



AVC Participant Improvements Funding Guidance Document

Arkansas Valley Conduit

A. INTRODUCTION

This funding guidance document is provided to the Arkansas Valley Conduit (AVC) Participants to assist them in obtaining funding for their infrastructure connections to the AVC. The AVC connections include improvements necessary for the Participant to connect the AVC delivery line to the participant's water system. The improvements include the following:

1. A chlorine disinfection system to treat the supplied AVC filtered, undisinfected water,
2. A chemical feed system to adjust pH, if necessary,
3. Treated water storage addition, if necessary,
4. Pressure boosting pumping if necessary.

B. BACKGROUND

Preliminary engineering was prepared by the Southeastern Colorado Water Activities Enterprise (Enterprise) in 2022 for the AVC spurs, delivery lines, and participant connections. A preliminary engineering report (PER) was prepared for each Participant. Sections of the PER were provided to participants in 2023 and 2024.

Each Participant will be responsible for the following actions relating to their AVC connection improvements:

- a. Contacting funding agencies to obtain current funding application(s) and processing information,
- b. Preparing and submitting grant/loan application(s),
- c. Providing the required technical design and financial information to the funding agency,
- d. Executing a grant/loan contract and,
- e. Constructing the AVC connection improvements.

Participants are being asked to complete the funding, planning, design, and construction of their individual connections to the AVC for two main reasons:

Participants can qualify for higher grant to loan ratios (up to 80% grants or principal forgiveness) compared to the Enterprise acting on behalf of the Participants at a maximum of 50% grant or loan forgiveness.

The Enterprise is using Colorado Water Conservation Board (CWCB) grant funds to fund the spurs and delivery lines on behalf of the Participants. CWCB funds can



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only be used for raw or untreated water system improvements. Therefore, the Participant's treated water connection improvements need to be funded outside of CWCB funding.

For those Participants that currently operate private, not-for-profit (PNP) systems and do not qualify for principal forgiveness in the case of State Revolving Fund (SRF) funding and associated principal forgiveness, contact information is provided to consider converting to a water authority for the purpose of qualifying for SRF principal forgiveness or grants. PNP entities can still obtain funding through the SRF, but do not qualify for principal forgiveness.

C. FUNDING SOURCES

The AVC consists of two sub-projects:

- a. The Federal Sub-Project and,
- b. The Enterprise Sub-Project.

The project was separated into two sub-projects in cooperation with the Bureau of Reclamation for purposes of facilitating the funding, design, and construction of the AVC.

The Enterprise Sub-Project is further separated into three groups of improvements for the purpose of allocating funding and construction responsibilities between the Enterprise and the participants:

Group 1 Improvements

Pipeline improvements between the trunk line connection and the participant delivery point. These improvements will be funded 100% by the Participants as a part of the overall AVC costs. Each participant's share of the cost is based on the Year 2070 projected water demand allocations established in the 2016 Environmental Impact Statement (EIS).

Funding for the Group 1 Improvements estimated at \$75 million is being sought on the behalf of the Participants through a combination of SRF loans, principal forgiveness, and CWCB grants.

Group 2 Improvements

Water system improvements including disinfection treatment of AVC water to allow delivery to the Participant's customers. The individual Participant's improvements for Group 2 will be funded individually by each Participant and not part of overall AVC costs.



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Group 3 Improvements

Water system improvements are needed to improve the efficiency of water deliveries to the community. These improvements are not needed immediately to deliver AVC water but include longer term recommendations to improve water service and reduce water losses in the Participant's water systems. These improvements will be funded by each Participant for their individual water system.

Funding for the Group 2, estimated at \$30 million, and Group 3 Improvements, estimated at \$50 million combined for all Participants is currently available through the following three primary funding agencies:

Colorado State Revolving Fund (SRF) - Up to 80% Principal Forgiveness for Gov't Entities

Colorado State Revolving Fund – Emerging Contaminants (SRF-EC) – 100% Grant for Gov't and Private Entities

Colorado Department of Local Affairs (DOLA) – Up to \$2 million with 50% grant for Gov't Entities (can be combined with SRF Funding)

U.S. Department of Agriculture Rural Development (RD) – Up to 80% Grant for all Entities

The Enterprise will collaborate with each Participant to identify the optimum funding opportunity or combination of opportunities for each circumstance. The time of funding applications may vary for each Participant depending on the funding source and AVC schedule of construction and anticipated service to each Participant. The Enterprise will assist each Participant to coordinate the funding timing.

D. FUNDING AGENCY AND SUPPORT CONTACTS

Funding agencies contact information is included below. Each funding agency has specific loan application and processing requirements. However, all funding agencies will require completed engineering designs for all improvements financed. Therefore, contact information is also provided below for funding application assistance and engineering design support. Finally, contact information is provided for those PNP Participants that may be considering conversion to a water authority. Please contact the Enterprise staff listed below for questions, additional information, or assistance.



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FUNDING AGENCIES

Colorado State Revolving Fund (SRF)

Address: 4300 Cherry Creek South, Denver, CO 80246

Contact Name: Siobhan Yoest.

Phone: (303) 692-3602.

Email: Siobhan.yoest@state.co.us

Website Links for additional Information: <https://cdphe.colorado.gov/state-revolving-fund-information>

Colorado State Revolving Fund Emerging Contaminants (SRF-EC)

Address: 4300 Cherry Creek South, Denver, CO 80246

Contact Name: Sierra Mitchell, PFAS Program Coordinator

Phone: (720) 213-8032.

Email: Sierra.Mitchell@state.co.us

Website Links for additional Information: <https://cdphe.colorado.gov/water-quality/funding-grants-and-loans/water-quality-grants>

For sampling: <https://cdphe.colorado.gov/pfas-projects>

Colorado Department of Local Affairs (DOLA)

Address: 1313 Sherman Street, Suite 528, Denver, CO 80203

Contact Name: Tara Marchall

Phone: (719) 250-6944.

Email: tara.marshall@state.co.us

Website Links for additional Information: <https://cdola.colorado.gov>

U.S. Department of Agriculture Rural Development (RD)

Address: 760 Bent Avenue, Las Animas, CO 81054

Contact Name: Jennifer Garcia, Community Programs Specialist

Phone: (719) 456-0120 Ext 116

Email: Jennifer.Garcia2@usda.gov

Website Links for additional Information: <https://rd.usda.gov>



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FUNDING APPLICATION ASSISTANCE, ENGINEERING DESIGN SUPPORT, AND WATER AUTHORITY CONVERSION PROCESS ASSISTANCE

GMS, Inc.

Address: 611 N. Weber Street, Suite 300, Colorado Springs, CO 80903

Contact Name: Jason Meyer, P.E. or Dannah Koeniger, P.E.

Phone: (719) 475-2935.

Email: jmeyer@gmsengr.com or dmdoeniger@gmsengr.com

Website Links for additional Information: <https://www.gmsengr.com>

Swiftwater Solutions, Inc. LLC

Contact Name: Paul Young, MPA

Phone: (720) 207-7564.

Email: Pyoung@sws-eng.com

Website Links for additional Information: <https://sws-eng.com>

Have Questions or Need Additional Information?

Contact: Kevin Meador, Principal Engineer

(720) 252-4205

kevin@secwcd.com

or Gordon Dillon, Principal Engineer

(360) 901-2947

gordon@secwcd.com

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