water infrastructure programs.

Before adjourning for recess, the House overwhelmingly passed the Water Resources Development Act (H.R. 9497) by a broad bipartisan vote of 415-9. The legislation, which Congress typically passes on a biennial basis, authorizes flood control, navigation and ecosystem restoration projects under the U.S. Army Corps of Engineers.

While the Senate companion bill passed the Environment and Public Works Committee in July, it has not yet come up for a vote on the Floor. House passage of the water resources bill is an important step in the negotiation process to ensure a final bill from Congress by the end of the year.

Entwined with Congressional water resources legislation is the need to reauthorize water infrastructure financing and funding programs under the U.S. Environmental Protection Agency. The current authorization (PDF) of key programs ends on Sept. 30, and Congress has advanced legislation to ensure communities continue to have access to federal funding to support their drinking water, wastewater and stormwater infrastructure needs.

Earlier in September, the House Energy and Commerce Committee, which has authority over drinking water programs, held a hearing on draft legislation to reauthorize programs under the Safe Drinking Water Act, including the Drinking Water State Revolving Fund (SRF). While some of the Committee's authorization levels are higher than what the Senate has proposed, other programs, like the Drinking Water SRF, are proposed to be significantly cut.

The House Energy and Commerce draft authorization levels are:

- **Drinking Water State Revolving Fund:** $1.126 billion (FY27-31) — while this is in line with the current annual appropriations amount, it would signify a steep cut to

the current authorization level. The Senate proposes increasing the authorization annually starting with $3.75 billion in FY27 to $4.5 billion in FY30.

- **Safe Water for Small and Disadvantaged Communities grants:** $140 million (FY27-31) — same as Senate.
- **Drinking Water Infrastructure Resilience and Sustainability grants:** $25 million (FY27-31) — same as Senate.
- **Reducing Lead in Drinking Water:** $100 million (FY27-31) — same as Senate.
- **Operational Sustainability of Small Public Water Systems:** $25 million (FY27-31) — lower than Senate level and a cut compared to current authorization.
- **Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability:** $50 million (FY27-31) — higher than Senate level; same as current authorization.
- **Voluntary School and Child Care Lead Testing and Reduction grants:** $60 million (FY27-31) — higher than Senate level and an increase compared to current authorization.
- **Innovative Water Infrastructure Workforce Development Program:** $8 million (FY27-31) — lower than Senate amount, but both chambers propose an increase compared to current authorization.

Review a detailed breakdown of the Senate Environment and Public Works Committee's reauthorization legislation of drinking water and wastewater programs.

NLC joined a coalition letter (PDF) to Congressional leaders urging robust funding for water infrastructure programs and enactment of authorization levels at the highest level proposed in legislation from either the House or Senate.

Next Steps and Take Action

While the House Transportation and Infrastructure Committee, which has jurisdiction over wastewater programs, has not released reauthorization legislation, Committee leaders have begun negotiations with the Senate on both the water resources legislation and reauthorization levels.

NLC continues to advocate for enactment of both water infrastructure priorities before the end of the year. With Congress in recess until after the election, there is still time for local leaders to weigh in with their Members of Congress and to shape the final bills, particularly as it relates to authorization levels for the EPA water infrastructure programs.

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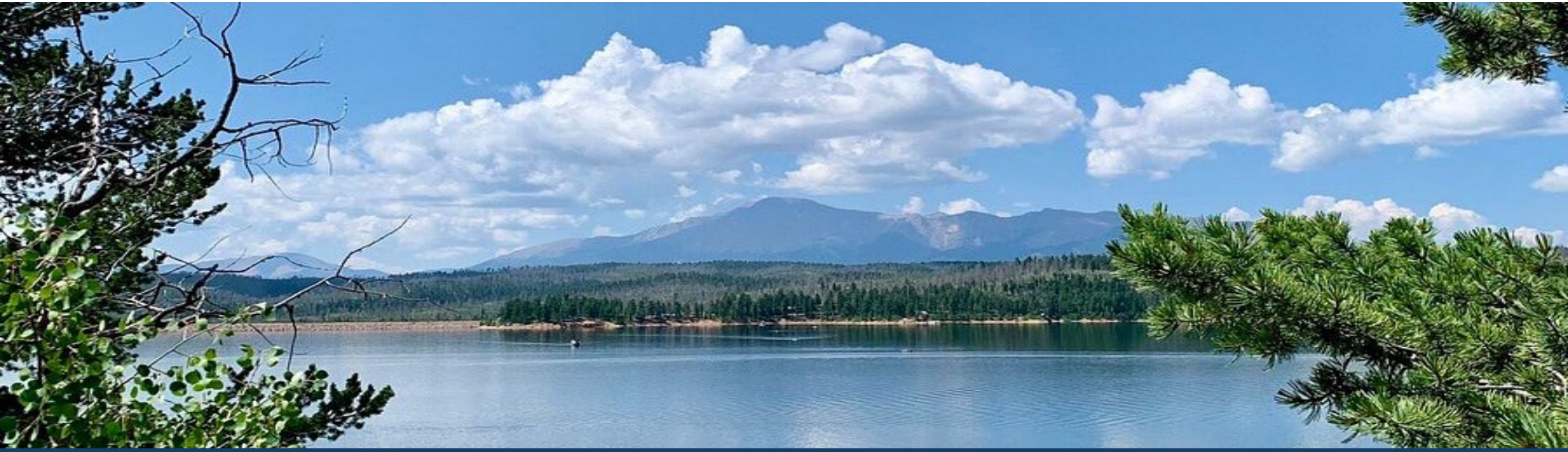
Here are three steps to take:

1. Local leaders that have Members of Congress on the Energy and Commerce Committee, Transportation and Infrastructure Committee and/or Environment and Public Works, are encouraged to reach out to them on infrastructure reauthorization.
2. All local leaders can let their Members of Congress know the water infrastructure programs that are important to their community.
3. Since reauthorization is just the first step toward securing annual appropriations funding, local leaders should also ask their Members of Congress to fund critical drinking water, wastewater and stormwater programs for communities in FY27.

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY



BOARD OF DIRECTORS MEETING

October 2, 2026
Durango, Colorado

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY



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Bristol Water & Sanitation District

Resolution No. 26-39, IIJA/BIL DAC Loan

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LOAN SUMMARY

IIJA/BIL Loan, $756,371	IIJA/BIL PF, $902,629

Total: $1,659,000

KEY TERMS

Interest Rate	1.75%
Loan Term	30 years
Pledge	Water and Sewer Revenue

INDICATORS

STRONG	MODERATE	WEAK
7	3	11

ADDITIONAL INFORMATION

O&M Reserve	90%
Bid Process	DBB
Contingency	10%

PFC RECOMMENDATION — **Conditional Approval**

Bristol Water & Sanitation District

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PROJECT DESCRIPTION

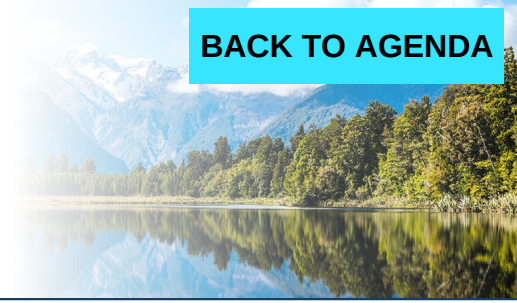
This project is to address an enforcement order for exceeding the combined radium maximum contaminant level (MCL) in their potable water supply. The project consists of installing a new Water Treatment Plant, Hydrous Manganese Dioxide (HMO) equipment, constructing evaporative tanks for the waste stream, and complete site work. (Arkansas Basin).



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Town of Saguache

Resolution No. 26-40, IIJA/BIL DAC Loan



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LOAN SUMMARY

IIJA/BIL Loan, $1,139,800	IIJA/BIL PF, $1,360,200

Total: $2,500,000

KEY TERMS

Interest Rate	2.75%
Loan Term	30 years
Pledge	Water and Sewer Revenue

INDICATORS

STRONG	MODERATE	WEAK
7	5	9

ADDITIONAL INFORMATION

O&M Reserve	175%
Bid Process	DBB
Contingency	13.6%

PFC RECOMMENDATION — **Consent**

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Town of Saguache

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PROJECT DESCRIPTION

The project consists of the construction of a new water storage tank, rehabilitation of an existing water storage tank, and distribution system improvements.(Rio Grande Basin).

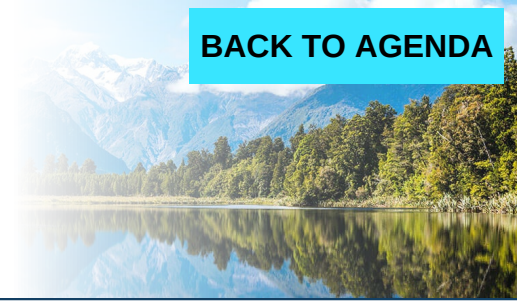




BACK TO AGENDA

City of Trinidad

Resolution No. 26-41, Supplemental Direct Loan



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LOAN SUMMARY

Supplemental Base Direct Loan, $1,000,000

Total: $1,000,000

KEY TERMS

Interest Rate	2.50%
Loan Term	20 years
Pledge	Water Revenue

INDICATORS

STRONG	MODERATE	WEAK
21	0	0

ADDITIONAL INFORMATION

O&M Reserve	271%
Bid Process	DBB
Contingency	20%

PFC RECOMMENDATION — **Consent**

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City of Trinidad

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PROJECT DESCRIPTION

This project consists of replacing or rehabilitating four municipal water storage tanks, upgrading distribution system connections to maintain service continuity during tank repairs and replacing a critical 1920s-era raw water transmission line.(Arkansas Basin).



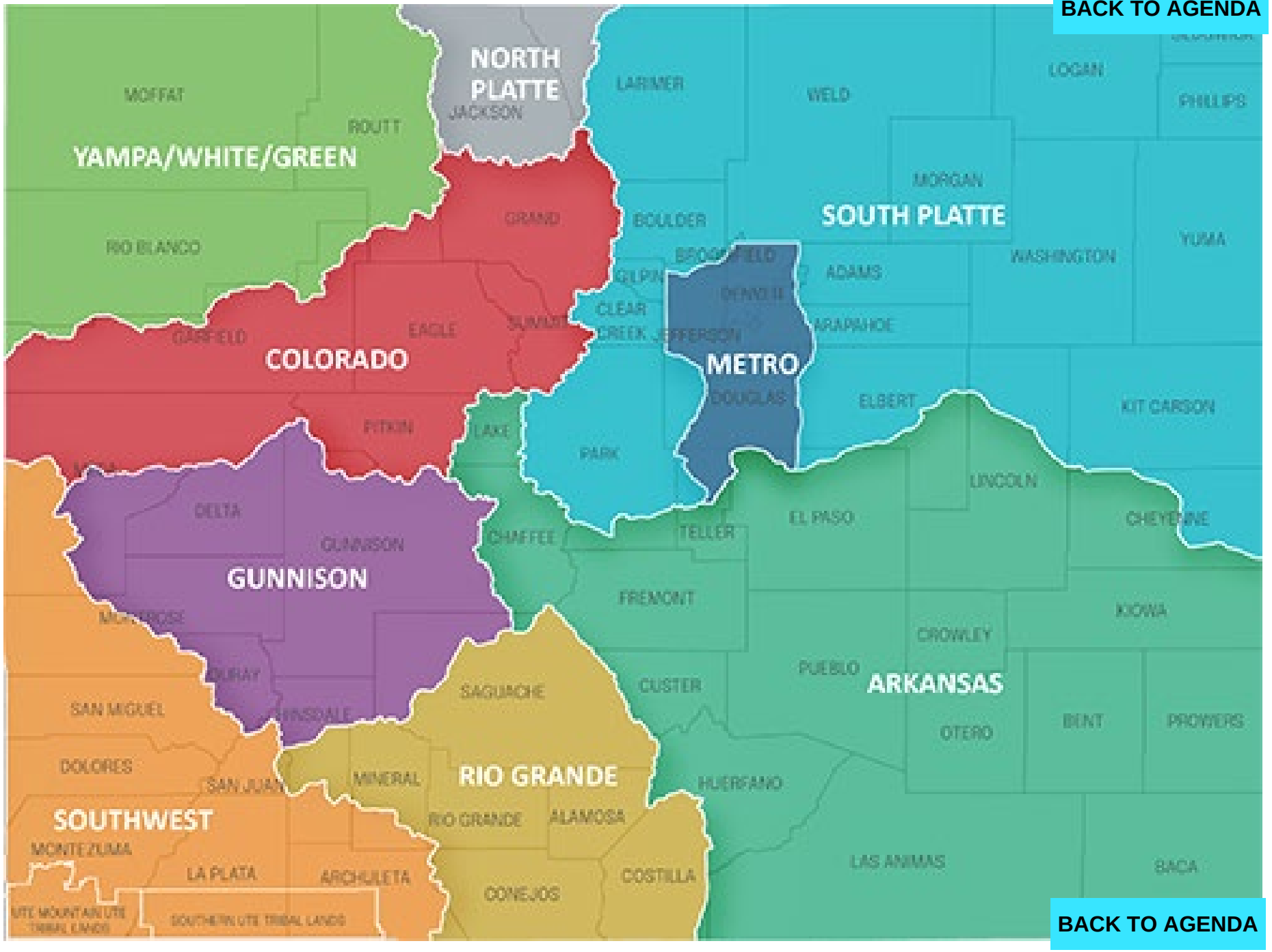


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DWRF

October 5th Deadline

Anticipated Loan Applications



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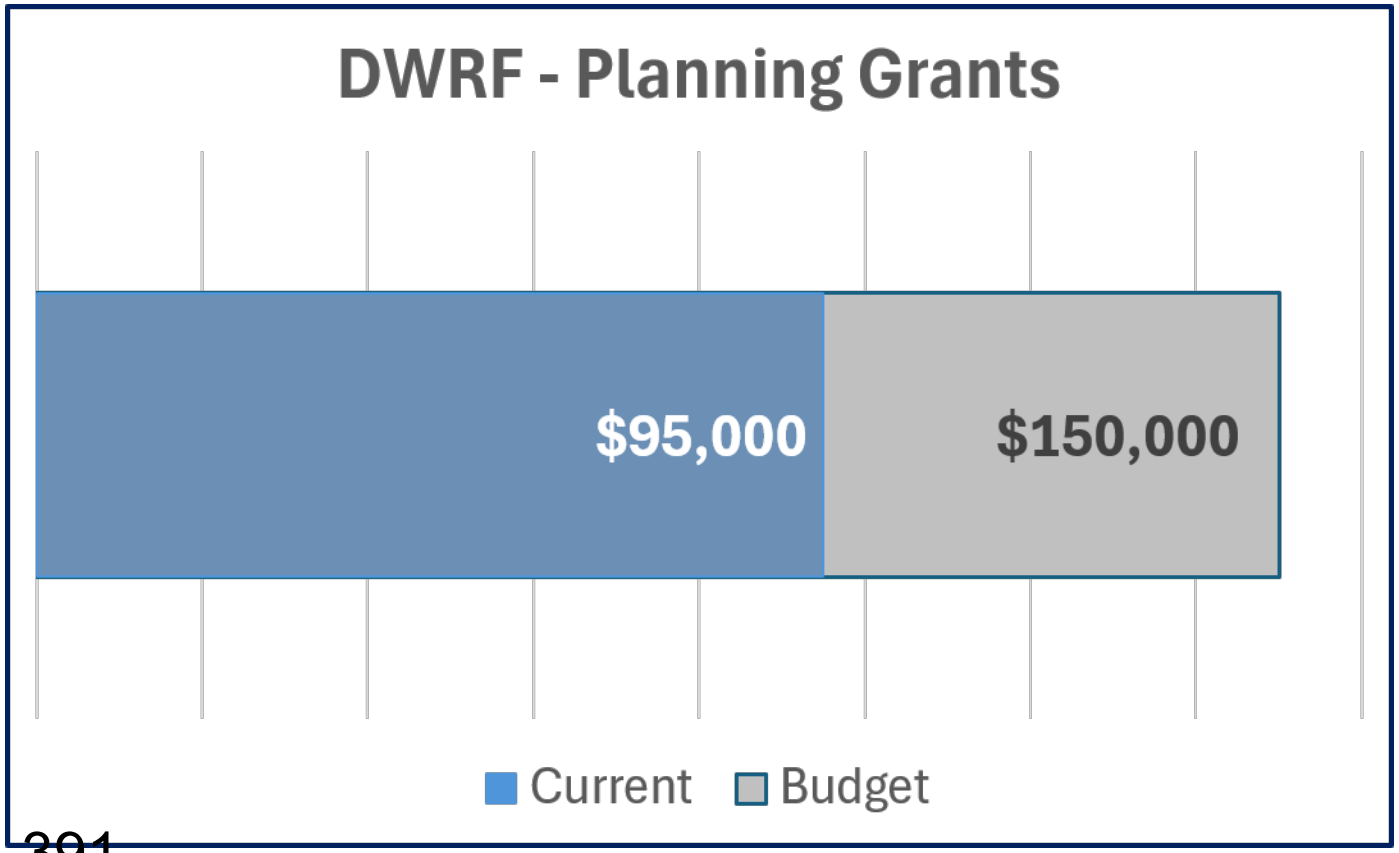
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DWRF Planning Grant Update

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PLANNING GRANT UPDATE

In 2026, the Authority has budgeted $150,000 for DWRF Planning Grants (PG's). There were two (2) new planning grants awarded for the Town of Hotchkiss and the Town of Akron since the August board meeting. There's $55,000 remaining.



CURRENT PLANNING GRANT ALLOCATION BREAKDOWN

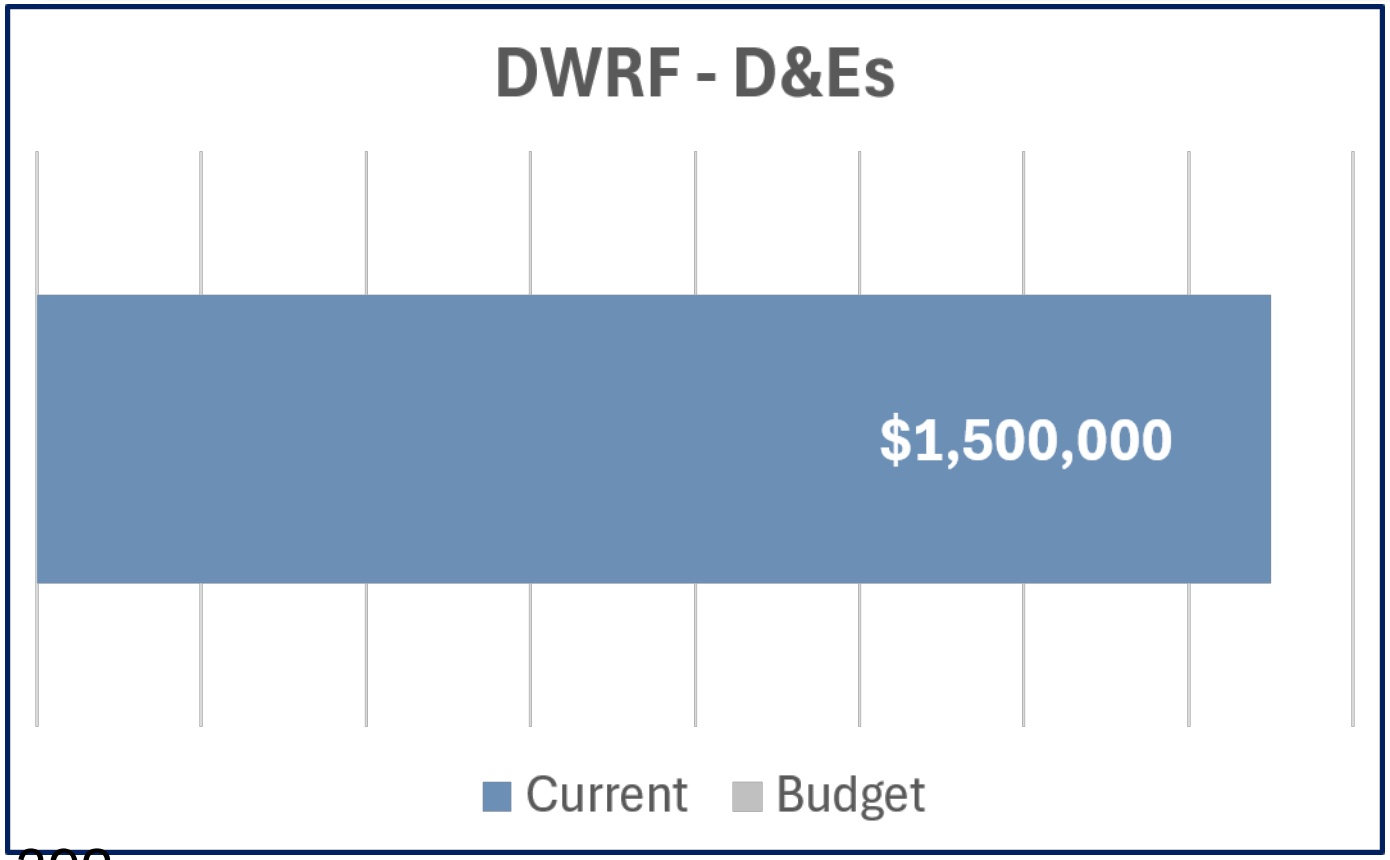
BORROWER	AMOUNT ALLOCATED	% OF ALLOCATED
Bristol Water and Sanitation District	$10,000.00	11%
Town of Kersey	$10,000.00	11%
McClave Water Association	$25,000.00	26%
Town of Springfield	$10,000.00	11%
Town of Crestone	$10,000.00	11%
Town of Moffat	$10,000.00	11%
Town of Hotchkiss **(NEW)**	$10,000.00	11%
Town of Akron **(NEW)**	$10,000.00	11%

DWRF D&E Update

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DESIGN AND ENGINEERING GRANT UPDATE

Accumulated D&E additional subsidy funds from the 2025 cap grant are being used to fund current 2026 awarded and executed D&E's, of which there is $0.00 remaining. There has been **no** new D&E awarded since the August Board meeting:



CURRENT D&E ALLOCATION BREAKDOWN

BORROWER		% OF ALLOCATED
Town of Peetz	$300,000	20%
City of Gunnison	$205,321	14%
Bent's Fort Water Authority	$300,000	20%
Norwood Water Commission	$300,000	20%
Town of Dolores	$247,476	16%
Town of Saguache	$160,000	11%

Cucharas Sanitation & Water District

Resolution No. 26-43, IIJA/BIL DAC Loan



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LOAN SUMMARY

IIJA/BIL Loan, $489,515	IIJA/BIL PF, $470,318

Total: $959,833

KEY TERMS

Interest Rate	2.50%
Loan Term	20 years
Pledge	Water and Sewer Revenue

INDICATORS

STRONG	MODERATE	WEAK
15	4	2

ADDITIONAL INFORMATION

O&M Reserve	111%
Bid Process	DBB
Contingency	8.5%

PFC RECOMMENDATION — **Consent**

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Cucharas Sanitation & Water District

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PROJECT DESCRIPTION

The project entails upgrades to the headworks. (Arkansas Basin).

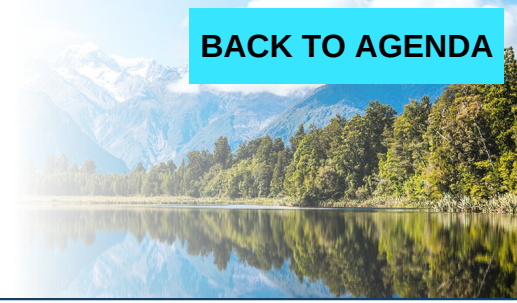


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Town of Hugo

Resolution No. 26-44, IIJA/BIL DAC Loan

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LOAN SUMMARY

IIJA/BIL Loan, $795,549	IIJA/BIL PF, $764,351

Total: $1,559,900

KEY TERMS

Interest Rate	1.75%
Loan Term	30 years
Pledge	Sewer Revenue

INDICATORS

STRONG	MODERATE	WEAK
6	4	11

ADDITIONAL INFORMATION

O&M Reserve	117%
Bid Process	DBB
Contingency	18.6%

PFC RECOMMENDATION — **Conditional Approval**

Town of Hugo

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PROJECT DESCRIPTION

This project includes replacement of the sanitary sewer main, manholes and the ultimate reconnection of the lines.(Arkansas Basin).





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Pagosa Springs Sanitation General Improvement District

Resolution No. 26-45, IIJA/BIL DAC Loan

LOAN SUMMARY

IIJA/BIL Loan, $1,530,000	IIJA/BIL PF, $1,470,000

Total: $3,000,000

KEY TERMS

Interest Rate	1.75%
Loan Term	30 years
Pledge	Sanitation Fund Revenue

INDICATORS

STRONG	MODERATE	WEAK
7	4	10

ADDITIONAL INFORMATION

O&M Reserve	311%
Bid Process	DBB
Contingency	13.4%

PFC RECOMMENDATION — **Conditional Approval**

Pagosa Springs Sanitation General Improvement District

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PROJECT DESCRIPTION

This project consists of constructing a new lift station, force main, and emergency overflow vault; and replacing failing collection system segments. (San Miguel-Dolores-San Juan Basin).



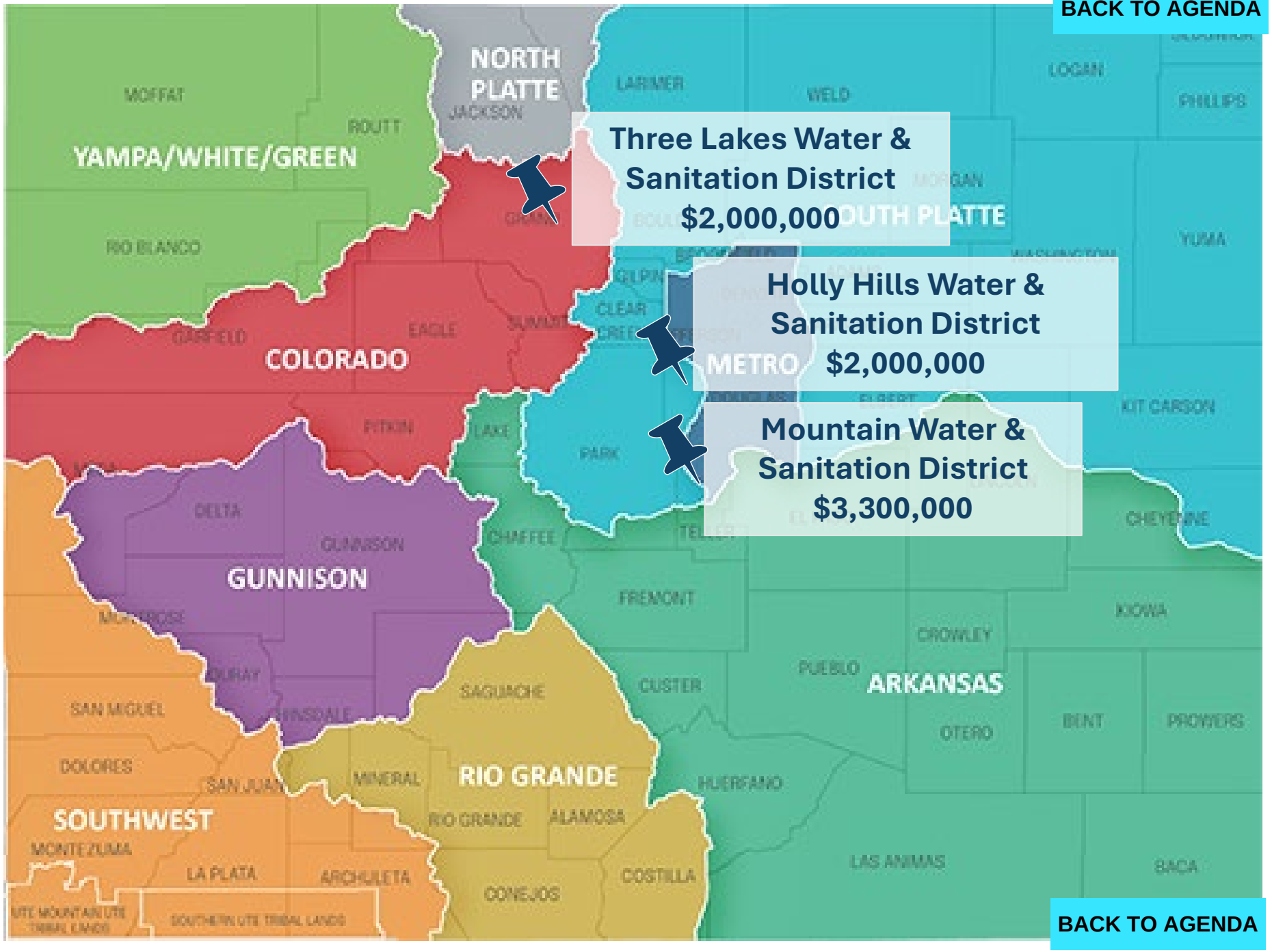


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WPCRF

October 5th Deadline

Anticipated Loan Applications



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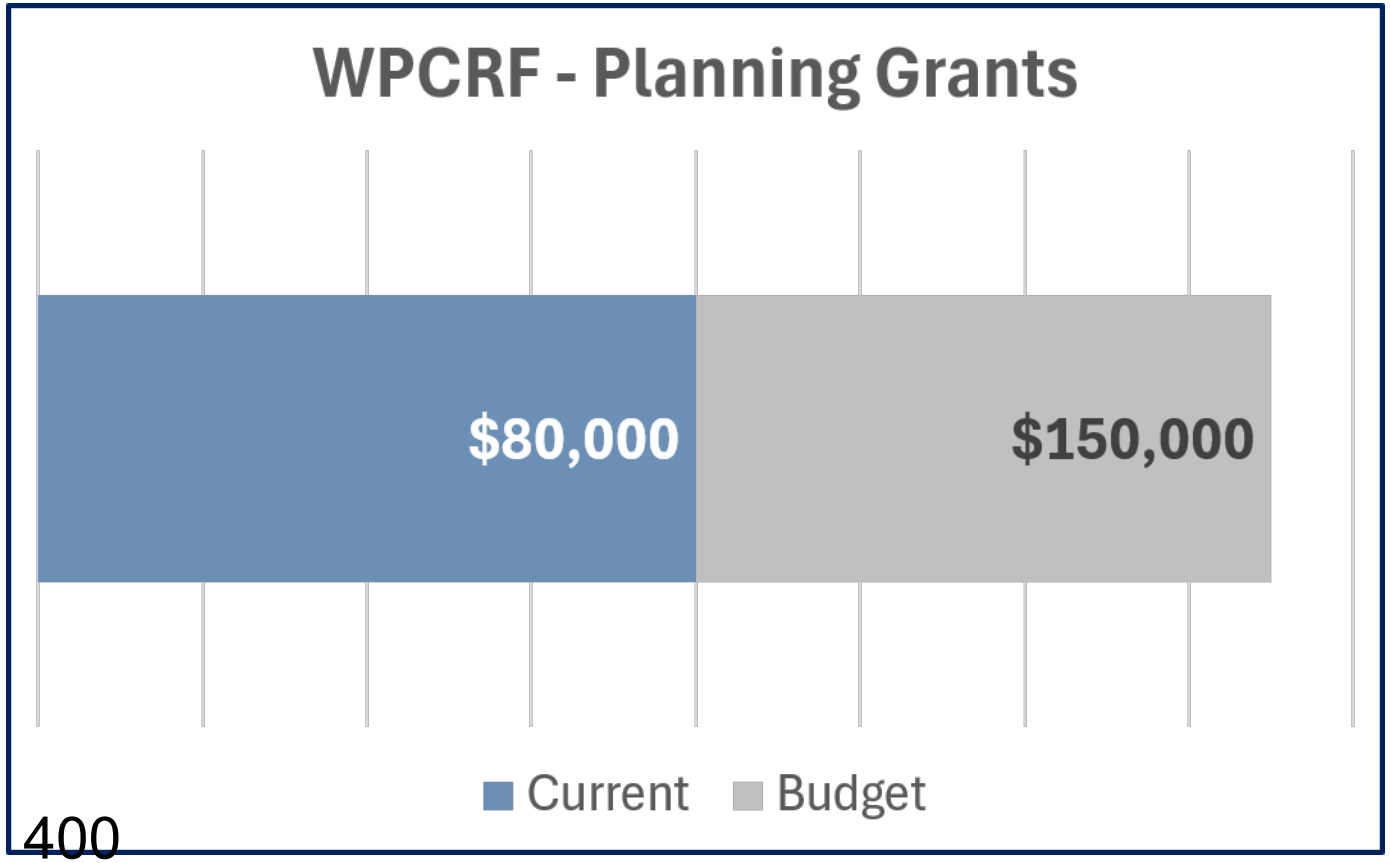
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WPCRF Planning Grant Update

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PLANNING GRANT UPDATE

In 2026, the Authority has budgeted $150,000 for WPCRF Planning Grants (PG's). There were four (4) new planning grants awarded to the Town of Akron, Town of Brush, South Fork WSD, and the Town of Seibert since the August board meeting. There's $70,000 remaining.



CURRENT PLANNING GRANT ALLOCATION BREAKDOWN

BORROWER	AMOUNT ALLOCATED	% OF ALLOCATED
Pagosa Springs Sanitation GID	$10,000.00	12.5%
Tonw of La Veta	$10,000.00	12.5 %
Cucharas SWD	$10,000.00	12.5 %
Granby SD	$10,000.00	12.5 %
Town of Akron **(NEW)**	$10,000.00	12.5 %
Town of Brush **(NEW)**	$10,000.00	12.5 %
South Fork WSD **(NEW)**	$10,000.00	12.5 %
Town of Seibert **(NEW)**	$10,000.00	12.5%

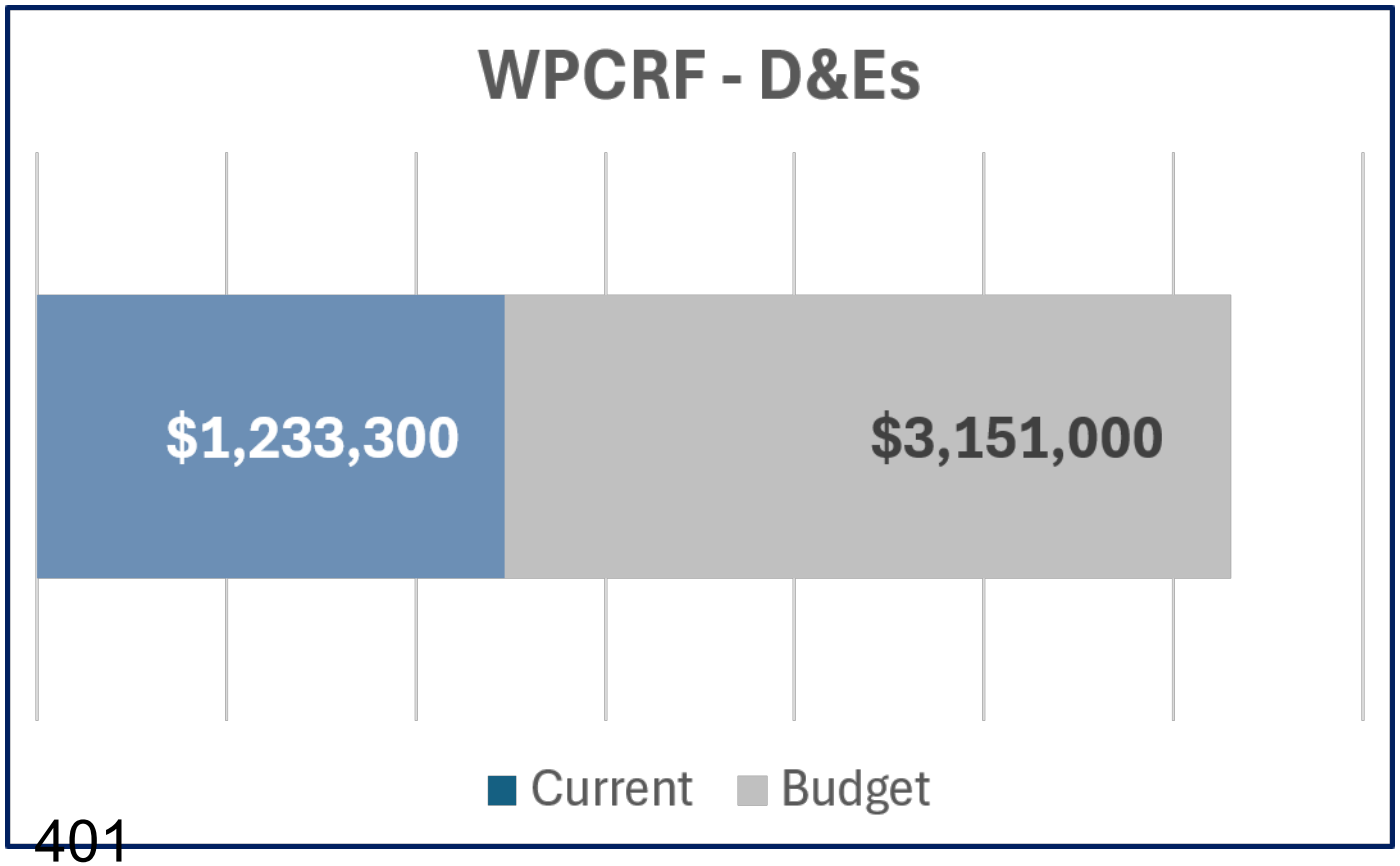
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WPCRF D&E Update

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DESIGN AND ENGINEERING GRANT UPDATE

Accumulated D&E additional subsidy funds from the 2024 and 2025 cap grants are being used to fund current 2026 awarded and executed D&E's, of which there is $1,917,700 remaining. There has been **no** new D&E awarded since the August Board meeting.



CURRENT D&E ALLOCATION BREAKDOWN

BORROWER	AMOUNT ALLOCATED	% OF ALLOCATED
Mountain View Villages WSD	$288,300.00	23.37%
City of Burlington	$300,000.00	24.32%
Town of La Veta	$300,000.00	24.32%
Town of Pagosa Springs	$300,000.00	24.32%
Cucharas SWD	$45,000.00	3.67%

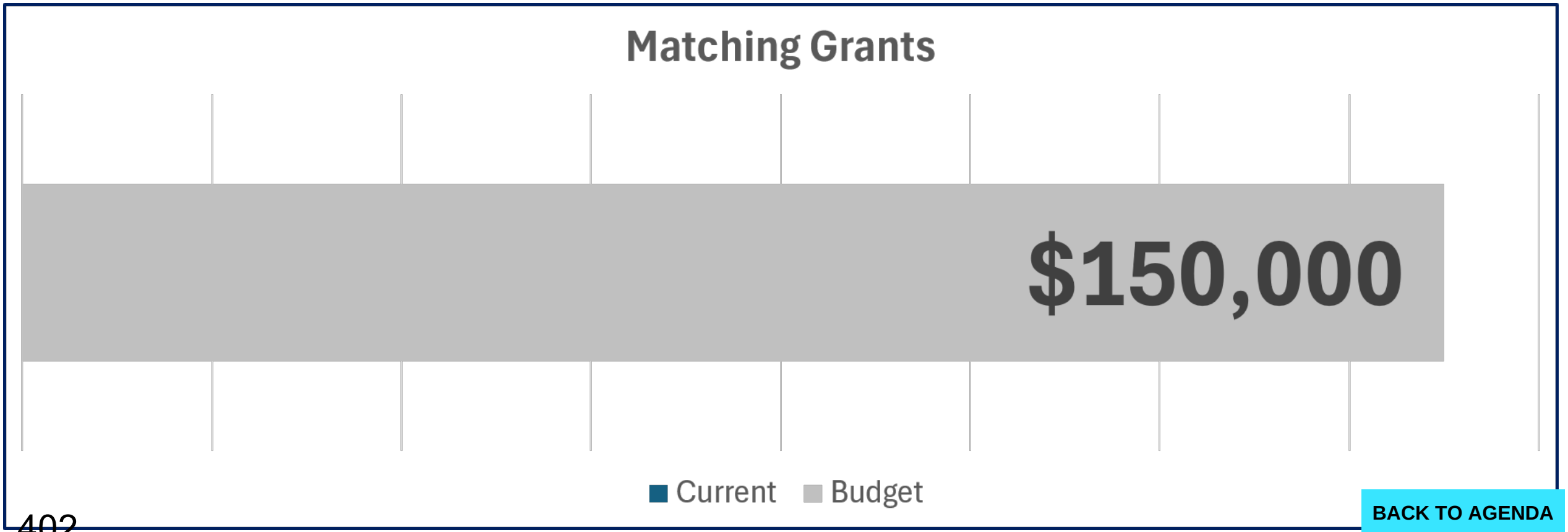
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Matching Grant Update

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SHLP GRANT UPDATE

In 2026, the Authority has budgeted $150,000 for Matching Grants (MG's). There have been **no** MG's awarded since the August Board meeting. There's $150,000 remaining.



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