



The Southwestern Water Conservation District
The West Building, 841 E Second Avenue
Durango, CO 81301

NOTICE IS HEREBY GIVEN FOR SOUTHWESTERN WATER CONSERVATION DISTRICT'S Regular Board Meeting

Location

SWCD Office & Via Zoom
841 E 2nd Avenue, Durango, CO, 81301

Date and Time

6/18/2026 1:00 - 5:00 PM
6/19/2026 8:30 AM - Noon

Remote Connection

[Click here to join via Zoom](#)

Meeting ID: 874 8378 5496

Passcode: 388748

Phone Number: (253) 205 – 0468

To be recognized by the chair, please raise your hand. To raise your hand by phone, dial*9. To mute and unmute by phone, dial *6.

Other Details

Posted and Noticed June 17, 2026

Please email Josh Brooks @ jbrooks@swgcd.org or call (970) 880-0803 if you have difficulty attending the meeting.

Except the time indicated for when the meeting is scheduled to begin, the times noted for each agenda item are estimates and subject to change. The Board may address and act on agenda items in any order to accommodate the needs of the Board and the audience. Agenda items can also be added during the meeting at the consensus of the Board.

Agenda items may be placed on the Consent Agenda when the recommended action is non-controversial. The Consent Agenda may be voted on without reading or discussing individual items. Any Board member may request clarification about items on the Consent Agenda. The Board may remove items from the Consent Agenda at their discretion for further discussion.



The Southwestern Water Conservation District
The West Building, 841 E Second Avenue
Durango, CO 81301

SWCD Regular Board Meeting Agenda June 18 & 19, 2026

[Link to Join](#)

THURSDAY, JUNE 18, 2026

- | | | |
|----------|---|----------------|
| 1 | Call to Order – Roll Call, Verification of Quorum | 1:00 PM |
| | 1.1 Introduction of SWCD's new General Manager
- Andrew Straub-Heidke | |
| 2 | Review and Approve Agenda | 1:10 PM |
| 3 | Approve and/or Remove Consent Agenda Items | 1:12 PM |
| 4 | Consent Agenda | 1:13 PM |
| | 4.1 Summary and Acceptance of Treasurers' Report
(March, April & May 2026) | |
| | 4.2 Minutes (2/12/25, 3/20/25, 4/9/25, 5/1/25, 6/18/25, 8/28/25, 9/11/25,
9/30/25,10/8/25, 12/10/25) | |
| 5 | Election of Board Secretary-Treasurer | 1:15 PM |
| 6 | Recognition of Service to SWCD | 1:20 PM |
| | 6.1 Amy Huff, SWCD Director (2021-2026), La Plata County | |
| | 6.2 Mo Bardier, Programs Manager (2023 – 2026) | |
| 7 | Legislative Affairs | 1:30 PM |
| | 7.1 2026 State Legislative Review and Update (Report in packet) | |
| | 7.2 Federal Affairs Update – Christine Arbogast | |
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8	General Counsel Legal Report	2:00 PM
8.1	Update on digitization of SWCD's files and associated contracting	
8.2	Monthly Water Court Resume Review (Division 3, 4, 7)	
9	Presentation of 2025 Audit – Haynie & Co.	2:30 PM
10	SWCD Staff Reports	3:00 PM
10.1	Durango Renewal Partnership's proposed tax increment financing agreement for the Durango Crossings Project and anticipated financial impacts to SWCD	
10.2	SWCD B2E Grant & Water Conservation and Infrastructure Partnership Update – Steve Wolff & Carrie Padgett	
10.3	Revisions to SWCD Financial Approval Process – Josh Brooks	
10.4	Updating SWCD Financial Accounts Authorities – Josh Brooks	
10.5	Proposed Revisions to SWCD Grant Program Guidelines for 2027 – Josh Brooks	
10.6	CWCB Technical Assistance Grant – SW Partnership	
10.6.1	WaterSMART & CWCB Grant – Domestic Water Resilience Assessment - Steve Wolff, Carrie Padgett & Crystal Fenwick	
10.6.2	Grant Wrap-Up – Carrie Padgett	
11	Questions and Comments from the Public	3:40 PM
	Break	3:45 PM
12	Executive Session	4:00 PM
12.1	Colorado River Compact, Interstate and Intrastate matters, including Post-2026 Colorado River Guidelines	
12.2	Regional Water Supply Planning Assessment, including Emergency SWSP request for portions of the Florida River Basin	
12.3	<i>Durango Renewal Partnership's proposed tax increment financing agreement for the Durango Crossings Project</i>	
12.4	Personnel Matters – SWCD employee compensation, as well as Job Description and Hiring Process for new Programs Coordinator	
12.5	Water Information Program (WIP) Consulting Services	

13 Summary and Action Items from Executive Session 4:55 PM

14 Adjourn Day 1 5:00 PM

Three or more board members may meet at 6:00 PM for dinner @ TBD.

FRIDAY, JUNE 19, 2026

15 Call to Order – Roll Call, Verification of Quorum **8:30 AM**

16 Review and Approve Agenda 8:32 AM

17 Director Updates and Concerns 8:35 AM
Location for August or October Board Meeting & Tour

18 Special Presentation 9:00 AM
18.1 Randy Seidl, Rain Enhancement Technologies

19 Hydrology & Related Updates 9:30 AM
19.1 Hydrologic Conditions, update from the Division 4 Engineer – Rob Genualdi
19.2 Florida River Emergency Substitute Water Supply Plan
19.3 Colorado River Basin – Steve Wolff
19.4 Water Quality Updates – Peter Butler

20 Emergency Grant Requests and Related Matters 10:00 AM
20.1 Mesa Ditch Company (\$24,446) – Emergency
20.2 East Mancos Highline Ditch Company (\$25,000) - Emergency

21 Partner Updates 10:30 AM
21.1 Water Information Program – Elaine Chick
21.2 Harris Water Engineering Report – Carrie Padgett
21.3 Colorado Water Conservation Board – Laura Spann

22 Questions and Comments from the Public 11:00 AM

23 Board Discussion on General Manager Transition 11:10 AM

24 Upcoming Meetings and Announcements 11:25 AM



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

Developing and Conserving the Waters in the
SAN JUAN AND DOLORES RIVERS AND THEIR TRIBUTARIES
West Building – 841 East Second Avenue
DURANGO, COLORADO 81301
(970) 247-1302

BOARD MEMORANDUM

From: Steve Wolff

Subject: Agenda Item 5.0 – Election of Board Secretary-Treasurer

Date: June 11, 2026

With the resignation of Amy Huff from the SWCD Board, the Board needs to elect a new Secretary-Treasurer to fulfill those duties for the remainder of 2026. The Secretary-Treasurer Officer has the most day-to-day responsibilities, as they are needed to approve District financial transactions on a weekly basis (sometimes more often). Jenny Russell has agreed to be nominated and serve in this role for 2026 if other Board members agree. Given that Jenny served in this role previously and has an understanding of the time and responsibilities required, I recommend the Board elect Jenny to serve out this term.

As is required, all Board Officer positions will be up for reelection at our first regular Board meeting in 2027.



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RESOLUTION

Whereas, Amy Huff faithfully served as a Director of the Southwestern Water Conservation District, representing La Plata County and the entire District from 2021 to 2026, and

Whereas, Director Huff gave generously of her time and expertise in addressing matters important to La Plata County, the District, and the State;

NOW THEREFORE BE IT RESOLVED THAT,

The Board of Directors of the Southwestern Water Conservation District at its June 2026 Regular Board meeting by this Resolution, expresses unanimous appreciation to Amy Huff for her services as a Southwestern Water Conservation District Director.

CERTIFICATE

I, _____, President of the Board of Directors of the Southwestern Water Conservation District, do hereby certify that the above and forgoing action was taken by the Board of Directors at its June meeting on the 18th day of June, 2026.

_____,
President



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

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RESOLUTION

Whereas, Monika Bardier faithfully served as Program’s Manager for the Southwestern Water Conservation District from 2023 to 2026, and

Whereas, Ms. Bardier gave generously of her time and expertise in addressing matters important to the District;

NOW THEREFORE BE IT RESOLVED THAT,

The Board of Directors of the Southwestern Water Conservation District at its June 2026 Regular Board meeting by this Resolution, expresses unanimous appreciation to Monika Bardier for her services as the Southwestern Water Conservation District Programs Manager.

CERTIFICATE

I, _____, President of the Board of Directors of the Southwestern Water Conservation District, do hereby certify that the above and forgoing action was taken by the Board of Directors at its June meeting on the 18th day of June, 2026.

_____,
President

2026 Legislative Report – End of Session Wrap-up - June

General Session Review

The General Assembly wrapped up the 2026 legislative session on May 13. Throughout the course of the session, approximately 650 bills were introduced. Less than 450 of these proposals passed through both chambers to the Governor's desk. This is the third year in a row showing a downward trend in the number of bills introduced. A key factor in this trend is the state budget situation, which significantly constrained the amount of money the state has to pay for new or expanded policies. The deadline for the Governor to sign or veto bills was June 12. This year, Governor Polis signed 436 into law and vetoed 12, a personal record.

In terms of water legislation, the 2026 legislative session was relatively quiet. Annual bills related to CWCB water project loans ([HB26-1338](#)) and species conservation trust fund projects ([SB26-165](#)) sailed through with bipartisan support. As part of the budget debate, the Joint Budget Committee passed legislation ([HB26-1387](#)), which directed the CWCB to transfer up to \$3 million to the Species Conservation Trust Fund. The bill also directed \$14.2 million of severance tax revenues to the General Fund. The JBC added language to protect funding for some key Operational Fund programs, including water related programs like the Colorado Avalanche Center, the CWCB, Species Conservation Trust Fund and the Aquatic Nuisance Species Fund.

A great deal of debate was had about how the state should regulate data centers. Two pieces of legislation were introduced on the topic, both containing provisions to protect water resources. [HB26-1030](#), aimed to create incentives through sales and use tax exemptions to promote the development of data centers in Colorado. The bill included language that required data center operators to implement comprehensive water management plans, and state-level conservation standards to qualify for the tax exemptions. The bill also mandated public reporting on water consumption and required highly efficient cooling technologies designed to reduce the amount of water needed for operation. From the other side, [SB26-102](#) created requirements for large-load data centers regarding development, utilities, environmental impact and general operations. In terms of water, the bill mandated strict water conservation measures for large data centers, requiring annual usage reporting to the state and the implementation of water-smart cooling technologies. Despite negotiations throughout the legislative session, the two sides could not reach compromise and both bills died in the last days of the session.

The most contentious water policy debate was on legislation regarding revegetation requirements when water is permanently removed from agricultural land. [HB26-1340](#) establishes criteria to ensure the success of revegetation or conversion to dryland farming. This criteria includes the identification of site-specific standards and ongoing monitoring by a water court appointed third party expert during the duration of the revegetation period. If a local government has revegetation or weed control standards in place, the bill directs the water court to use the local standards when putting revegetation requirements in a water change decree. The bill only applies to Water Division 2, however, during the debate many water interests expressed the desire to expand the policy into other areas of the state. We expect this conversation to occur during the interim, with legislation likely in 2027.

Interim Committees Cancelled

Due to state budget concerns, all interim committees have been cancelled. This includes the Water Resources & Agricultural Review Committee (WRARC), however, legislative leadership agreed to allow



the committee to meet one time in June. The committee is scheduled to meet on June 25, with conversations focusing on drought conditions, including a report from the Colorado Drought Task Force, a conversation about the ongoing negotiations on the Colorado River, interruptible water supply agreements and illegal ponds.

Important Dates:

- State Budget Forecast – June 18, 2026
- WRARC – June 25, 2026
- Primary Election – June 30
- General Election – November 3, 2026
- First Day of 2027 Legislative Session – January 11, 2027



COLORADO LEGISLATIVE STRATEGIES NEWSLETTER

May 14, 2026

*“So you’re telling me there’s a chance!”
– Lloyd Christmas, Dumb and Dumber*

The day after Sine Die is finally here. This week’s quote matches the CLS team’s annual end of session t-shirts, but you have read to the end of the newsletter for the picture. It goes without saying that Dumb and Dumber is one of the greatest movies of our time, in large part because so much of the movie was filmed in Colorado and that it gives us endless quotes to use. Our end of session quote echoes throughout the Capitol building, as hopeful lobbyists count their votes and realize there’s a chance everything might be okay.

General Themes, Takeaways, and Budget

This year’s session was highly anticipated for several reasons – the state’s budget crisis continues to worsen, it’s a monumental election year in Colorado, and it was Governor Polis’ last legislative session as he terms out in November.

All four statewide seats are up this year – Governor, Secretary of State, Treasurer, and Attorney General. While we will see some interesting primaries on both sides of the aisle, it’s highly likely that Democrats will be voted into all four of these seats come November. Additionally, there are over 20 seats up for election in the Senate, and all 65 of the House seats are also up for election.

This year, one of the recurring themes we saw was in-fighting amongst caucuses, especially between progressives and the “Opportunity Caucus,” the more moderate Democrats. Republicans had their fair share as well. While this isn’t necessarily a new occurrence, it certainly seemed to draw more attention than usual especially given that it’s an election year, and there are some hotly contested primaries in addition to the general election in November.

One of the other themes we saw throughout the session was Governor Polis' influence, or lack thereof in some cases. Particularly because this was his last year, there was a big focus on "legacy" coming from the first floor. That being said, the legislature has started to defy Polis in recent years, and this year was no different. Especially on bills like [Senate Bill 147](#), of which Polis loudly expressed his disapproval, but the legislature passed it nearly unanimously. Although the bill is expected to get vetoed, it would've required department legislative liaisons to report their positions on bills, just like all the other lobbyists.

Last, but certainly not least – the influence of the budget on this year's session was prominent. After another budget deficit of \$1 billion, the Joint Budget Committee (JBC) was forced to make some extremely difficult cuts this year. Given that Medicaid is the primary driver of the state's budget spending, many of the cuts were in the Medicaid space.

The debate around the cause of the state's budget crises has yet to be resolved. Democrats have blamed TABOR, as well as cuts at the federal level, especially those in the One Big, Beautiful Bill Act (OBBBA). On the other hand, Republicans have argued for years that the state has overspent, especially when it comes to putting one time money toward ongoing programs. At the end of the day, the spending plan totaled \$46.8 billion for the next fiscal year which will go into effect on July 1.

[Agriculture](#)

Colorado's agriculture industry had a busy year. The big showdown in the agriculture space this year was related to overtime for agricultural workers.

Two competing bills were brought forward to address overtime provisions from a 2021 bill which overhauled labor laws for agricultural workers. The current overtime rules are complicated and hard for both farmers and employees to navigate. Additionally, the current threshold of 48 hours caused problems for farm workers whose hours started to get capped. Because of this, farm workers weren't able to earn as much money, have had to find second jobs, and sometimes even leave the state because of the low overtime threshold passed in 2021.

This year, two competing bills were introduced to address this. [Senate Bill 121](#), which was sponsored by leadership from each caucus in both chambers, raised the overtime threshold to 56 hours, which is a huge win for agricultural workers because it allows them to have more hours before hitting a cap. [Senate Bill 081](#) aimed to set the overtime threshold at 40 hours. This bill was sponsored by Senator Danielson, who brought the original 2021 bill. However, Senate Bill 081 didn't make it out of its first committee.

Amongst other big bills for the agricultural industry, this year brought [House Bill 1031](#), which made it illegal to advertise agricultural products as grown in Colorado if they were not actually grown in the state. The measure provides important protections for Colorado's world famous agricultural products, from Palisade peaches to Pueblo chiles.

Another important win for the industry was the defeat of [Senate Bill 65](#). This bill prohibited farmers from purchasing or planting seeds that had been treated with pesticides unless they got permission from a third-party verifier permitting the use of such seeds. The bill would have effectively banned the use of farmer's most effective, efficient, safe, and affordable pest management tool. The bill died in the Senate Ag committee.

One of the most talked about bills of the session was [Senate Bill 62](#), which banned the sale and use of most products used to control rodents. The bill went through significant changes as it made its way through the process and was pared down to only impact products that are already under restricted use by the EPA. Due to concerns from the ag industry and rural schools, the bill died in the House Ag Committee.

Alcohol

Multiple proposals related to adding fees to alcohol manufacturers were postponed indefinitely this year. The first to go was [House Bill 1271](#) would've created three new state enterprises related to alcohol-related harm. The bill also would've charged new fees to alcohol manufacturers and wholesalers to fund addiction and recovery treatment and services. The other bill that fell under this category was [House Bill 1301](#) which would've put a measure on November's ballot to increase Colorado's excise tax on alcohol products, which would go toward mental health facilities.

Lastly, [Senate Bill 164](#) would've allowed for hemp-derived THC drinks to be sold in liquor stores, restaurants, and bars if these businesses had obtained a special permit. However, this bill was also postponed indefinitely.

Business

The business community across all sectors showed up in force to support or oppose several big bills this year.

The passage of [Senate Bill 137](#), which requires departments to reevaluate their internal procedures every five years for whether they are necessary or effective, passed the legislature almost unanimously which was a huge win for the business community. Also in the "win" category were several bills that were successfully defeated. For example, [House Bill 1012](#) which prohibited a company from charging excessive prices to "captive consumers," and [House Bill 1054](#) which created state occupational health and safety regulations in the event standards under the federal Occupational Safety and Health Act are repealed on the federal level.

Unfortunately, there were many bills that are unfriendly toward the business community that were also passed. This includes: [House Bill 1005](#), which makes it easier for labor

unions to collect union dues from all employees but is expected to be vetoed; [House Bill 1236](#), which makes troubling changes to how private arbitration works but is also facing the possibility of a veto; [House Bill 1272](#), which started out by requiring employers to implement safety precautions to protect employees from extreme temperatures but was significantly watered down; and [Senate Bill 134](#), which would exempt sales taxes from the interchange fees that are charged when a debit or credit card is used, likely forcing two separate transactions. Upon veto requests from national organizations, in addition to local opposition from all the financial services industry, and major airlines, the Governor is considering the fate of the proposed law.

Data Center Policy Stalls in Colorado

The 2026 legislative session ended without a deal on data center regulation, as both environmental guardrails and economic incentives failed to cross the finish line. Senator Cathy Kipp's [Senate Bill 102](#) and Representative Alex Valdez's [House Bill 1030](#) both pulled their respective measures after failing to bridge the gap between labor leaders seeking jobs and environmental advocates demanding 100 percent renewable energy usage. The stalemate means Colorado will not yet offer the tax incentives used by 36 other states to attract multi-million dollar projects, nor will it implement the nation-leading climate protections sought by many Senate Democrats.

The debate now shifts to 2027 and the upcoming Public Utilities Commission hearings regarding grid capacity and utility costs. While industry leaders warned that Colorado is losing out on infrastructure investment to neighbors like Utah and Wyoming, Senator Kipp signaled her intent to bring the legislation back next year. She emphasized that future negotiations must address the massive electricity and water demands these facilities place on local communities, ensuring that industry growth does not come at the expense of Colorado's environmental goals or ratepayer stability.

Education/Higher Education

[Senate Bill 023](#), also known as the School Finance Act, maintains education funding and directs the state to spend roughly \$10.2 billion on K-12 education, which is \$12,314 per student. This is an increase of \$438 per student for this year. Senate Bill 023 was introduced very early this year compared to previous years, which the sponsors clarified was an intentional decision to allow for more conversations about the bill. Similar to the other bills seeking to reduce regulatory burdens across departments, [House Bill 1299](#) sought to do the same for education providers by repealing certain outdated requirements.

On the higher education front, [House Bill 1317](#) was a bill that created a transition committee to determine how workforce development programs could be better coordinated and ultimately consolidate the Department of Higher Education into a new department focused solely on workforce programs. [House Bill 1078](#) was another impactful bill for higher education, which expanded the state's concurrent enrollment program. This allows off-campus courses to be included in concurrent enrollment programs when certain requirements are met.

In addition, higher education funding was increased by \$164 million in the long bill. Colleges and universities were given approval to increase tuition up to 3.5 percent for in-state tuition and five percent for out-of-state students. Community colleges were allowed up to five percent.

Energy

Two bills were introduced this year to facilitate the development of nuclear energy in Colorado. The first bill was House Bill [1337](#). This measure created the Advanced Nuclear Energy and Technical Office, who was tasked with working with the Public Utilities Commission (PUC), nuclear experts and other stakeholders to promote the development of nuclear energy. The bill made it through the first committee but died on the calendar in House Appropriations.

The second nuclear energy bill, [Senate Bill 45](#), created the Colorado Nuclear Workforce Development and Education Program. The program would have been housed at the Colorado School of Mines. The purpose of the program was to facilitate the creation of nuclear engineering programs and workforce programs in the higher ed system. This bill also met its demise in the House Appropriations Committee.

One of the most highly negotiated bills, [House Bill 1326](#), passed the final week of the session. This bill implemented several recommendations of the Department of Regulatory Agencies (DORA) sunset review process of the PUC. While the introduced version was very controversial, the final version had approval from utilities and labor.

In a repeat of an effort from 2025, Representative Marshall introduced [House Bill 1121](#), which would have required the owners and operators of buildings and facilities that emit air pollutants to publish emissions records on their websites. In an effort to reduce the fiscal impact of the bill, which was the reason the bill died in 2025, Representative Marshall removed the CDPHE rulemaking requirement in this year's version. That was not enough however to eliminate the fiscal note and the bill died in the House Energy & Environment Committee.

The bill that probably wins the award of taking the longest to reach the finish line is [Senate Bill 2](#). This bill was introduced on the first day of the legislative session and was one of the last bills to be officially passed on the last day. Marketed as a key component in the Democrats' agenda to increase affordability for Colorado's citizens, the bill requires an investor-owned utility to establish a percentage-of-income payment plan program (PIPP program) to assist income-qualified residential customers with utility costs.

Lottery, Gaming, & Sports Betting Laws

The 2026 Colorado legislative session has introduced several pivotal changes to the state's gaming and betting landscape, primarily focused on enhancing consumer protections and consolidating regulatory oversight. A cornerstone of this year's agenda was [Senate Bill 131](#), which aims to curb "abusive practices" in the sports betting industry following a massive surge in wagering activity. To address concerns regarding gambling addiction and youth exposure, the bill prohibits sportsbooks from using credit cards for deposits and limits individual users to no more than six separate deposits within a 24-hour "gaming day." Additionally, the legislation imposes a strict advertising blackout on broadcast channels between 8:00 a.m. and 10:00 p.m. and bans operators from sending unsolicited mobile push notifications or text messages to solicit bets.

The session also saw a firm stance against the digital expansion of the state lottery. Under [Senate Bill 117](#), Colorado has re-established a "cash-only" standard for lottery ticket sales, explicitly banning the use of credit cards for purchases. Most notably for online gaming enthusiasts, this bill effectively halts the development of an "iLottery" platform by prohibiting the online sale of tickets or instant scratch games. This move reflects a broader legislative intent to maintain physical barriers to entry for lottery games, contrasting with the high-speed accessibility of the sports betting market.

In terms of administrative efficiency, the legislature passed [Senate Bill 163](#) to streamline the state's gaming commissions. This bill repeals the Colorado Racing Commission and transfers its regulatory authority to the Colorado Limited Gaming Control Commission, effectively bringing horse racing, casino gaming, and sports betting under one umbrella. The act also expands the state's "self-exclusion" program, allowing individuals to voluntarily ban themselves from sports betting platforms just as they can from physical casinos. Furthermore, it empowers Division of Gaming investigators to impound premises suspected of hosting unlicensed gaming activities, signaling a tougher stance on the "gray market" operators.

Collectively, these bills represent a shift toward a more regulated and cautious environment for Colorado's billion-dollar gaming industry. While the legislature stopped short of banning "proposition bets" on individual player performances, citing a potential loss of over \$20 million in tax revenue, the new reporting requirements and transparency mandates ensure that the state will have more data to assess the industry's social impact in the coming years. For operators and bettors alike, the 2026 session marks the end of the "wild west" era of digital betting in the Centennial State, replacing it with a framework built on financial guardrails and targeted marketing restrictions.

Healthcare

On the healthcare front, there were several bills related to access, insurance coverage, and even a bill to reduce regulatory administrative burdens on healthcare.

Several bills sought to increase or maintain access to treatment for patients, such as: [Senate Bill 032](#), which broadens the entities that the state may rely on for medical guidance as it relates to immunizations; [Senate Bill 138](#), which seeks to reduce regulatory administrative burdens on healthcare; [Senate Bill 167](#), which allows patients to put prescription costs toward their deductible if they purchase directly from a drug manufacturer; and [Senate Bill 178](#), which seeks \$140 million to fund the state's Health Insurance Affordability Enterprise.

Lastly, the topic of compounded drugs received quite a bit of attention this year. [House Bill 1262](#), which passed almost unanimously, was a sweeping bill that expanded which entities are authorized to make and distribute compounded drugs. [Senate Bill 66](#), which sought to ensure that compounded weight-loss medications were made with safe ingredients from verified sources, made it out of the Senate but was postponed indefinitely in the House Health and Human Services committee.

Housing and Local Government

While affordable housing remains an important legislative issue, two major housing bills cleared the House but did not see the light of the day in the Senate. The first was [House Bill 1114](#), which was an effort to reshare local zoning rules. It would have meant local governments could not require single-family home lots to be larger than 2,000 square feet. Second, [House Bill 1308](#), which would have allowed homeowners to split their lot without approval from local government, was also defeated.

Taxes

Although there were many bills dealing with taxes this year, there were a select few that were included in a Democrat-backed bill package that would've reduced business tax breaks by a combined \$555 million. This is a reaction from Democrats to the Family Affordability Tax Credit being paused because of the state's budget shortfall, which Democrats have argued is the result of corporate tax cuts included in OBBBA.

[House Bill 1223](#), which would eliminate the sales-tax exemption for downloadable software, was amended in committee to redirect some of the increased funding the state would have from rolling back the tax break to instead go to struggling restaurants. Although this bill had the smallest impact compared to the others in the bill package, it passed both chambers and was sent to the Governor.

[House Bill 1221](#) and [House Bill 1222](#), also included in this bill package, ultimately died in Senate Finance. Combined, these bills would've raised state revenue by \$453.3 million because of the business tax deductions that were reduced and limited by both bills. House Bill 1221 would've reduced the net-operating-loss deduction for certain companies, as well as the maximum deduction that a company could take for executive salaries. House

Bill 1222 would've decoupled state tax policy from the tax breaks that were expanded in OBBBA.

Lastly, there was [House Bill 1289](#) which passed both chambers and has been sent to the governor's desk. The bill modifies several state tax expenditures and rolled back certain tax exemptions

Technology and the Overhaul of Colorado's Landmark Artificial Intelligence Law

Colorado has finalized a major shift in digital policy with the passage of [Senate Bill 189](#). The bill was the first one signed by Gov. Polis at 10 a.m. today. It replaces the never-implemented 2024 AI Act, and focuses on "consequential" AI decisions in sectors like healthcare, housing, and employment.

While the original law mandated strict risk assessments, Senate Bill 189 pivots toward a disclosure-based model. Key provisions include the right for consumers to be notified of AI use, the ability to correct data, and a right to human re-review. It also clarifies liability – developers are responsible for flaws in intended use, while deployers are liable for misuse. Senate Bill 189 was the keystone of an incredibly active year for technology and AI regulation. Other notable bills from this session include:

- [HB 1139](#): Use of Artificial Intelligence in Health Care
- [HB 1195](#): Psychotherapy Artificial Intelligence Restrictions
- [HB 1263](#): Conversational AI Service Operator Requirements
- [HB 1210](#): Prohibit Surveillance Price & Wage Setting (Awaiting Governor's decision on a potential veto)
- [HB 1148](#): Protections for Youth on Social Media (Died in Committee)
- [SB 011](#): Search Warrants Provided to Covered Platforms

What's Next

This General Assembly has officially adjourned until special session Monday, January 11, 2027. Although most interim committees were cut in the budget balancing process this year, don't worry – there'll be no shortage of drama, especially now that election season is in full swing. Stay tuned for our update on the June Economic and Revenue Forecast, and periodic updates on the latest election news.



Joint Legislative Report to the Colorado Water Congress

The big picture. This report is intended to provide a high level view of the 2026 legislative session – to provide a context for legislative actions, pointing to those issues and bills that crowded committee calendars and sparked extensive floor debate. While it covers the broad scope of bills introduced, it does not attempt to enumerate all topics. It discusses in general terms bills considered by CWC State Affairs committee and other major bills which competed for the attention of legislators during the 120 day session.

Drought was a constant talking point throughout the legislative session; however, few specific water bills were introduced. Driven by Colorado’s budget pressures, policy debates focused on strategies to address housing challenges, criminal justice, education, and technology regulation, without the necessary resources to address them. Lawmakers introduced 626 bills, with more than 180 failing before adjournment.

In comparison, during the 2025 General Assembly, 657 bills were introduced, 585 passed and 171 failed, according to Colorado Capitol Watch – a frequently-cited tracking service.

What is perhaps more significant are the bills that were anticipated but NOT introduced, including:

- A Green Amendment to the constitution guaranteeing the right to a clean, healthy environment and climate
- A right to stream access through private property, potentially impacting land access –a measure anticipated until the final two weeks of the session
- An update to Clean Energy Planning requirements sought by the Governor and negotiated with stakeholders during the past two years
- A bill to restructure (and realize revenue) from the disposition of Pinnacol Assurance, the State Workers’ Compensation provider of last resort.

In our mid-session report, we attempted to identify themes for legislation and noted that we were seeing more of a scatter-shot approach. What, then, in hindsight were the drivers for bills introduced this session? Four major motivators seemed to underlay the bills brought forward: Budget constraints and work-arounds, Push-back against federal policies, Uncertainty about federal actions and new state leadership, and Intra-party tensions.

Budget

For the second straight year, lawmakers faced a major budget shortfall and intense public debate over possible cuts. Estimates of the gap ranged from roughly \$600 million to \$1.5 billion, though much of that reflected assumptions about reserve requirements and projected spending growth rather than an actual deficit. To estimate upcoming fiscal year revenues, the Joint Budget Committee (JBC) adopted the projections from the Governor’s Office of State Planning and Budget which presented a slightly more optimistic view of the future compared with that of legislative economists. Anticipating caseload increases for Medicaid, prison populations and education, the JBC balanced the budget through a combination of targeted cuts, fund transfers, reserve reductions, and reduced TABOR refunds.

To close the gap, lawmakers relied heavily on budget maneuvers rather than sweeping program reductions. Strategies included reducing the reserve from 15% to 13%, limiting TABOR refunds, refinancing programs with existing departmental funds, and freezing some provider and employee pay increases. The legislature also cut or scaled back certain Medicaid services, grant programs, and departmental spending, although overall Medicaid spending still increased. (and will continue to increase). Cash funds were swept from departments, statutory requirements and effective dates were stretched into the future, and new programs were conditioned upon the occurrence of specific events such as passage of statewide initiatives or repeal of federal regulations – all done to effect new legislative priorities while avoiding new appropriations in the FY 26-27 budget. The trend of establishing new “fees” for “services” placing revenues into an Enterprise that will not count against the TABOR cap continues unabated.’ In order to limit legislative spending, HB 26-1331 suspended most Interim Committee except for some “structural” committees necessary for ongoing planning such as Legislative Audit, Capital Development, Joint Budget Committee and the like. The Water and Agricultural Issues Committee will be allowed to have one meeting on June 25, because it will be under the previous FY25-26 budget.

The fiscal challenge cast a pall over the session, leaving little room for major new programs. The 2026–27 budget totals \$49.5 billion, including \$18.64 billion in General Fund obligations — slightly higher than both the current and prior fiscal years.

Several factors contributed to the budget squeeze, including the expiration of federal COVID relief funds, rising Medicaid and criminal justice costs, expansion of state programs without long-term funding plans, and revenue losses tied to federal tax changes under HR 1. TABOR restrictions also continued to complicate budgeting decisions.

HB 26-1430 is one example of a budget work-around. In anticipation of voters approving a constitutional transportation funding measure on the November ballot (Initiative #175) that would direct significant funds to highways, legislators passed the bill to offset that expenditure with cuts to highway fees and funding in an effort to free up General Funds for other state programs. A similar approach was anticipated as an end-run around potential voter approval of Initiative #177 –the right to use natural gas – but the second effort was dropped prior to introduction of an eleventh-hour bill.

Environment, Energy and Water-Related

Despite a dearth of specific water bills, water-related issues surfaced in several non-related pieces of legislation. As an example, The bill reauthorizing the Public Utilities Commission (PUC) included a requirement that the Commission conduct a study to identify privately owned water utilities in the state, addressing their financial status and the need to add upgrades for maintenance and environmental compliance. The study, which is to commence eighteen months following the effective date of the legislation, must address options for those utilities to transition to a special district, municipal utility, public interest or member-owned nonprofit organizations or other entities. Other provisions in that sixty-page bill addressed problems identified with regulation of Transportation Network Companies, energy planning procedures and coordination, need for additional transparency and public input.

Despite the fiscal challenges, budget writers managed to avoid significant harm to water programs in the Department of Natural Resources. They provided five million dollars funding for species conservation (SB 26-165 in the annual appropriation. A bill to place limits on certain marketing practices to solicit sports betting (9sb 26-131) contained a provision requiring that the amount of money transferred annually from the sports betting fund to the water plan implementation cash fund is no less than the amount transferred to the water plan implementation cash fund in the previous state fiscal year.

The CWC State Affairs Committee supported the Project Eligibility List (SJR 26-001); the Project Funding bill (HB 26-1338), and the Species Conservation funding bill (SB 26-165). All three bills were approved.

The State Affairs Committee opposed HB 26-1323 (purporting to increase wildfire resilience by prohibiting the take of beavers for recreational or commercial purposes) when there could be no agreed-upon nexus demonstrated to the alleged purpose. The Committee also opposed HB 26-1310 which would have moved money from the DNR COSWAP program for wildfire mitigation into a grant program to individual homeowners. That proposal faced added confusion with the transfer of severance tax funding among programs. Both bills failed in their first committee.

HB 26-1340 provides for revegetation of formerly irrigated farmland when owners (purchasers) of decreed water rights seek to change the beneficial use, such as to changing to municipal use or dryland farming. Currently applicable only in Water Division 2, the Water Court must include terms and conditions that apply site-specific criteria and scientific and objective evaluation methodology to measure success of revegetation. The bill sets out procedures for the Court and the water rights owner to follow, depending on whether the local land use jurisdiction has issued a permit or entered into an intergovernmental agreement requiring revegetation. The Water Court must appoint a third-party revegetation expert (paid for by the water right owner) to evaluate ongoing success. If revegetation is unsuccessful, the Court may require financial assurance or limit the amount of water applied to the new use. Although HB 1340 is limited to Water Division 2, some legislators believe that issues associated with removal of water from the land is a statewide problem deserving of a statewide solution.

Water Quality may be enhanced through the enactment of HB 26-1111 to regulate disposal of old pesticides and pesticide containers by establishing an Enterprise to create and oversee disposal opportunities at sites held throughout the state where commercial and private applicators may dispose of their registered products in a safe manner. The Enterprise (structured so as to exempt fee revenue from the TABOR cap) will be managed by a Board.

Geothermal Energy data collection is included in a larger bill (B 26-142) providing express statutory authority to local governments to enter into agreements for service from Thermal networks (including geothermal).

Hb 26-1112 authorized the Energy and Carbon Management Commission (ECMC) in the Department of Natural Resources (DNR) to regulate class I, class IV, and class V underground injection wells, and allowed the Division of Reclamation, Mining, and Safety (DRMS) to regulate class III injection wells. The ECMC and the DRMS Were authorized to collect fees and issue permits to cover the costs of regulating these classes of wells. The ECMC and the DRMS were allowed to adopt regulations of injection wells stricter than federal requirements if necessary to protect public health, safety, welfare, the environment, and wildlife resources. The bill also established penalties for injection well operators that violate rules, permits, authorizations, or orders from the ECMC and the DRMS.

CWC members took an amend position on that bill in mid-February before its first committee hearing. The bill was amended in the House Energy Committee and the Finance Committee, but some members' concerns remained. Those concerns included: confirming in the text of the bill that the purpose is to create a regulatory regime more efficient and timely than the current federal program; ensuring that the rules ultimately adopted by the ECMC are consistent with the legislative declaration of this bill, which, among other things seeks to create a program that is more efficient and timely than the current federal program; and ensuring that when ECMC adopts rules are more stringent that the current federal rules that such rules are “based on sound scientific and technical data.”

The bill sat on the calendar for a few months during which fiscal concerns were voiced about the TABOR impact of fee revenue. Ultimately, the bill was not taken up for consideration in the Senate until the last days of session, at which point the sponsors elected not to advance the measure.

Bills reducing greenhouse gases met mixed results. A bill to provide additional time for municipal utilities to reach target Greenhouse Gas reductions (SB 26-182) successfully replaced an earlier version (SB 26-022). However, Nuclear energy to generate electricity without carbon emissions received a thumbs down with the defeat of HB 26-1337, which designated the Energy Office as the coordinator for nuclear projects in the State. A similar fate befell SB 26-045 to establish a nuclear workforce program. And, a bill to give local governments more control over routing of electrical transmission lines necessary for renewable energy (HB 26-1278) also suffered defeat.

Education

Education policy wasn't a big issue during the 2026 legislative session, but education funding was. Despite initial worries that lawmakers wouldn't be able to fully fund the K-12 finance formula for 2026-27, the legislature was able to shield education spending in the annual school finance act, SB 26-023.

Total program funding is set at \$10.17 billion, \$5.6 billion from the state and \$4.6 billion from local property and vehicle tax revenues. Total program is \$180 million higher than the \$9.99 billion total in the current 2025-26 budget year. That's a 1.8 percent increase. Legislative staff analysts warned throughout the session that lawmakers may not be able to protect school funding next year.

While spending is up, full-time equivalent enrollment is projected to drop from 841,862 this year to an estimated 825,849 next school year. Average per pupil funding is projected to increase 3.8 percent, from \$11,876 to \$12,325.

Other education programs weren't so lucky. Several programs in the Department of Education were trimmed or eliminated, and funding for state colleges and universities was held at 2025-26 levels.

Democrats also pushed through SB 26-135, which proposes a November ballot measure to increase education funding through a complex formula diverting future TABOR refunds to education, school services, disability services, and increasing annual contact hours. The remaining revenue must be spent on programs that support children, prioritizing child care, full-day preschool, and other programs that help children be successful in school.

It's worth noting that every education funding increase plan in recent years has been rejected by voters.

Housing

Housing affordability has been a big issue in recent sessions, with the Governor pushing restrictions on local government land use policies to achieve density goals and lawmakers creating multiple grant programs to encourage affordability. There were more than two-dozen bills introduced on the issue this session, but intensity around the issue seemed diminished compared to previous years. Among the higher profile measures were:

HB 26-1001- A priority bill for the Governor and the Majority that streamlines permitting for residential development on properties owned by public entities such as school districts, colleges, transit authorities and nonprofit housing organizations. The bill has already been signed into law, whereas a similar bill in the 2025 session was defeated.

In the face of skyrocketing homeowners' insurance, SB 26-155, creates a state enterprise to impose a 0.5 percent fee on homeowner's insurance premiums to fund grants for homeowners to

install resilient roof systems and to study wildfire insurance risk. This, also, is a second attempt using a fee approach to lower insurance costs.

HB 26-1065 creates a tax increment financing mechanism for infrastructure improvements near transit stations and provides state tax credits for affordable housing development in transit and housing investment zones.

SB 26-001 authorizes counties and cities to sell public property for affordable housing development.

Other measures that passed will make it easier for local government to cooperate on homelessness issues (HB 26-1202) and clarify local governments' eligibility for housing grants (HB 26-1313).

Two of the more controversial proposals that did not succeed included allowing residential lot splitting (HB 26-1308), and prohibiting local governments from requiring minimum lot sizes exceeding 2000 square feet (HB 26-1114). The bills faced strong opposition from local control advocates.

Other housing bills that didn't make it over the finish line included enabling local health service districts to offer affordable housing (HB 26-1300), taxing power - with voter approval - for local housing authorities (HB 26-1206), strengthened eviction protections (HBs 26-1106 and 1047), more generous tax exemptions for groups that develop low income rental housing (HB 26-1066) and allowing local governments to increase taxes on second homes (HB 26-1036).

And housing grant programs took a hit when the JBC took \$130 million from the Proposition 123 housing fund.

Justice and Law Enforcement

Criminal justice policy focused heavily on prison capacity, competency restoration, and public safety reforms, as lengthy delays in determining competency stressed availability of prison beds. The Governor's desire for two new prisons was not realized, although Lawmakers increased Department of Corrections funding by adopting modest reforms through SB 26-036, SB 26-158, SB 26-159, and HB 26-1423. Among other changes:

SB 26-149 addressed Colorado's competency restoration backlog by creating procedures for permanently incompetent defendants.

SB 26-014 revised laws surrounding insanity pleas.

SB 26-190 expanded transparency requirements for police use-of-force incidents.

SB 26-015 increased penalties involving child sexual exploitation, while SB 26-035 increased penalties for certain traffic offenses.

Not surprisingly, gun bills occupied a significant amount of time for floor debate, requiring careful scheduling in order to meet final deadlines for other bills. These included HB 26-1144 banning 3D-printed guns, HB 26-1126 expanding regulations on gun dealers, and SB 26-004 broadening the state's red flag law. SB 26-043, requiring registration of gun barrels, failed before final passage.

Federal overreach and State push-back

When the 2025 session convened just months after President Trump's election, Democratic lawmakers made a concerted effort to pass bills intended to shield Colorado from new federal policies. Lawmakers then had to scramble during the 2025 Special Session to mitigate the budgetary damage from Trump's HR 1.

Federal overreach wasn't as visible an issue during the 2026 session, but there still were several bills on the issue. Those included strengthening of state immunization laws (SB 36-032), clarifying citizen rights to sue over immigration enforcement actions (SB 25-005), clarification of how law enforcement relates to immigration authorities (HB 26-1276) and beefing up state election laws (HB 26-1113).

HB 26-1322 allows lawsuits against gender conversion therapy practitioners in response to the Trump-appointed U.S. Supreme Court invalidating a previous Colorado law banning conversion therapy earlier in the session.

Despite some successful push-back, the so-called "no kings" bill (SB 26-176), which would have expanded the ability of citizens to sue public officials, was killed. Another measure that didn't make it was HB 26-1292, which would have put some controls around the Trump education savings program that Governor Polis has decided will be available in Colorado.

Two bills intended to help offset loss of federal tax credits for lower-income taxpayers (HBs 26-1221 and 1222) were killed after the Governor signaled likely vetoes. Those two bills would have ended some business tax breaks to pay for the new credits. A remaining bill, HB 26-1223, establishes a refundable child tax credit funded by a new tax levied on downloadable software. It is unclear whether the Governor will sign the measure.

State government

Lawmakers also approved several measures aimed at restructuring government operations and improving transparency. Measures of interest include:

A measure championed by the state Chamber of Commerce, SB 26-137 requires state agencies to periodically review their regulations with an eye to weed out duplication and excessive red tape.

HB 26-1429 attempts to streamline and partially centralize the state-county system for administering public assistance programs administered by the departments of Health Care Policy and Financing, Early Childhood, and Human Services.

Other bills impacting state operations include a trio of bills to provide more information and clearer language on ballot measures (HBs 26-1084, 1293 and 1320); a ban on legislators simultaneously holding other elected offices (SB 26-059); changes in lobbyist regulation, including registration and disclosure requirements for lobbyists who represent state agencies – which the Governor may veto (SB 26-147)

Legislative interim committees were cancelled this year because of the tight budget. That didn't stop the JBC from tucking away some money and turning itself (plus four other lawmakers) into a Medicaid Commission resembling an ad hoc interim committee, to study runaway Medicaid costs (SB 26-187), charged with making recommendations for short and long-term changes to the Governor and legislature by Dec. 11, 2026.

Technology Challenges

It's not surprising, given today's tech-addled society, that many of the highest profile bills this session involved the pervasive influence of technology, from AI and data centers to protecting kids online. These issues mirror ongoing discussions in other states and cases before the courts.

Measures that passed included:

- The watered-down AI regulatory bill, ending a two-year fight (SB 26-189)
- Funding youth programs with fees on in-game purchases (HB 26-1418)
- Protections for young people using chatbots (HB 26-1263)
- Limitations on online sports betting (SB 26-131) (also included a water provision)
- Regulations on use of automated decision-making technology (SB 26-189)
- Prompt response to search warrants served on digital media companies (SB 26-011)
- Requiring human monitors in self-driving trucks (HB 26-1286)
- Protections on the incomes of “kidfluencers” who earn money online (HB 26-1058)
- Limitations on surveillance pricing (HB 26-1210)
- Regulation on use of AI in health care (HB 26-1139) and psychotherapy (HB 26-1195)
- Removal of the exemption from sales tax on downloadable software (HB 26-1223)

During the previous legislative session, State Affairs members became interested in data centers because of their perceived need for extensive water supplies. HB 26- 1030 provided tax incentives contingent upon labor and investment requirements. The bill underwent constant revision throughout the session as it awaited a hearing. SB 102 addressed the challenges of “large load” data centers by requiring environmental and consumer protection in order for data centers to receive regulatory approval. Among those requirements was that data centers implement water-efficient technology as determined by a local jurisdiction. Against growing skepticism and constant state of flux, both bills were killed by the Energy & Environment Committee in the final week of the session. Despite the failure of the two measures, data center developers continue to show interest in Colorado, while in adjacent Wyoming business is booming.

Transportation

Lawmakers passed two bills regulating rideshare providers, HB 26-1043 and SB 26-272. The House bill seeks to crack down on criminal behavior by drivers, an idea that's been vetoed by the Governor in the past.

Once again, the structure of the RTD board became an issue in SB 26-150, to reduce the size and change the membership of the RTD board. Legislators also asked voters to change the boundaries of the Front Range Passenger Rail District (SB 26-272).

Grabbling the most attention and sparking threats of litigation was HB 26-1430 which reduced transportation related fees and taxes to offset the impacts of an anticipated voter-approved constitutional amendment (Initiative 175). See previous discussion on budget work-arounds.

Labor and Employment

A third attempt by Majority Democrats to remove the requirement for two employee elections in labor union certifications was adopted in HB 26-1005. The Governor vetoed similar bills during the previous two years, and may do so again.

Policy makers lowered the threshold for paying farmworker overtime (SB 26-121) to 56 hours, while an even lower threshold at 40 hours per week failed in SB 26-081.

Worker health and safety bills were introduced (HB 26-1054 and HB 26-1272) to offset anticipated weakening of federal OSHA regulations. HB 1054 was killed, while 1272 passed to collect data and set groundwork for a future temperature protection program. A federal temperature proposal had reportedly been pulled back before promulgation. A third measure, SB 26-160 requires employers to supply personal protective equipment for meatpackers.

Safety for legislators and other state officials would increase with enactment of HB 26-1422.

Uncertainty is sparked by Transitions

With the upcoming November General Election, Colorado will see four new statewide leaders. In particular, policy makers wonder how their interests will mesh with those of the new Governor and Attorney General. Was the 2026 legislative session the last, best chance to advance a particular cause?

And, of course, changes within the General Assembly itself will generate uncertainty as members leave because of term limits – or because they're seeking other offices. Each year, some simply decline to run again, citing family obligations, seeking positions with better pay and better long-term opportunity to advance particular interests.

There may be less turn-over this year, but the loss of leadership in both chambers is significant.

Both House Speaker Julie McCluskie and Majority Leader Monica Duran are term-limited, setting up major leadership changes when the House Democratic meets following the November elections to select caucus leadership.

There will be turnover in the Senate as Majority Leader Robert Rodriguez is term limited and Assistant Majority Leader Lisa Cutter leaves to run for Jefferson County commissioner. Former assistant majority leader Julie Gonzales is leaving due to term limits and is running to unseat incumbent U.S. Sen. John Hickenlooper. Senate President James Coleman of Denver is in the middle of his final term, which means his colleagues will be eyeing that seat for future opportunity.

Minority caucus leadership seems pretty stable in both House and Senate, with those leaders having recently assumed their positions.

Budget committee chair Rep. Emily Sirota is term limited, but is running for a state Senate seat. JBC vice-chair Sen. Jeff Bridges is in the middle of his term, but is running for State Treasurer. His likely Republican opponent will be former Senate President Kevin Grantham, currently a Fremont County Commissioner. And JBC veteran and expert Sen. Barbara Kiekmeier is running as a Republican candidate for Governor. She is in the middle of her term and may continue in the Senate should her candidacy prove unsuccessful.

These transitions undoubtedly influenced the course of legislation during the recently completed legislative session, and will mark the one commencing January 11 when a new gavel falls (assuming there will not be the need for a Special Session – not yet a foregone conclusion.)

Southwestern Water Conservation District

Bill Tracking List for 2026

June 11, 2026

Bills	Sponsors	Title	Last Action Date	Last Action	Latest Version	Position
HB 26-1008	Meghan Lukens Rick Taggart Janice Marchman	Colorado Outdoor Opportunities Act	May 27, 2026	Governor Signed	Signed Act (05/28/2026)	Monitor
HB 26-1030	Monica Duran Alex Valdez Kyle Mullica	Data Center & Utility Modernization	May 7, 2026	House Committee on Energy & Environment Postpone Indefinitely	Introduced (01/14/2026)	
HB 26-1034	Dusty Johnson Meghan Lukens Nick Hinrichsen	Modifications to Standards for Irrigation Equipment	May 4, 2026	Governor Signed	Signed Act (05/05/2026)	
HB 26-1112	Amy Paschal Lesley Smith Nick Hinrichsen	Regulation of Underground Injection Control Wells	May 12, 2026	Senate Committee on Transportation & Energy Postpone Indefinitely	Reengrossed (05/11/2026)	
HB 26-1310	Tammy Story	Wildfire Resiliency Grant Money	Mar 23, 2026	House Committee on Agriculture, Water & Natural Resources Postpone Indefinitely	Introduced (03/02/2026)	
HB 26-1323	Mandy Lindsay Elizabeth Velasco Lisa Cutter	Wildfire Resiliency Prohibiting Taking of Beavers	Mar 23, 2026	House Committee on Agriculture, Water & Natural Resources Postpone Indefinitely	Introduced (03/05/2026)	
HB 26-1338	Karen McCormick Ty Winter Dylan Roberts	2026 Water Projects Bill	May 29, 2026	Governor Signed	Signed Act (06/01/2026)	Support
HB 26-1340	Tisha Mauro Ty Winter Nick Hinrichsen	Revegetate or Dry Farm Formerly Irrigated Agricultural Land	May 29, 2026	Governor Signed	Signed Act (06/01/2026)	Monitor

HB 26-1387	Kyle Brown Rick Taggart Jeff Bridges	Severance Tax Fund Expenditures	May 29, 2026	Governor Signed	Signed Act (06/01/2026)	
SB 26-016	Lisa Cutter Katie Wallace Meghan Lukens	Prohibit Discharge Preproduction Plastic Materials	Mar 30, 2026	Governor Signed	Signed Act (03/30/2026)	
SB 26-064	Dylan Roberts Cleave Simpson Karen McCormick	Modify Colorado Agricultural Future Loan Program	Mar 10, 2026	House Second Reading Passed - No Amendments	Signed Act (03/25/2026)	
SB 26-102	Cathy Kipp Kyle Brown	Large-Load Data Centers	May 11, 2026	Senate Committee on Transportation & Energy Postpone Indefinitely	Introduced (02/11/2026)	
SB 26-131	Matt Ball Byron Pelton Steven Woodrow	Sports Betting Protections	Jun 1, 2026	Governor Signed	Signed Act (06/02/2026)	
SB 26-142	Matt Ball Cathy Kipp Ryan Gonzalez	Development of Thermal Energy Resources	Jun 1, 2026	Governor Signed	Signed Act (06/02/2026)	
SB 26-165	Rod Pelton Dylan Roberts Karen McCormick	Species Conservation Measures	May 29, 2026	Governor Signed	Signed Act (06/01/2026)	Support
SJR 26-001	Marc Catlin Dylan Roberts Karen McCormick	Water Projects Eligibility Lists	Mar 13, 2026	Governor Signed	Signed Act (03/11/2026)	Support



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

Developing and Conserving the Waters in the
SAN JUAN AND DOLORES RIVERS AND THEIR TRIBUTARIES
West Building – 841 East Second Avenue
DURANGO, COLORADO 81301
(970) 247-1302

BOARD MEMORANDUM

From: Josh Brooks

Subject: Agenda Item 9.1: 2025 SWCD Audit

Date: June 9th, 2026

Overview

As of June 6th, 2026, Haynie & Co. completed and presented the 2025 Southwestern Water Conservation District Audit and presented it to the staff and general counsel for review. Upon completion of this review, the SWCD Board of Directors is invited to review and accept the 2025 Audit.

Board Action

The Board is requested to review and accept the 2025 SWCD Audit.

**SOUTHWESTERN WATER
CONSERVATION DISTRICT**

ANNUAL FINANCIAL STATEMENTS
and Independent Auditors' Report

DECEMBER 31, 2025

DRAFT



Haynie

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Independent Auditors' Report

Members of the Board of Directors
Southwestern Water Conservation District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Southwestern Water Conservation District (the "District") as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Southwestern Water Conservation District, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southwestern Water Conservation District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southwestern Water Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement 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. Misstatements 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.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Water Conservation District's internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southwestern Water Conservation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the General Fund budgetary comparison information be presented to supplement the basic financial statements. 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Littleton, Colorado

June 18, 2026

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Southwestern Water Conservation District Management's Discussion and Analysis

The Board of Directors of the Southwestern Water Conservation District (the District) offers this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025. We encourage the readers to consider this Management's Discussion and Analysis (MD&A) in conjunction with the District's Basic Financial Statements and Independent Auditors' Report.

The MD&A is an element of the financial reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

Information

The District was created on April 16, 1941, by the Colorado General Assembly through House Bill #795 (codified at C.R.S. § 37-47-101 et seq.). The District is comprised of nine counties: Archuleta, Dolores, La Plata, Montezuma, San Juan, San Miguel, and parts of Hinsdale, Mineral, and Montrose. Each Board of County Commissioners appoints a representative to the District Board of Directors, which meets bi-monthly. The District's statutory authority is to protect, conserve, use, and develop the water resources of the Southwestern basin for the welfare of the District, and safeguard for Colorado all waters of the basin to which the state is entitled. Following this mandate, the District has assumed a broad strategic role on behalf of its diverse constituents. District representatives advocate for southwestern Colorado's water interests at the local, state, and regional level.

Financial Highlights

- The District's total assets exceeded its liabilities and deferred inflows of resources on December 31, 2025, by \$6,329,318. This represented an increase of \$878,542 from the net position at December 31, 2024. This perspective on net position includes spendable resources as well as the net investment in land, building improvements, furniture, equipment, and right of use assets of \$63,921, restricted for emergencies \$42,200 and unrestricted of \$6,223,197.
- The District's total liabilities decreased \$17,419 and deferred inflows of resources increased \$77,879.
- Total general fund expenditures were \$1,414,257 for the year ended December 31, 2025. This compares with general fund expenditures of \$1,751,040 for the year ended December 31, 2024.
- The District's total revenues on the fund financial statements decreased from \$2,309,973 in 2024 to \$2,282,219 in 2025.
- The Board of Directors increased assignments of a portion of the District's year-end general fund balance to SWCD Water Defense to "defend the water resources of the District" from \$3,012,129 in 2024 to \$3,339,688 in 2025, and to SWCD Water Development to "develop and maintain the water resources of the District" from \$2,008,086 in 2024 to \$2,226,458 in 2025.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes on the statements. The statements are organized so the reader can understand the District as a whole and then proceed to provide an increasingly detailed look at specific financial activities.

Southwestern Water Conservation District Management's Discussion and Analysis

The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for the appropriations budget.

The notes to the financial statements provide narrative explanations and additional data needed for full disclosure in the government-wide statements and the fund financial statements.

Reporting the District as a Whole

Government-wide Financial Statements

The analysis of the District's overall financial condition and operations is presented in the Statement of Net Position and the Statement of Activities. Its primary purpose is to show whether the District has met the federal standards. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These statements apply the accrual basis of accounting similar to a for-profit entity.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid as consistent with an accrual basis of accounting. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as fees received from individuals and entities from outside the District and grants (program revenues), and revenues provided by taxpayers (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District is reporting its governmental activities. The District currently has no business-type activities or component units as defined by GASB.

Southwestern Water Conservation District Management's Discussion and Analysis

Governmental activities – the District's financial activities center on protecting, conserving, using, and developing the water resources of the Southwestern basin for the welfare of the District, and safeguarding all waters of the basin to which the state is entitled. The District's revenue consists primarily of funds received from property taxes and specific ownership taxes.

Reporting the District's Fund

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on the activities of the District's individual governmental fund and are divided into two parts: 1) the "modified accrual basis statements" and 2) the "budgetary basis statements".

The financial statements on pages 13 and 15 of the audit focus on assets that can readily be converted into cash in the short term and liabilities that will be settled in the short term. Governmental funds are reported using modified accrual accounting, which recognizes expenditures when the liability is incurred and revenue when measurable and available. The modified accrual accounting method provides a short-term spending focus, which helps the reader assess the amount of financial resources immediately available to finance the District's programs.

The annual budgets shown in the "budgetary basis statements" are prepared as described in the summary of significant accounting policies in the notes to the financial statements. These budgets are presented using the modified accrual basis of accounting and are found in the Required Supplementary Information section.

The "budgetary basis statements" for the General Fund, demonstrate how the District complied with the year's approved budget. The budgetary comparison schedule is presented using the same classifications as those used in the legal budget document.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the governmentwide and fund financial statements.

The notes to the financial statements can be found on pages 17 through 29.

Southwestern Water Conservation District Management's Discussion and Analysis

Government-Wide Financial Analysis

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>
Assets			
Current assets	\$ 8,448,232	\$ 7,481,828	\$ 966,404
Right of Use Assets	73,768	97,907	(24,139)
Capital Assets	65,349	68,612	(3,263)
<i>Total assets</i>	<u>8,587,349</u>	<u>7,648,347</u>	<u>939,002</u>
Liabilities			
Current liabilities	304,890	297,161	7,729
Long-term liabilities	50,048	75,196	(25,148)
<i>Total liabilities</i>	<u>354,938</u>	<u>372,357</u>	<u>(17,419)</u>
Deferred Inflows of Resources	<u>1,903,093</u>	<u>1,825,214</u>	<u>77,879</u>
Net Position			
Net investment in capital assets	63,921	67,591	(3,670)
Restricted for emergencies	42,400	52,500	(10,100)
Unrestricted	6,222,997	5,330,685	892,312
<i>Total net position</i>	<u>\$ 6,329,318</u>	<u>\$ 5,450,776</u>	<u>\$ 878,542</u>

The majority of the District's current assets are invested in cash, investments, and receivables for property taxes. The District has been able to provide for adequate operations without incurring debt. A restricted net position of \$42,200 represents a 3% emergency reserve required by an amendment to the State constitution (TABOR) and is not available for use by the District.

The majority of the District's revenue was from property and specific ownership taxes. The District's net position increased by \$878,542 (see Table II). Unrestricted net position the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased \$541,209 from \$5,330,685 in 2024 to \$6,223,197 in 2025 (see Table I).

Southwestern Water Conservation District Management's Discussion and Analysis

	2025	2024	Increase (Decrease)
Revenues			
Property taxes	\$ 1,797,836	\$ 1,723,047	\$ 74,789
Special ownership taxes	140,953	143,090	(2,137)
Interest and penalties	33,651	122,893	(89,242)
Interest income	166,137	188,649	(22,512)
Water Information Program	50,860	41,835	9,025
Stream Gauging Partner Contributions	44,914	45,080	(166)
Other local sources	47,868	45,379	2,489
<i>Total revenues</i>	2,282,219	2,309,973	(27,754)
Expenses			
General Government	25,143	50,390	(25,247)
Administration	453,160	415,929	37,231
Water conservation activities	803,951	1,182,175	(378,224)
Water Information Program	124,584	114,468	10,116
<i>Total expenses</i>	1,406,838	1,762,962	(356,124)
Non-operating Revenues (Expenses):			
Unrealized gain/(loss)	3,161	(5,251)	8,412
<i>Net Non-operating Revenues (Expenses)</i>	3,161	(5,251)	8,412
<i>Change in Net Position</i>	878,542	541,760	
Net Position - beginning of year	5,450,776	4,909,016	
Net Position - end of year	\$ 6,329,318	\$ 5,450,776	

Fund Financial Analysis

The District maintains only one governmental fund, the General Fund, which is the District's operating fund. The General Fund as of December 31, 2025 reported a balance of \$6,269,438, of which \$80,765 of the funds were non-spendable. The District's required 3% reserve for emergencies is \$42,200. The District has an assigned fund balance of \$5,711,388. The remaining fund balance of \$405,085 is available for future commitments and is unassigned fund balance.

The District receives 79% of its funding from property taxes and 6% from specific ownership taxes. Water conservation activities expenditures represent 57% of the District's total expenditures, administration 32% and Water Information Programs 9%.

Budgetary Highlights

Total District's total 2025 actual revenue was \$51,654 more than budgeted. The District's total 2025 actual expenditures of \$1,414,257 were less than budgeted by \$612,606.

Southwestern Water Conservation District Management's Discussion and Analysis

Capital Assets and Long-Term Debt

Capital Assets and Right of Use Assets

The District had no capital assets additions during the year ended December 31, 2025. The District did not enter into any new lease agreements in 2025.

Additional information on the District's capital assets and right of use asset can be found in the notes to the financial statements.

Long-term Debt

The District had no long-term debt during 2025.

Economic Factors And Next Year's Budget

The District will provide the following services during the 2026 budget year: support the conservation, development, and management of water use in southwestern Colorado; safeguard all waters to which the State is equitably entitled; participate in and provide funding for data collection; support, participate in, and lead local policy efforts; represent southwestern Colorado on federal and state policy concerns; and provide a variety of public education on water-related issues. Finally, the District will seek to serve constituents in providing general water information as requested. These activities align with the District's first strategic plan, which was adopted on February 17, 2022, and can be found at www.swwcd.org.

The District's total budgeted revenues for 2026 are projected to be \$2,366,182. Property tax revenues are expected to be approximately \$1,903,093, based on a mill levy of .356. This revenue is based on a combined assessed valuation across nine counties of \$5,345,766,466.

Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of capital outlay, in addition to operations and non-operating revenue and contributions.

- 2025 operating revenue was more than what was budgeted due to increase in specific ownership taxes.
- 2025 operating expenses were lower due to legal expenses and engineering and other technical services and other District support anticipated that did not occur.

Southwestern Water Conservation District Management's Discussion and Analysis

Contacting Southwestern Water Conservation District's Management

This financial report is designed to give its readers a general overview of the District's finances. Questions regarding any information contained in this report or requests for additional financial information should be addressed to: Board of Directors; Southwestern Water Conservation District; 841 East Second Avenue; Durango, CO 81301.

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Basic Financial Statements

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SOUTHWESTERN WATER CONSERVATION DISTRICT

Statement of Net Position

December 31, 2025

	<u>2025</u>
Assets	
Cash and cash equivalents	\$ 1,616,917
Investments	4,847,457
Deferred property taxes receivable	1,903,093
Prepaid insurance	80,765
Capital assets, not being depreciated	62,000
Capital assets, net of accumulated depreciation	3,349
Right of use asset, net of accumulated amortization	73,768
Total Assets	<u>8,587,349</u>
Current Liabilities	
Accounts payable	273,685
Accrued expense	5,367
Other liabilities	690
Noncurrent liabilities	
Due within one year	25,148
Due in more than one year	50,048
Total Liabilities	<u>354,938</u>
Deferred Inflows of Resources	
Property taxes	1,903,093
Total Deferred inflows of resources	<u>1,903,093</u>
Net Position	
Net investment in capital assets	63,921
Restricted - emergency reserves	42,400
Unrestricted	<u>6,222,997</u>
Total Net Position	<u>6,329,318</u>
Total Liabilities and Net Position	<u>\$ 8,587,349</u>

SOUTHWESTERN WATER CONSERVATION DISTRICT

Statement of Activities

December 31, 2025

Functions/Programs	Expenses	Net (Expense) Revenue and Change in Net Position
		Total Governmental Activities
Governmental activities:		
General government	\$ 25,143	\$ (25,143)
Administration	453,160	(453,160)
Water conservation activities	803,951	(803,951)
Water Information Program	124,584	(124,584)
Total governmental activities	\$ 1,406,838	\$ (1,406,838)
 General revenues		
Taxes		
Property taxes		1,797,836
Special ownership and other taxes		140,953
Interest and penalties		33,651
Interest income		169,298
Water Information Program		50,860
Stream Gauging Partner Contributions		44,914
Other local sources		47,868
Total general revenues		2,285,380
Change in net position		878,542
Net position, beginning of year		5,450,776
Net position, end of year		\$ 6,329,318

SOUTHWESTERN WATER CONSERVATION DISTRICT
Balance Sheet - Governmental Fund
December 31, 2025

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 1,616,917
Investments	4,847,457
Deferred property taxes receivable	1,903,093
Prepaid insurance	80,765
Total Current Assets	8,448,232
Current Liabilities	
Accounts payable	\$ 273,685
Accrued expense	1,326
Other liabilities	690
Total Liabilities	275,701
Deferred Inflows of Resources	
Property taxes	\$ 1,903,093
Total Deferred inflows of resources	1,903,093
Fund Balance	
Nonspendable, prepaid expenses	80,765
Restricted - emergency reserves	42,200
Assigned for:	
SWCD Water Defense	3,339,688
SWCD Water Development	2,226,458
Water Information Program	145,242
Unassigned	405,085
Committed: Grants to be paid	30,000
Total fund balance	6,269,438
Total Liabilities, Deferred Inflows and Fund Balance	\$ 8,448,232

SOUTHWESTERN WATER CONSERVATION DISTRICT
Reconciliation of the Balance Sheet - Governmental Fund
To the Statement of Net Position
As of December 31, 2025

Total fund balance - governmental fund	\$ 6,269,438
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used for governmental activities are not financial resources and therefore are not reported in the fund	65,349
Right of use assets are expensed as capital outlay in the fund but are capitalized in the government wide statements and amortized as depreciation expense over their expected useful lives	73,768
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the fund	(4,041)
Long-term liabilities are not due and payable in the current period and therefore are not recognized in the funds	(75,196)
Total net position - governmental activities	\$ 6,329,318

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SOUTHWESTERN WATER CONSERVATION DISTRICT
Statement of Revenues, Expenses, and
Changes in Fund Balance - Governmental Fund
For the Year Ended December 31, 2025

	General Fund
Operating Revenue:	
Taxes	\$ 1,971,564
Interest income	166,137
Water Information Program	91,045
Water seminar registration	8,559
Stream Gauging Partner Contributions	44,914
Total Operating Revenue	2,282,219
Expenditures	
General government	
Board expense	\$ 32,969
Administration	
Personnel	305,846
County treasurer's fees	52,373
Other services	16,713
Rent	33,508
Dues and subscriptions	18,398
Supplies	9,837
Professional and technical services	16,485
Water conservation activities	
Legal	200,180
Other district support	65,797
San Juan Recovery Program Water User Committee	56,560
Engineering	139,370
Stream gauging - federal	134,931
Lobbying	71,743
Weather modification	64,039
Water education	50,129
Stream gauging - Colorado	2,400
Other technical services	18,395
Water Information Program	124,584
Total Operating Expenses	1,414,257
Operating Income (Loss)	867,962
Non-operating Revenues (Expenses):	
Unrealized gain/(loss)	3,161
Net Non-operating Revenues (Expenses)	3,161
Change in fund balance	871,123
Fund Balance —beginning of year	5,398,315
Fund Balance —end of year	\$ 6,269,438

SOUTHWESTERN WATER CONSERVATION DISTRICT
Reconciliation of the Statement of Revenues,
Expenditures, and Change in Fund Balance - Governmental Fund
To the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balance - total governmental fund \$ 871,123

Amounts reported for governmental activities in the statement of activities are different because:

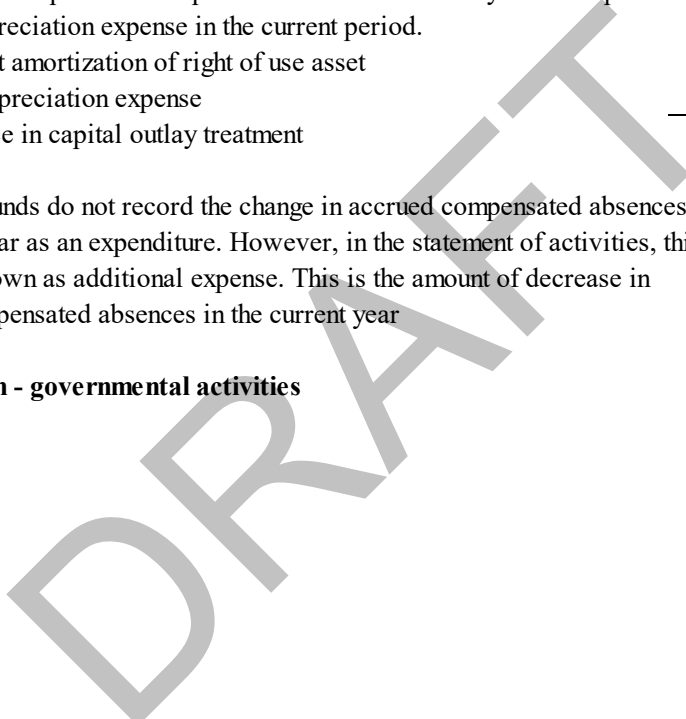
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Net amortization of right of use asset	(407)	
Depreciation expense	(3,263)	
Net difference in capital outlay treatment		(3,670)

Governmental funds do not record the change in accrued compensated absences during the year as an expenditure. However, in the statement of activities, this change is shown as additional expense. This is the amount of decrease in accrued compensated absences in the current year

11,089

Change in net position - governmental activities \$ 878,542



Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

1. Organization

Southwestern Water Conservation District (the District), operates under Colorado Revised Statute 37-47-101 et seq., which outlines the District's statutory authority and powers. Southwestern Water Conservation District (the District) was created in 1941 for the protection, conservation, use, and development of the water resources of the San Juan and Dolores Rivers and their principal tributaries. The District is comprised of the counties of San Miguel, Dolores, Montezuma, Archuleta, San Juan, La Plata, and portions of Hinsdale, Mineral, and Montrose counties. The District operates under a Board of Directors form of government and the directors are appointed by County Commissioners of the counties within the District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, the District's ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Southwestern Water Conservation District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the District (the primary government) and its component units. Component units are legally separate organizations for which the appointed officials of the primary government are financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. Based upon the foregoing criteria, there are no component units included in the accompanying financial statements.

2. Summary of Significant Accounting Policies

This summary of the Southwestern Water Conservation District's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

2. Summary of Significant Accounting Policies (continued)

related cash flows. Fiduciary funds and component units that are fiduciary in nature are not included in the government-wide financial statements.

Property taxes are recognized as revenues in the year they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and liabilities are included on the balance sheet, and the fund balance includes only spendable resources. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both "measurable and available." Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

Expenditures are recorded when a liability is incurred as under modified accrual accounting. Capital asset acquisitions are reported as expenditures in governmental funds.

The District has one governmental fund:

General Fund - The general fund is the District's primary operating fund. It accounts for all financial resources of the general government.

New Accounting Pronouncements

Statements with a 2025 implementation: No. 102, "Certain Risk Disclosures." – No impact

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

On or before October 15, the District manager submits to the Board a proposed budget for the next fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. State law requires that the District adopt a budget prior to the certification of its mill levy to the county and file a certified copy of its budget with the Division of Local Government within 30 days of such adoption. Failure to do so can result in the County Treasurer withholding future property tax revenues pending compliance by the District. The District filed the certified copy of its budget timely for 2025.

Budget appropriations lapse at the end of each year.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

Certificates of Deposit

During the year, the District invested in seven certificates of deposits, which are listed at fair stated value as of December 31, 2025.

Capital Assets

Capital assets, which include office equipment and other equipment, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$2,500. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight line method over the estimated useful lives. Furniture and equipment are depreciated over 5 to 10 years. Office improvements are depreciated over 7 to 15 years.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense or expenditure) until then. The District does not have any items that qualify for reporting in this category.

The government reports both deferred inflows, which arise under the full accrual and modified accrual basis of accounting. Deferred property taxes are reported as a deferred inflow for both the governmental activities presentation and governmental funds balance sheet. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced.

Compensated absences

The liability for compensated absences reported in the government-wide financial statements consists of unused paid time off (PTO) and sick time, based on the employee's length and hours of service. The maximum of 80 (PTO) hours of unused time may carryover into the next year. At year end, the estimated value of compensated absences expected to be used was \$4,041.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Accrued liabilities and long-term obligations

All payables and accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, and are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year.

Allowance for Uncollectible

No allowance for uncollectibles has been provided because the District's receivables are property taxes, and the County Treasurer is empowered to file liens on properties where delinquencies exist. Accordingly, the District believes any delinquencies will eventually be paid.

Reserves

The District records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use. The following is a list of reserves used by the District and a description of each:

Reserved for Emergencies - An account used to reflect equity of the District which is restricted for emergency purposes by the Tabor Amendment of the State of Colorado Constitution. "Emergency" excludes economic conditions, revenue shortfalls, or District salary and fringe benefit increases.

Revenue Recognition - Property Taxes

The District's property taxes, levied by December 15, on assessed valuation as of the preceding January 1, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, 2) one-half on or before February 28, and the remaining one-half on or before June 15. All unpaid taxes levied for the preceding year become delinquent June 16.

Property taxes are reported as a receivable and as deferred inflows of resources when the District has an enforceable legal claim to the taxes and as revenue when available for collection in the following year.

Revenue Recognition – Specific ownership taxes

Specific ownership taxes are collected for motor vehicles and other personal property registered in the District's assessment area. Specific ownership taxes are recorded as revenue when collected by the County in which the property was purchased.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Fund Equity

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints.

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation. For the year ended December 31, 2025, the total fund balance restricted was \$42,200.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. For the year ended December 31, 2025, the total fund balance committed was \$30,000.
- The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

Subsequent Events

The District has evaluated subsequent events through June 18, 2026, the date which the financial statements were available to be issued.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

3. Stewardship, Compliance and Accountability

The District adopts an annual budget for the General Fund. All annual appropriations lapse at fiscal year-end. The District does not report encumbered balances as of December 31, 2025 as all encumbrances lapse at year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds.
- On or before October 15, the District's management submits to the Board a proposed budget for the next fiscal year commencing the following January 1.
- The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Directors to obtain citizen comments.
- Prior to December 15, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

State law requires that the District adopt a budget prior to the certification of its mill levy to the county and file a certified copy of its budget with the Division of Local Government by December 15. Failure to do so can result in the County Treasurer withholding future property tax revenues pending compliance by the District. The District filed the certified copy of its budget timely for 2025.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. The annual budget is presented on the modified accrual basis of accounting that is consistent with generally accepted accounting principles.

4. Cash and Investments

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

4. Cash and Investments (continued)

A summary of deposits and investments as of December 31, 2025 follows:

Deposits with financial institutions	\$ 1,616,917
Investments	4,847,457
Total cash and investments	<u>\$ 6,464,374</u>

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- obligations of the United States and certain U.S. government agency securities,
- certain international agency securities,
- general obligation and revenue bonds of U.S. local government entities, bankers' acceptances of certain banks,
- commercial paper,
- written repurchase agreements collateralized by certain authorized securities,
- certain money market funds,
- guaranteed investment contracts, and
- Participation with other local governments in pooled investment funds ("trusts"). These trusts are supervised by participating governments and must comply with the same restrictions on cash deposits and investments. The District participates with Colorado Local Governmental Liquid Asset Trust ("COLOTRUST") pooled funds.

COLOTRUST

As of December 31, 2025, the District invested in the Colorado Local Governmental Liquid Asset Trust ("COLOTRUST"), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value ("NAV") of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. COLOTRUST Plus+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the next asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAM by Standard & Poor's. At December 31, 2025, the District had \$1,177,051 invested in COLOTRUST PLUS+.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

4. Cash and Investments (continued)

In accordance with the Fair Value Measurements of GASB, assets and liabilities are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobserved assumptions reflect the District's own estimates of assumptions that market participants would use in pricing the asset or liability.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the District's assessment of the quality, risk, or liquidity profile of the asset or liability.

Debt securities and brokered certificates of deposit are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 1 securities include those traded on an active exchange as well as other U.S. government securities that are traded by dealers or brokers in active over-the-counter markets.

All brokered CDs and U.S. Government agencies held at December 31, 2025 were Level 1. Non-brokered CDs held at December 31, 2025 are Level 2.

In 2025, available-for-sale debt securities and brokered certificates of deposit are reported at fair market value based on quoted prices in active markets. The cost of debt securities and brokered certificates of deposit and their approximate fair values at December 31, 2025 are as follows:

Southwestern Water Conservation District
Notes to Basic Financial Statements
December 31, 2025

4. Cash and Investments (continued)

<u>2025</u>	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Brokered Certificate of Deposit	\$ 1,218,015	\$ 2,536	\$ (592)	\$ 1,219,959
U.S. Government Agencies	1,950,011	2,082	(1,646)	1,950,447
COLOTRUST	1,177,051	-	-	1,177,051
Non-brokered Certificate of Deposit	500,000	-	-	500,000
	<u>\$ 4,845,077</u>	<u>\$ 4,618</u>	<u>\$ (2,238)</u>	<u>\$ 4,847,457</u>

Change in unrealized holding gains (losses) for debt securities and brokered certificates of deposits during 2025 was \$2,380 and is included in Unrealized gains/losses related to available-for-sale debt securities and brokered CDs, displayed in the Statements of Activities and Revenues, Expenses, Changes in Fund Balance.

The following is a summary of maturities of investments classified as brokered certificates of deposit and government agencies:

	<u>Amortized Cost</u>	<u>Fair Value</u>
Amounts maturing in:		
One year or less	\$ 728,007	\$ 728,250
After one year through 5 years	2,440,019	2,442,156
	<u>\$ 3,168,026</u>	<u>\$ 3,170,406</u>

The following is a summary of investments classified as brokered certificates of deposit and government agencies:

Interest and dividends: Money Market	\$ 41,610
Interest and dividends: Brokered CDs	95,051
Interest and dividends: Non-Brokered CDs	20,701
Interest and dividends: Cash	8,775
	<u>\$ 166,137</u>

Asset-backed securities have a variable maturity date. Unrealized losses at December 31, 2025 were due to fluctuations in the market interest rates. Management has the ability to hold these investment securities until the fair value or unamortized cost is recovered.

Management evaluates securities for credit losses on a regular basis. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the District to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

4. Cash and Investments (continued)

Interest Rate Risk – In accordance with its investment policy, the District manages its exposure to declines in fair value by limiting investments in U.S. Treasuries and Certificates of Deposit to an original maturity of five years or less.

Credit Risk – The District’s investment policy limits investments to U.S. Treasury obligations, Certificates of Deposit, corporate bonds, other investment instruments and local government investment pools approved by the Board of Directors.

Concentration of Credit Risk – It is the policy of the District to diversify its investment portfolio to eliminate risk of loss resulting from over concentration of assets in a specific maturity, a specific class, and specific issuer of securities. The District policy includes cash deposits in the total portfolio when determining concentration of investments.

5. Capital Assets

A summary of changes in capital assets for December 31, 2025 follows:

	Balance December 31, 2024	Additions/ (Deletions)	Adjustments/ Transfers	Balance December 31, 2025
Capital assets, not being depreciated:				
Land	\$ 62,000	\$ -	\$ -	\$ 62,000
<i>Total capital assets, not being depreciated</i>	<u>62,000</u>	<u>-</u>	<u>-</u>	<u>62,000</u>
Capital assets, being depreciated:				
Furniture and equipment	36,366	-	-	36,366
Office improvements	14,905	-	-	14,905
<i>Total capital assets, being depreciated</i>	<u>51,271</u>	<u>-</u>	<u>-</u>	<u>51,271</u>
Less accumulated depreciation:	<u>(44,659)</u>	<u>(3,263)</u>	<u>-</u>	<u>(47,922)</u>
<i>Total capital assets, being depreciated, net</i>	<u>6,612</u>	<u>(3,263)</u>	<u>-</u>	<u>3,349</u>
<i>Capital assets, net</i>	<u>\$ 68,612</u>	<u>\$ (3,263)</u>	<u>\$ -</u>	<u>\$ 65,349</u>
<i>Right of use asset, net</i>				
Right of use asset	\$ 124,859	\$ -	\$ -	\$ 124,859
Accumulated amortization	<u>26,952</u>	<u>24,139</u>	<u>-</u>	<u>51,091</u>
<i>Right of use asset, net</i>	<u>\$ 97,907</u>	<u>\$ (24,139)</u>	<u>\$ -</u>	<u>\$ 73,768</u>

Depreciation expense for the year ended December 31, 2025 was \$3,263.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

6. Property Tax Receivable

The District reports deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$1,903,093 of property taxes receivable is unavailable revenue representing property tax levied in 2025 but not available until 2026.

7. Lease Agreement

In 2018, the District entered a five-year lease commencing November 1, 2018, terminating on October 31, 2023, for the business office in the West Building, located at 841 E 2nd Avenue in Durango. Lease payments are made monthly with a base amount plus their proportionate share of utilities. The lease was renewed effective November 1, 2023 for another five years. This lease is required to be reported in accordance with the requirements of GASB 87, Leases, which requires that the District recognize a right of use asset and liability for the present value of the future lease payments.

The District's base rent expense for the lease was \$26,557 and included the District's proportionate share of the office's monthly janitorial service, electric, water, sewer, trash, gas charges, storage space, and parking space rentals. Annually the base rent will increase two percent through the lease term. The present value of the right of the lease liability is determined using the five-year constant maturity which is 3.84%.

	Balance December 31, 2024	Payments/ Deletions	Adjustments/ Transfers	Balance December 31, 2025
<i>Long-term liability</i>				
<i>Lease liability</i>	\$ 98,928	\$ (23,732)	\$ -	\$ 75,196
<i>Long-term liability</i>	\$ 98,928	\$ (23,732)	\$ -	\$ 75,196

As of the reporting date, the remaining lease term with total minimum lease payments including interest as of December 31st are as follows:

Year ended December 31,	Principal	Interest	Total
2026	\$ 25,148	\$ 2,358	\$ 27,506
2027	26,630	1,365	27,995
2028	23,418	337	23,755
	\$ 75,196	\$ 4,060	\$ 79,256

Right of use for the lease at year ended December 31, 2025 was \$73,768.

Southwestern Water Conservation District

Notes to Basic Financial Statements

December 31, 2025

8. Retirement Plan

The District has a 457b retirement plan for full-time employees. It is a defined contribution plan and is administered by Lincoln Financial Group. The District will match employee contributions to the plan up to 5% of the employee's annual salary. The contributions into the Plan are fully vested immediately, foregoing any purpose for forfeitures. The District contributed \$12,417 during the year ended December 31, 2025.

9. Colorado TABOR

In November 1992, the people of the State of Colorado passed an amendment to the State's constitution (Article X, Section 20) known as the Taxpayer's Bill of Rights (TABOR), which was effective December 31, 1992. TABOR's intended purpose was to reasonably restrain the growth of government by imposing spending and revenue limits on the state and any local government, excluding enterprises. Provisions of TABOR require, among other things, that:

- Each district shall reserve for use in declared emergencies 3% of its fiscal year spending (as defined by TABOR) excluding bonded debt service, and this amount is set aside as part of reserved fund balance, called "declared emergencies".
- If revenue from sources not excluded from fiscal year spending exceeds the limits prescribed by TABOR in dollars for that fiscal year, the excess shall be refunded in the next fiscal year unless voters approve a revenue change as an offset. Revenue collected, kept, or spent illegally since four full fiscal years before an individual or class action enforcement suit is filed shall be refunded with 10% annual simple interest from the initial conduct.
- With minor exceptions, advance voter approval is required for any new tax, tax rate increase, or mill levy above that for the prior year or creation of any multiple-fiscal year direct or indirect district debt or other financial obligation without certain cash reserve amounts or a non-appropriation clause contained within the legal.

At December 31, 2025, the District had restricted \$42,200 in the General Fund for declared emergencies.

10. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in

Southwestern Water Conservation District
Notes to Basic Financial Statements
December 31, 2025

10. Risk Management (continued)

any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property and public officials liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

The Pool issues a publicly available annual financial report that includes financial statements and supplementary information. That report may be obtained by calling the Colorado Special District Association at 303-863-1733 in the Denver metro area and 1-800-886-1733 from outside the metro area.

11. Claims and Litigation

The District is unaware of any pending or threatened litigation that might have a material effect on the financial statements.

12. Subsequent Events

The District has evaluated subsequent events through June 18, 2026, the date which the financial statements were available to be issued. There were no material subsequent events that required additional disclosure in the financial statements.

Required Supplementary Information

DRAFT

SOUTHWESTERN WATER CONSERVATION DISTRICT
Statement of Revenue, Expenditures and Changes in Funds Available
Budget and Actual (Budgetary Basis)
For the Year Ended December 31, 2025

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenue			
Taxes			
Property taxes	\$ 1,825,216	\$ 1,797,836	\$ (27,380)
Special ownership and other taxes	120,000	140,953	20,953
Interest and penalties	31,200	33,651	2,451
Interest income	150,000	166,137	16,137
Water information program	46,735	50,860	4,125
Stream gaging	44,914	44,914	-
Other local sources	12,500	47,868	35,368
Total Operating Revenue	<u>2,230,565</u>	<u>2,282,219</u>	<u>51,654</u>
Expenditures			
General government			
Board expense	\$ 40,000	\$ 32,969	\$ 7,031
Administration			
Personnel	307,970	305,846	2,124
County treasurer's fees	59,292	52,373	6,919
Other services	26,500	16,713	9,787
Rent	34,500	33,508	992
Dues and subscriptions	17,100	18,398	(1,298)
Supplies	11,000	9,837	1,163
Professional and technical services	15,500	16,485	(985)
Capital outlay	5,000	-	5,000
Water conservation activities			
Legal	350,520	200,180	150,340
Other district support	265,000	65,797	199,203
San Juan recovery program user committee	56,560	56,560	-
Engineering	250,000	139,370	110,630
Stream gaging - federal	102,293	134,931	(32,638)
Lobbying	80,778	71,743	9,035
Weather modification	80,000	64,039	15,961
Water education	74,250	50,129	24,121
Stream gaging - Colorado	2,640	2,400	240
Other technical services	150,000	18,395	131,605
Water information program	97,960	124,584	(26,624)
Total Operating Expenses	<u>2,026,863</u>	<u>1,414,257</u>	<u>612,606</u>
Operating Income (Loss)	<u>203,702</u>	<u>867,962</u>	<u>664,260</u>
Non-operating Revenues (Expenses):			
Unrealized gain/(loss)	-	3,161	(3,161)
Net Non-operating Revenues (Expenses)	<u>-</u>	<u>3,161</u>	<u>(3,161)</u>
Net Change in Funds Available	<u>203,702</u>	<u>871,123</u>	<u>661,099</u>
Funds Available - beginning of the year, as restated	<u>5,737,565</u>	<u>5,398,315</u>	<u>(339,250)</u>
Funds Available - end of the year, budgetary basis	<u>\$ 5,941,267</u>	<u>\$ 6,269,438</u>	<u>\$ 321,849</u>

June 18, 2026

To the Board of Directors and Management
Southwestern Water Conservation District

We have audited the financial statements of the business-type activities of Southwestern Water Conservation District (the "District") for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 18, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of the depreciable lives and estimated residual value of property and equipment is based on prior management experience. We evaluated the key factors and assumptions used to develop the depreciable lives and estimated residual value in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Please see attached list of adjustments for which Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 18, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Southwestern Water Conservation District's auditors.

During the course of the audit, we presented management with the following recommendations:

- The process of year-end reconciliations should be revisited and possibly enhanced. During our testing procedures, there were instances of balance sheet accounts that were determined that the current accounting procedures may not be adequate over month-end reconciliations and reviews to ensure balances are recorded in accordance with GAAP. We recommend the District review and enhance year-end processes, including balance sheet reconciliations and reclass entries on the following areas:
 - The process of recording certificate of deposits at fair value can be improved by performing a monthly reconciliation between the monthly statements and the general ledger balance.
 - The process of reconciling accounts receivable to the AR aging can be improved by performing a self-review on reconciling items, and their mathematical accuracy, between the system schedule and the general ledger balance.

Other Matters

We were engaged to report on the supplementary information, as listed in the table of contents, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Haynie

June 18, 2026

Haynie
1221 West Mineral Avenue, Suite 202
Littleton, CO 80120

This representation letter is provided in connection with your audits of the financial statements of Southwestern Water Conservation District, which comprise the respective financial position of the business-type activities as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 18, 2026, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 10, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

- b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 17) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 20) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, and fund balance or net position.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have appropriately identified, recorded, and disclosed all leases in accordance with [GASBS No. 87](#) .
- 24) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with [GASBS No. 96](#) .
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior

management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

- 28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 29) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 32) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#) , as amended.
- 33) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 42) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the supplementary information:
 - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period,

and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

- b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____

Signature: _____

Title: _____

Title: _____



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

Developing and Conserving the Waters in the
SAN JUAN AND DOLORES RIVERS AND THEIR TRIBUTARIES
West Building – 841 East Second Avenue
DURANGO, COLORADO 81301
(970) 247-1302

BOARD MEMORANDUM

From: Steve Wolff & Josh Brooks

Subject: Agenda Item 10.1 – Durango Crossings Project, Durango Urban Renewal Authority

Date: June 11, 2026


The City of Durango, via the Durango Urban Renewal Authority (DURA), has brought forward another project that could impact the revenue the District receives from La Plata County. These types of projects divert property tax revenue generally collected by other entities (SWCD), and use the funds for a local project deemed important to the local community. The District has been approached on two previous projects put forth by the DURA, but in both cases agreed to refund on an annual basis all funds that were diverted.


District staff (including Beth Van Vurst) have met with representatives from DURA and the developer to discuss the project. Impacts to District revenues over the term of the project (25 years) is hard to fully assess, but we believe it has the potential to be significantly more than what DURA represented to us when we met and in their documentation.

The District and DURA need to negotiate an intergovernmental agreement, in accordance with C.R.S. § 31-25-107(9.5)(a). The deadline for this agreement to be signed is on July 17th, 2026. My impression is that DURA may not be willing to reimburse the District for diverted revenue this time. Beth will have to cover the legal options/process relative to this scenario.



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Durango, CO 81301

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Tommy.Crosby@DurangoCO.gov 

www.DurangoCO.gov/URA 

Durango Renewal Partnership

Southwestern Water Conservation District
841 E. Second Avenue
Durango, Colorado 81301

RE: Durango Renewal Partnership – Durango Crossings Urban Renewal Plan

Dear Mr. Wolff:

This letter is my request for a meeting to discuss the Durango Renewal Partnership's ("Authority") plans for the Durango Crossings Urban Renewal Area. We are very excited about the potential to redevelop this area to improve and address blighted conditions.

In 2015 and 2016, the Colorado General Assembly passed House Bill 2015-1348 and Senate Bill 2016-177. In addition to a collaborative approach between the Authority, La Plata County, school districts and special districts via additional seats on the Authority Board, the changes to the law include negotiation of an intergovernmental agreement with each taxing body levying mills within the proposed Durango Crossings Urban Renewal Area governing the sharing of incremental property tax revenue. The agreement must address "estimated impacts of the urban renewal plan on county or district services associated solely with the urban renewal plan." C.R.S. § 31-25-107(9.5)(a).

For clarity of the parties, this letter is to notify you of the commencement of the 120 day time period for the Authority and the Southwestern Water Conservation District to negotiate the intergovernmental agreement, in accordance with C.R.S. § 31-25-107(9.5)(a). For your calendaring purposes, this means that the time period concludes on July 17th, 2026.

While this letter is the official start of our formal discussions, we recognize that it is only the beginning and that you may have questions. Enclosed herewith are copies of the draft Durango Crossings Urban Renewal Plan and draft Durango Crossings Urban Renewal Plan Impact Report.

Our goal is to conclude our discussions as quickly as possible, so that the Durango Crossings Urban Renewal Plan may be considered by the City Council of the City of Durango.

Please let me know if there is anything we can do to assist in your analysis of our proposal. We look forward to our meeting.

Thank you for your consideration of this request.

Tommy Crosby

Economic Opportunity Manager

Durango Renewal Partnership

Tommy.Crosby@DurangoCO.Gov

940-764-7135



PIONEER
DEVELOPMENT
COMPANY

we find the way

Durango Crossings Urban Renewal Plan Impact Report

Durango Renewal Partnership

3/6/2026



March 6, 2026

City of Durango, Colorado

Dear City of Durango Urban Renewal Authority Board,

The Durango Crossings Urban Renewal Plan's Impact Report is intended to satisfy the requirements outlined in Colorado's Urban Renewal Law, C.R.S. 31-25-107(3.5)I-V and C.R.S. 31-25-107(9.5). According to Statute, the Urban Renewal Impact Report is a supplementary document to the Urban Renewal Plan required if tax increment financing (TIF) is to be utilized in the project area for renewal activities. The City of Durango is considering creating a new Urban Renewal Plan that includes the Durango Crossings Project. The urban renewal plan's purpose is to remediate blighting conditions, leverage tax increment financing, and help increase the proposed project's affordable and attainable housing. Durango Crossings is a mixed-use development that will feature both for-sale and for-rent residential units. The project is located, in part, on city owned property and must meet affordability thresholds set by the City. The Urban Renewal Plan will help increase the project's affordability targets above these thresholds and further ensure Durango Crossings financial feasibility. This assumption was analyzed and confirmed in a separate Feasibility Study. The proposed Urban Renewal Plan intends to authorize TIF within the project area and therefore requires an Impact Report.

This Impact Report meets the requirements defined by C.R.S. 31-25-107(3.5)I-V and C.R.S. 31-25-107(9.5), and has been designed to provide the City of Durango, the Durango Renewal Partnership (Authority) and its taxing entity partners with a realistic forecast of property and sales tax increment that will be generated via blight remediation, investment attraction and development. This report's forecast is informed by the project's site plan, pro forma and market studies. This information is supplemented by interviews with the development team, City Staff, and taxing entity representatives. The forecasts are intentionally designed to be conservative estimates. All forecasts represent a "maximum impact scenario," meaning that both property and sales tax increment is quantified, and all possible millage rates and sales tax rates have been leveraged towards increment generation. This shows the Plan's maximum possible increment generation and provides each taxing entity with a maximum impact assessment.

The report's goal is to provide the City of Durango and the Authority with a realistic forecast to better inform negotiations with impacted taxing entities and ensure that the Durango Crossings Urban Renewal Plan succeeds in bringing about the renewal expected by the community.

Sincerely,
Andrew Arnold
Founder | Principal
Pioneer Development Company
Durango, Colorado

CC: Tommy Crosby

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Executive Summary

Durango Crossings Urban Renewal Plan Impact Report:

The City of Durango is in the process of forming its third Urban Renewal Plan area (Plan). The Plan will include the Durango Crossings project, a mixed-use development that is being proposed immediately south of Florida Road at its intersection with County Road 250. The Durango Crossings Project represents a public private partnership (P3) between a private developer and the City of Durango. This P3 would develop the City's largest workforce housing project, providing for-sale and for-rent residential units priced for specific Area Median Income levels. The Durango Crossings project is ~12.3 acres and encompasses 20 parcels within the City of Durango's municipal limits.

The city acquired eleven parcels within the Project area in the late 1990's and the early 2000's. The City of Durango issued a Request for Qualifications (RFQ) in 2022 to identify housing developers that could leverage the City-owned property into attainable housing opportunities for the community. After a developer was selected as a partner in 2023, the City of Durango's Comprehensive and Future Land Use zones were subsequently amended to allow higher density residential and mixed-use development throughout the project area. The partnering developer has also assembled parcels adjacent to the city owned properties to expand the development concept. This concept would help realize the City's original plan for a road connection, while also creating workforce housing options.

Durango Crossings includes 169 residential units as a mix of for-rent apartments, and for-sale condominiums and townhomes. The development will also include ~23,381 square feet of commercial uses (16,911 SF retail and 6,470 SF office). The City's RFQ listed specific "developer commitments" for affordability/attainability that are outlined below:

- **A minimum of 50% of the residential units shall be offered for sale.**
- **A minimum of 50% of for-sale units shall be deed restricted at an affordable/attainable rate.**
- **A minimum of 50% of rental units shall be rent restricted at an affordable/attainable rate.**
- **The project will contain a mix of affordable/attainable residential units for individuals or households making between 70%-125% of AMI with unit mix and type to be determined. Majority of the units are priced within the 90%-110% AMI range.**

PDC conducted a feasibility study in 2024 to evaluate how an Urban Renewal Plan could impact the proposed development project, which was then updated in March 2026. The studies found that a new Urban Renewal Plan could increase the project's feasibility and overall affordability by lowering infrastructure costs through tax increment financing. The current development program includes 82% attainable residential units and rentals (priced below 120% AMI), exceeding the City's affordable and attainable thresholds laid out in the 2023 RFQ. After reviewing the study's findings, the Durango Renewal Partnership Board signaled its desire to form a new Urban Renewal Plan area around the Durango Crossings project. A Conditions Survey completed April 24th, 2024 found the area eligible for Urban Renewal treatment. An addendum to this Conditions Survey was completed March 5th, 2026. This addendum confirmed that the original blighting factors identified were still present within the proposed plan area. The addendum also expanded the area to include four new parcels along County Road 250.

This Impact Report analyzes the Plan area and forecasts the proposed development's tax generation for 25 years after Plan adoption. The Report forecasts future growth according to the proposed development program, the community's adopted plans and market conditions, and evaluates potential impacts on the City and participating taxing bodies. The City of Durango's community development department assisted in producing this study, which relied on submitted development plans, pro forma and conversations with the development team to refine development projections. The model's projections were tempered according to regional market capacities and

regulatory controls. The Impact Report also analyzed comparable development projects throughout La Plata County and Colorado to further refine its analysis and estimate future development size, quality, value, and timing.

The Impact Report forecasts residential and commercial development within the Durango Crossings Urban Renewal Plan area over the next 25 years. All development is phased according to market absorption rates, and the proposed progression of infrastructure throughout the area. Valuations are derived from market studies conducted by PDC and the development team, comparable properties and current market benchmarks. These values are also adjusted for inflation. The location, type and density for future development is based on submitted development plans and existing zoning.

After modeling the most probable development forecast, this report quantified the Plan's assessed value, property tax, sales tax, demographics, and fiscal impacts. This information provides estimates regarding the amount of tax increment (both property and sales) the Plan will generate over 25 years. Increment estimates are projected for each taxing entity that levies an ad valorem property tax within the Plan area. The Impact Report also estimates the number of new residents and students the Plan area will generate over 25 years. These increment and demographic impacts were used to evaluate potential fiscal impacts on participating taxing entities.

The following section summarizes the Impact Report's conclusion, assumptions, and findings. **Impacts on taxing entities are categorized as either low, medium, or high. Revenue sharing agreements that cause incremental revenue collections (either property or sales/lodging) to exceed 10% of a taxing entity's annual revenues are considered high-level fiscal impacts by this report.** A detailed methodology, impact analysis and recommendations are provided in this Report that elaborate on the Executive Summary's findings:

Conclusion

The Durango Crossings Urban Renewal Plan advances a development vision that the Durango community has clearly advocated for publicly and within its adopted plans. The Plan will facilitate Durango's largest workforce housing project. The 169 units will feature both for-sale and for-rent products that will be affordably priced for households earning below 120% AMI. Durango Crossings will also redevelop blighted property within City limits and provide new commercial amenities within the Florida Road, County Road 250 commercial hub. The project will also contribute to public infrastructure, by extending County Road 250 into the development site and readying that roadway for potential, future connections. This segment may become fully connected to the areas above, providing new circulation between Durango and Fort Lewis College and its surrounding neighborhoods. This combination of blight remediation, strategic public infrastructure extensions, and affordable housing development justifies the Durango Renewal Partnership's consideration of this public-private partnership.

The impact report found minimal fiscal impacts to the Durango Crossings Urban Renewal Plan's participating taxing entities. The Plan's scale, value, incremental revenues, population and students **were found to generate low level impacts on its respective taxing entities.** The Durango Crossings Urban Renewal Plan will facilitate new development that, once completed, will yield a taxable value estimated at ~\$6.2 million. For comparison, the project's assessed value is ~0.7% of the City of Durango's total taxable value. Despite the Plan's low level fiscal and demographic impacts, this Plan will significantly increase the attainable housing stock within the City and County. This public benefit should be considered by participating taxing entities when weighing incremental revenue sharing agreements.

The proposed development will feature new residential units and commercial space. Approximately 67 for-rent apartments, 78 for-sale condominium units, and 24 townhomes will be developed within the Plan area. Approximately 82% of these units will be "attainable", meaning that they are priced at or below 120% Area Median Income. This development will also feature 16,911 SF of commercial retail space and 6,470 SF of office space. The Plan will generate an estimated \$6.7 million in incremental property taxes, \$7.8 million in municipal sales taxes and \$5.1 million in County collected sales taxes over the next 25 years. The residential development will yield 311 new

permanent residents, and approximately 34 new students. This development forecast is not considered significant and is unlikely to create fiscal impacts for specific taxing entities that levy a property tax and/or sales tax in the Plan area.

This report found only low-level fiscal impacts to the City of Durango, La Plata County, the Durango 9R School District, and the other special districts. This report recommends that the Authority advocate for TIF sharing negotiations with these taxing bodies that ensure the Durango Crossings Urban Renewal Plan is successful. The Authority should work collaboratively with these taxing entities to craft TIF sharing agreements that mitigate fiscal impacts while also closing the project's gap funding estimate.

This report recommends the following:

- The Authority and the City of Durango agree to share 100% of the project's incremental property tax and incremental sales tax revenue with the Plan.
- The Authority and the Durango 9R School District agree to share 100% of the total program property tax levy (General Fund) with the Plan but share back the Mill Levy Override and Bond Levy to the Durango 9R School District.
- The Authority and La Plata County agree to share 100% of the general fund, road and bridge, and human services levies with the Plan. The Plan will remit a portion of the County Sales Tax Increment Revenue.
- The Authority and the Animas Mosquito Control District agree to share 100% of the project's incremental property tax revenues with the Plan.
- The Authority and the Animas-La Plata Water Conservation District agree to share 100% of the project's incremental property tax revenues with the Plan.
- The Authority and the Southwestern Water Conservation District agree to share 100% of the property tax levy with the Plan.

The following list and tables summarize the Impact Report's assumptions and findings that underscore this conclusion.

Assumptions:

- The Plan is eligible for Urban Renewal treatment. A conditions survey, completed April 24th, 2024 and amended March 5th, 2026, found that the urban renewal area is eligible for urban renewal activities.
- Residential and commercial absorption rates will follow either the developer's market studies evaluated by this report, or regional market trends when those studies are silent.
- Phasing is expected to proceed in a linear fashion based on these annual absorption rates. Residential development and commercial development are assumed to proceed concurrently.
- All TIF forecasts assume a 100% mill levy commitment from each participating taxing entity. This is to forecast the maximum potential impact of the proposed plan area.
- Property Tax and Sales Tax are assumed to be available for TIF sharing agreements. County Sales Tax is forecast as increment in this report.
- All property within the Plan area will be taxed at an overlapping millage rate of 49.101 in its formation year.
- In instances where underwriting significantly diverges from market benchmarks, this report assumes the underwriting inputs are correct.
- The Durango Crossings Urban Renewal Plan will be successful in remediating blighting conditions present within this area, which will help facilitate new development. New development will be incentivized by the Authority to address community and economic needs, such as attracting residential and commercial development and investment.

Summary Tables and Charts¹:

Durango Crossings - Public Finance Summary					
Development Type	Development Code	Development Description	Units/S.F	Actual Value	Assessed Value
Residential			169	\$67,535,317	\$4,220,957
For Rent Apartments	DX3 and DX5	Multi Family	67	\$21,455,079	\$1,340,942
For Sale Condominiums I	DX1	For Sale	43	\$14,281,255	\$892,578
For Sale Condominiums II	DX2	For Sale	35	\$11,856,763	\$741,048
For Sale Townhomes	DX7	For Sale	24	\$19,942,221	\$1,246,389
Commercial			23,381	\$7,468,226	\$2,016,421
Retail Commercial Space	DX4	Retail	16,911	\$5,775,753	\$1,559,453
Commercial Office Space	DX6	Office	6,470	\$1,692,473	\$456,968
TOTAL				\$75,003,542	\$6,237,378

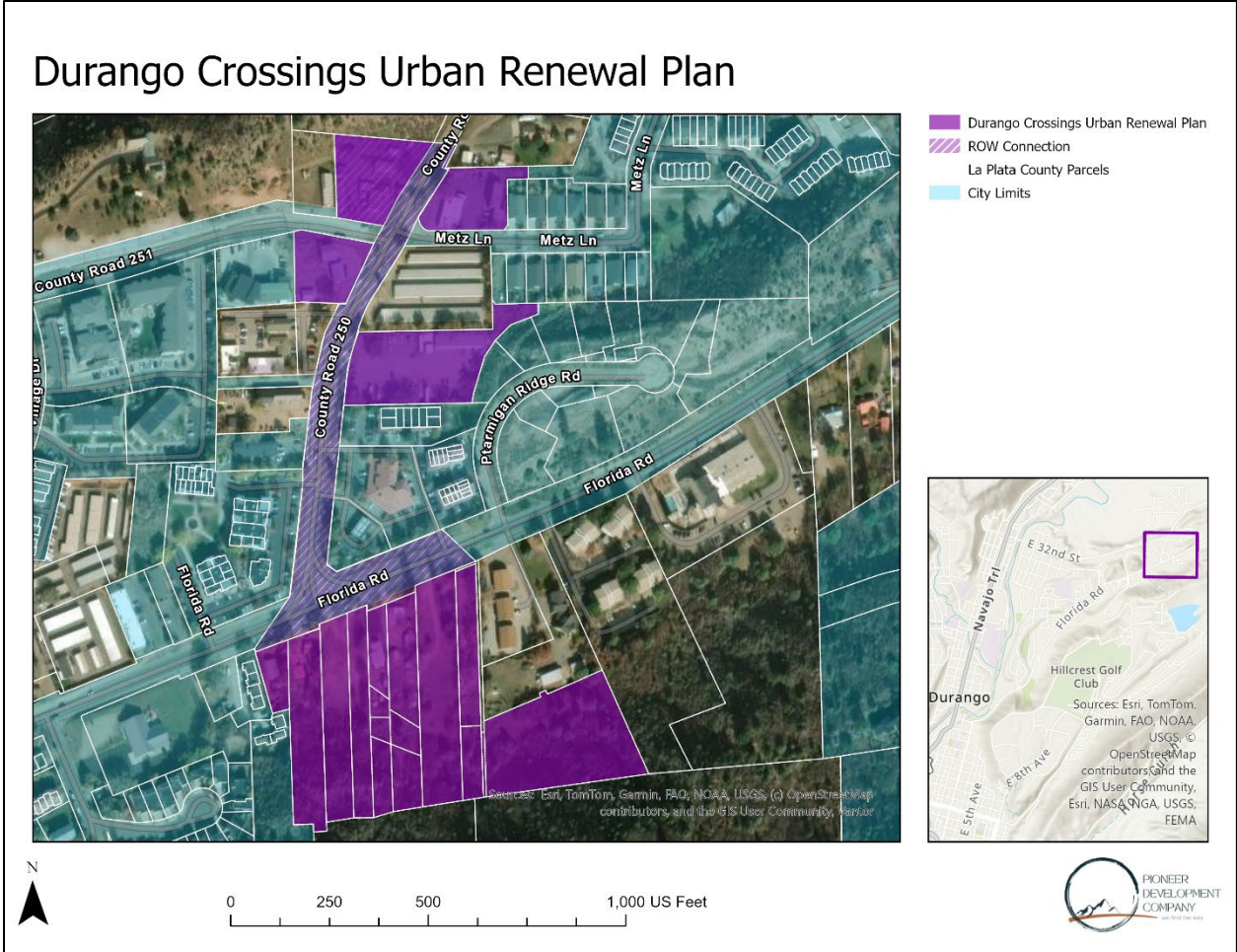
All Development - Public Finance Summary				
Estimated Base Taxable Value (Local Government)	\$1,327,200			
Estimated Base Taxable Value (School District)	\$1,327,200			
Total New Taxable Real Property Value (Local Government)	\$6,237,378			
Total New Taxable Real Property Value (School District)	\$6,777,661			
Net Taxable Real Property Value (Local Government)	\$4,910,178			
Net Taxable Real Property Value (School District)	\$5,450,461			
Total Incremental Assessed Value (Local Gov.)	\$4,910,178			
Total Incremental Assessed Value (School)	\$5,450,461			
Tax Increment Financing Estimates	Term Total	Present Value	Annual Average	Durango
Total	\$19,600,000	\$7,800,000	\$773,000	\$353,000
Property Tax Increment Estimates	\$6,700,000	\$2,700,000	\$257,000	
Property Tax (Local Government)	\$2,400,000	\$1,000,000	\$91,000	\$41,000
Property Tax (School District)	\$4,300,000	\$1,700,000	\$166,000	
Sales Tax Increment Estimates	\$12,900,000	\$5,100,000	\$516,000	
Municipal Sales Tax	\$7,800,000	\$3,100,000	\$312,000	\$312,000
County Sales Tax	\$5,100,000	\$2,000,000	\$204,000	
TOTAL PUBLIC FINANCE ESTIMATES	Term Total	Present Value		
TOTAL	\$19,600,000	\$7,800,000		
Property Tax	\$6,700,000	\$2,700,000		
Sales Tax (Inflation Adj.)	\$12,900,000	\$5,100,000		
GRAND TOTAL	\$19,600,000	\$7,800,000		

¹ Totals may deviate from line items due to rounding.

Urban Renewal Plan Area Value and Tax Generation Comparison

Tax District Name	% District's Total AV	% District's Annual Property Tax	% District's Annual Sales Tax	Impact Assessment
Durango 9R General Fund	0.3%	0.3%	0.0%	LOW
Durango 9R MLO	0.3%	0.3%	0.0%	LOW
Durango 9R Bond Redemption	0.3%	0.3%	0.0%	LOW
La Plata County General Fund	0.2%	0.2%	0.4%	LOW
La Plata County Road and Bridge	0.2%	0.2%	1.7%	LOW
La Plata County Human Services	0.2%	0.3%	0.0%	LOW
City of Durango	0.7%	0.6%	0.8%	LOW
Animas Mosquito Control	0.6%	0.5%	0.0%	LOW
Animas La Plata Water Conservation	0.5%	0.5%	0.0%	LOW
Southwestern Water Conservation	0.3%	0.3%	0.0%	LOW

Durango Crossings Development Urban Renewal Plan Summary



Project Area

The Durango Crossings Urban Renewal Plan includes ~12.3 acres and 20 parcels within the City of Durango’s municipal boundaries. This report used La Plata County GIS and City of Durango GIS Open Data to create GIS maps for the analysis. The Urban Renewal Plan area is located within the City’s northeast quadrant. The Plan area is immediately south of the Florida Road and County Road 250 intersection, and it includes City of Durango owned parcels that originally were purchased to connect this intersection with Jenkins Ranch Road. The Plan area has been strategically drawn to encompass the proposed workforce housing development that is partnering with the City of Durango.

The Durango Crossings developer has assembled the privately owned land and entered into an agreement with the city to construct an affordable housing development. The city will convey publicly owned land to the private developer to advance this affordable housing development goal.

Area Description

The Plan area includes 20 parcels and ~12.3 acres. 49% of the survey area is currently “Tax Exempt” property, and the remaining 51% is assessed either “Residential” or “Commercial”. The subject area’s features are characterized by vacant land and deteriorating structures, steep topography, missing public infrastructure and internal street network, trash and debris, and underutilization. The Plan Area’s statistics are described in the table below:

Urban Renewal Plan - Land Use Summary			
Area Statistics			
Total Acreage (Includes ROW)			12.3
Total Building Improvement SF			17,074
Number of Parcels in Area			20
Assessment Type	Parcel Count	Acreage	Percent Total Acreage
Tax Exempt	11	6.043	49%
Commercial	4	3.82	31%
Residential	5	2.478	20%
Assessed Value			Value
Total Actual Value			\$8,585,460
Total Assessed Value			\$1,327,200

Current Assessment of Plan Area

The Plan area includes 20 parcels. The total equalized assessed value (taxable value) of these parcels, according to the La Plata County Assessor’s database 2025 valuations, is \$1,327,200. This area includes eleven tax exempt parcels, which do not have a taxable value. **The total assessed value of \$1,327,200 is used as the base value within this report.** The Final Base value estimate will be determined by the County Assessor.

Impact Report Methodology

Forecasting Future Growth

The Durango Crossings Development Urban Renewal Plan goal is to incentivize workforce housing and mixed-use development by remediating blighting conditions and spurring new investments in public infrastructure, affordable housing, and community and economic development needs. The Urban Renewal Plan is helping to advance the public private partnership created between the City of Durango and the private developer.

Urban renewal authorities can use a variety of tools to realize these changes, the most powerful being Tax Increment Financing (TIF). TIF is a redevelopment strategy that leverages future tax revenues to incentivize urban renewal activities. Colorado's Urban Renewal Law mandates that urban renewal projects that intend to use TIF for renewal activities submit a supplementary Impact Report that forecasts growth within a proposed renewal area and estimates the impact this growth will have on taxing entities within that area. The report's purpose is to ensure that taxing entities that rely on property tax and, as applicable, sales/lodging tax revenues will not be adversely impacted by the urban renewal project.

Quantifying these impacts requires a forecast of probable growth throughout the project area over the project's lifetime. **The Durango Crossings Development Urban Renewal Plan is expected to last 25 years**, the maximum amount of time permitted by Colorado's Urban Renewal Law for the collection of TIF.

This report projected where and when redevelopment will take place within the Plan area by reviewing the proposed development program, market studies, conceptual development renderings, development pro forma, the City's Comprehensive Plan and Zoning map, and regional development patterns. These resources were synthesized by this report and inform its forecast.

The Durango Crossings development represents the City of Durango's largest workforce housing project to-date. The proposed development project includes 169 residential units as a mix of for-rent apartments, and for-sale condominiums and townhomes. The development will also include ~23,381 square feet of commercial uses (16,911 SF retail and 6,470 SF office). The proposed project is organized into five phases. The Authority is expected to be a key partner in this project, and TIF is vital for making the overall development project feasible and increasing its affordability. The projections made by this impact report have been informed by this perspective and market realities.

The development concept is included as a photo below.



Development History

The Durango Crossings Development Urban Renewal Plan represents a project-specific urban renewal plan that, if successful, will become the City's largest workforce housing development. This project began with the City of Durango issuing an RFQ in 2022. The RFQ sought a private development partner that could develop affordable/attainable housing on city-owned property. The developer was selected in 2023, and the city entered into a public-private partnership to create the proposed workforce housing development. This P3 assumes that the city is providing the parcels it owns to further this development. The remaining parcels have been assembled by the private developer. The specific developer commitments outlined in that RFQ and that are part of this P3 are listed below:

- A minimum of 50% of the residential units shall be offered for sale.
- A minimum of 50% of for-sale units shall be deed restricted at an affordable/attainable rate.
- A minimum of 50% of rental units shall be rent restricted at an affordable/attainable rate.
- The project will contain a mix of affordable/attainable residential units for individuals or households making between 70%-125% of AMI with unit mix and type to be determined. Majority of the units are priced within the 90%-110% AMI range.

The Durango Renewal Partnership was enlisted by the city and developer to explore ways to increase the development's overall affordability, even above the development commitments. The Durango Renewal Partnership evaluated the project area for the existence of blighted area factors that make the project eligible for urban renewal treatment. This Conditions Survey was completed by PDC April 24, 2024. The conditions survey was then amended March 5th, 2026 to include four additional parcels. The Durango Renewal Partnership also evaluated the development's financial pro forma, and estimated the gap funding required to increase the project's overall affordability. The Durango Renewal Partnership encouraged the creation of this Urban Renewal Plan area after reviewing the Feasibility Study results.

Development Program and Assumptions

The Durango Crossings Urban Renewal Plan will remediate blighting factors, extend public infrastructure, and increase housing affordability within the proposed development. The Plan area's boundaries have been strategically drawn to only include the proposed development project. This development is being positioned as an economic catalyst for the City of Durango and a much-needed increase in the City's affordable housing supply. The development will also increase the City's total assessed value, residential units, and commercial space. The development is expected to generate property and sales tax revenues. To accurately forecast these revenues, market benchmarks were analyzed to further evaluate the Plan's assumptions and feasibility.

Interviews with the Development Team and City of Durango Staff informed the Impact Report. The proposed development's pro forma and conceptual development plans were especially important for the analysis. These inputs were used to predict the type, size, time, and value for each development phase. The development assumptions are informed by the development program, market studies on the Plan's specific real estate products, La Plata County Assessor data, and urban renewal best practices. The goal is to anticipate development that is financially and politically feasible, meaning that future development in the Plan area matches the City of Durango's market demands and community interests. The assumptions are cataloged below:

Type of Development –

The Plan area will include residential and commercial development:

The development program includes residentially assessed development that is assumed to be for-sale and for-rent product. The for-sale residential product includes condominiums and townhomes. The for-rent product includes multi-family apartments. This report assumes that the development program will feature 102 for-sale residential units, and 67 for-rent residential units. The report assumes these residential properties are residentially assessed at a 6.25% equalization rate for local government entities and 7.05% for the school district over the Urban Renewal Plan's 25 years for property tax purposes.

The development program also features a commercial use that is to be included within the multi-family structure. The current development program envisions 16,911 square feet of new commercial retail space and 6,470 square feet of office space (23,381 SF total). Although there are no letters of intent regarding a commercial tenant, the developer has connections with retailers and restaurants and is confident that they can find sales tax producing users within this development. Retail sales tax is modeled according to the development program's commercial space and appropriate sales per square foot estimates. This report assumes all commercial development is commercially assessed at a 27.0% equalization rate over the Urban Renewal Plan's 25 years for property tax purposes.

Size of Development –

This report estimated the Plan area development's size (or scale) by analyzing the city's regulatory controls, submitted plans by the developer, and the regional market. This analysis was supplemented by PDC's Feasibility Study. These studies supported most of the assumptions within the developer's pro forma. It should be noted that the project area has been annexed into the city of Durango, and that the proposed uses match the city's future land use categories.

The residential development envisions 169 units. The total unit count includes 67 multi-family (for-rent) apartments, 78 for sale-condominiums, and 24 for-sale townhomes. These residential units' square footage ranges from ~536 SF for studio apartments to 1,400 SF for the townhomes. The average square footage is ~750 SF.

The commercial development program includes approximately 23,381 SF total: 16,911 SF of retail space and 6,470 SF of office space. The retail commercial space is assumed to be retail sales tax producing and is located within the mixed-use development. The office space is income-producing but does not generate retail sales tax.

The following table summarizes the development program, its assessment, description and estimated number of units/sf for each development type:

Durango Crossings - Public Finance Summary (Repeated for Reference)

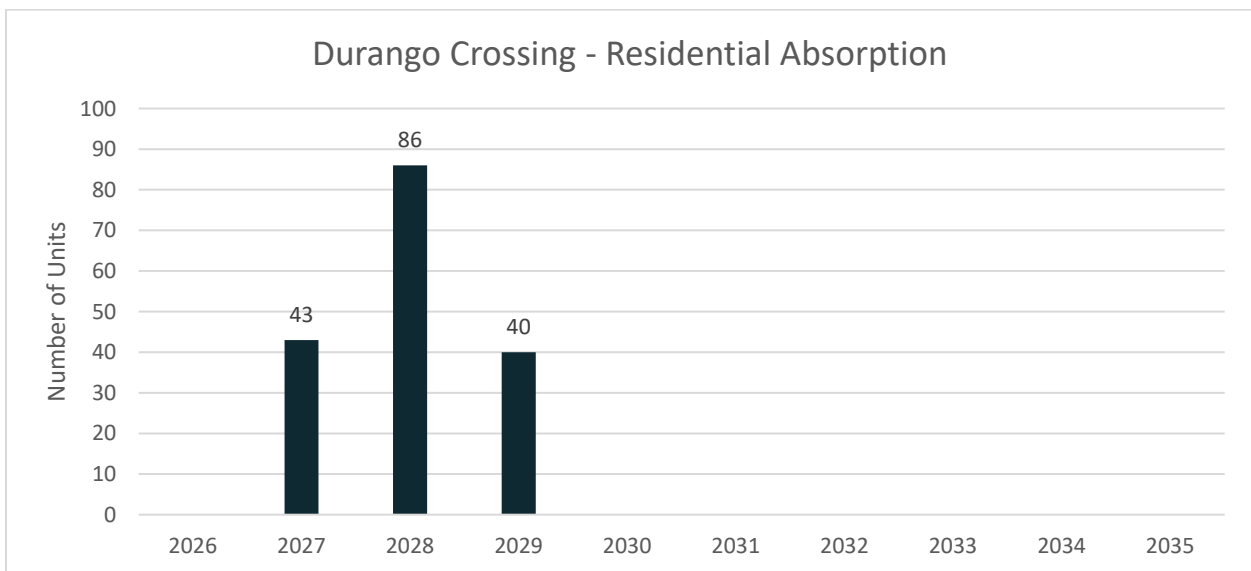
Development Type	Development Code	Development Description	Units/S.F	Actual Value	Assessed Value
Residential			169	\$67,535,317	\$4,220,957
For Rent Apartments	DX3 and DX5	Multi Family	67	\$21,455,079	\$1,340,942
For Sale Condominiums I	DX1	For Sale	43	\$14,281,255	\$892,578
For Sale Condominiums II	DX2	For Sale	35	\$11,856,763	\$741,048
For Sale Townhomes	DX7	For Sale	24	\$19,942,221	\$1,246,389
Commercial			23,381	\$7,468,226	\$2,016,421
Retail Commercial Space	DX4	Retail	16,911	\$5,775,753	\$1,559,453
Commercial Office Space	DX6	Office	6,470	\$1,692,473	\$456,968
TOTAL				\$75,003,542	\$6,237,378

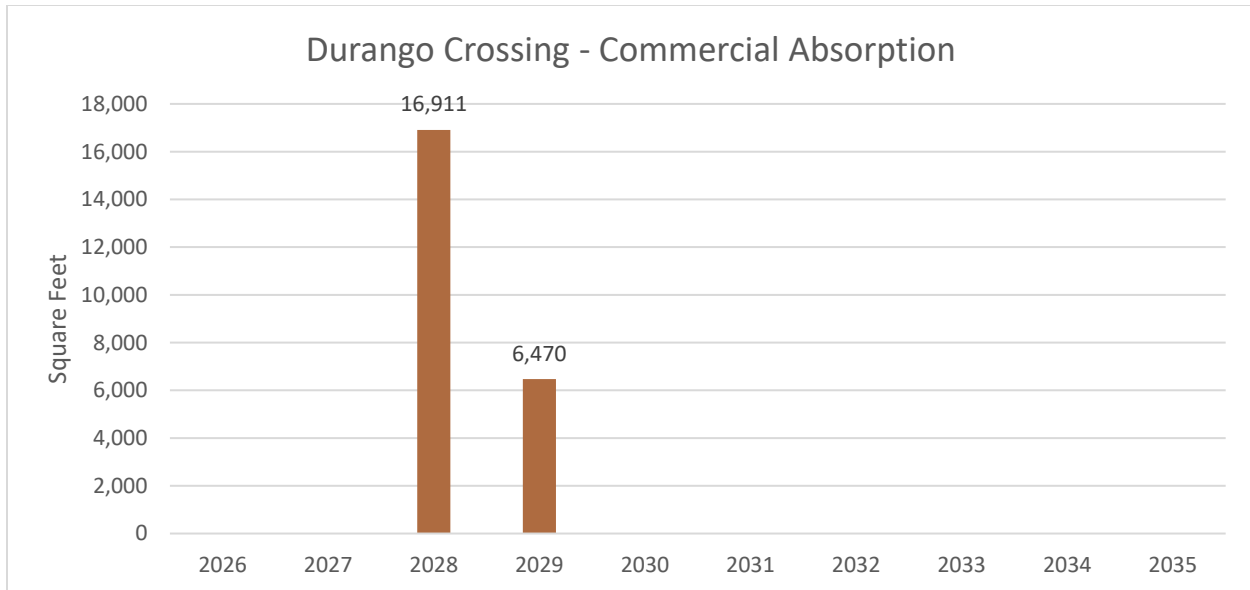
Time of Development –

The projected development’s build-out is limited by market demand and infrastructure costs. Currently, the development program envisions this project beginning in 2026 and completing construction by 2029. The Durango Crossings development is expected to proceed in five phases. Phase 1 and Phase 2 features for-sale condominiums that are expected to be completed between 2027 and 2028. Phase 3 and Phase 4 feature the mixed-use development product, which is expected to be completed between 2028 to 2029. The final phase will feature the Townhome product, which will conclude late 2029.

This report assumes that it will take four years for the proposed development to be fully completed. The absorption forecast has vertical development’s first phase being completed in 2027 and assessed in 2028. The final vertical development will be completed by 2029 and be assessed in 2030.

The following charts illustrate the Plan’s absorption forecast for residential and commercial space. Residential absorption is displayed as units per year, and commercial absorption is displayed as square feet.





Value of Development –

This report estimated the future value of development by evaluating market studies, current assessments of comparable properties, the developer’s pro forma, as well as market benchmarks. Residential units were priced according to the developer’s pro forma and adjusted for inflation. The report used either a cost-based or sales-based approach on the for-sale residential units for all tax forecasts. The multi-family apartments were valued using an income-based approach derived from their average rents, NOI margins, and current market Cap Rates.

The commercial space was appraised by this report using an income-based approach. Market rents were used to estimate effective gross income. Vacancy rates, credit loss, and expenses were then factored to arrive at a net operating income (NOI). Current market benchmarks and investor surveys were reviewed to estimate an appropriate capitalization rate for the real estate product. The NOI and Cap Rate were then used to estimate the market value for the commercial real estate product.

Both residential and commercial development values were inflated by 2% biennially. This report did not reduce market values to project property taxes because of the project’s high percentage of for-sale product and the affordable nature of the development. These assumptions yield a weighted average price per for-sale residential unit of approximately \$452,000 (inflation adjusted), an average monthly rent of \$1,950, and commercial values of approximately \$342/SF for retail and \$262/SF for office. These assumptions were used for all property tax projections.

This report also assumes that all commercial retail space in the plan will generate sales at the City of Durango’s and La Plata County’s tax rates. State sales taxes are not considered by this report.

This report assumes that retail commercial development will generate sales taxes based on the City’s sales tax rate and an average sales per square foot multiplier. This report assumes that the City’s sales tax rate will remain 3.5% over the next 25 years, the County’s sales tax rate will remain 3.00% over the next 25 years and that retail commercial development will average \$400 per square foot in sales (adjusted for inflation).

These assumptions guide this report’s tax increment financing forecasts and impact assessments.

Tax Increment Financing Assumptions

As part of statutory requirements, this report forecasts property and sales tax generation for future development within the Durango Crossings Urban Renewal Plan area. These projections are based on La Plata County's 2025 certified assessments of property and the mill levies associated with the taxing entities that levy an ad valorem property tax within the Plan. The Impact Report assumes 100% revenue sharing agreements at all mill levies. The full list of taxing entities and their associated millage rates are tabulated below:

Taxing District	Mill Levy (Mills)	Rate (decimal)	TIF Agreement %	TIF Eligible Mill Levy
DURANGO 9R SCHOOL DISTRICT (NET TOTAL PROGRAM)	11.60	0.011601	100%	11.60
DURANGO 9R SCHOOL DISTRICT (MLO+ABATEMENT)	7.72	0.007719	100%	7.72
DURANGO 9R SCHOOL DISTRICT (BOND)	10.79	0.010789	100%	10.79
LA PLATA COUNTY GENERAL FUND	7.20	0.007204	100%	7.20
LA PLATA COUNTY ROAD AND BRIDGE	0.71	0.000710	100%	0.71
LA PLATA COUNTY HUMAN SERVICES	0.59	0.000586	100%	0.59
CITY OF DURANGO	8.54	0.008537	100%	8.54
ANIMAS MOSQUITO CONTROL	1.28	0.001277	100%	1.28
ANIMAS LA PLATA WATER CONSERVATION	0.32	0.000322	100%	0.32
SOUTHWESTERN WATER CONSERVATION	0.36	0.000356	100%	0.36
Total Overlapping Millage Rate	49.101		100%	49.101

This report assumes a 100% TIF sharing agreement between impacted taxing entities and the Durango Crossings Urban Renewal Plan. This assumption helps forecast the maximum impact the Plan could have on the City and its partner tax entities. Property tax projections made by this report assume that the number of taxing entities, as well as their millage rates, will remain unchanged over the project's lifetime. This assumption, however, is not a recommended TIF sharing agreement. The TIF sharing recommendations are made in the report's Conclusion and Executive Summary.

Tax Increment assumptions are based on the above mill levies and assume that the project area's starting base value is \$1,327,200. This report projects that both the project base and all future development will appreciate at a rate pegged to inflation. This report assumes that the inflation rate will average 2% over the project's lifetime. This report adjusts the Plan area's base and increment biennially by 2% for TIF projections.

Sales and Lodging Tax Assumptions

Colorado's Urban Renewal Law permits sales tax collected within urban renewal plan areas to be leveraged for tax increment financing.² This report assumes that the City and County sales tax rate is eligible for tax increment financing. The amount of sales tax that can be allocated to an urban renewal project is determined by calculating the amount of sales tax collected within the plan area's boundary over the past 12 months. This is known as the sales tax base. Any revenue in excess of this base generated by the Plan's new improvements is subject to negotiations between the municipality/county and the urban renewal authority.

This report assumes that 100% of the City of Durango's and La Plata County's sales tax generated by new improvements within the Durango Crossings Urban Renewal Plan area will be allocated to the Authority. This assumption is not a tax revenue sharing recommendation but is used to accurately project the project's tax increment revenues. All sales tax calculations have been isolated to only include new retail space within the Plan area. This report assumes that retail space will generate sales tax based on a \$400 sales per square foot estimate. This estimate is derived from conversations with the development team, their projected tenants, and PDC data on Durango retail sales.

The But-For Assumption

The final assumption made in this report is that the development as-proposed would not occur but for the Durango Crossings Urban Renewal Plan and the Authority. The urban renewal plan's goal is to incentivize development through a variety of tools, TIF being just one example, where new investments manifest throughout the Plan area because of the Authority's efforts. All tax increment estimates must therefore be considered as revenue that is generated because of the Authority's efforts to attract and facilitate redevelopment of the Plan area.

The Durango Crossings conditions survey identified seven statutorily defined blighted area factors within the Plan area that impair and arrest sound development. The renewal project will remediate these conditions and bring about development that is desired by the Durango and La Plata County community. Because of this, future incremental revenues should not be considered property tax or sales tax that is diverted from the area's taxing entities. Instead, these incremental revenues should be perceived as a future tax base that would not exist but for the creation of the Durango Crossings Urban Renewal Plan.

² C.R.S. 31-25-107(9)(e)

Tax Increment Financing Summary

This Report forecasts the Plan’s development over the next 25 years and projects its assessed value and taxable revenue. These projections were used to estimate the amount of property tax increment and sales tax increment that will be generated within the Plan area if the urban renewal project is successful. Development projections are based on the methodology outlined in Section Two “Impact Report Methodology.” A Development Absorption and Valuation Table is provided in this Report’s Appendix.

Property Tax TIF Projections

This Report estimated the Durango Crossings Urban Renewal Plan’s future TIF revenue over the next 25 years in accordance with C.R.S. 31-25-107(3.5)I-V. These estimates are used to determine the property tax revenue generated by the Plan’s new developments. This tax revenue is assumed to be the result of the Authority’s efforts to remediate blight and attract new investments within the Plan area.

Property tax increment is estimated by comparing the Plan area’s base value against its projected new improvement value. These assessed values each generate tax revenue based on the current millage rate of taxing entities within the Plan area. The base value’s property tax revenue is not impacted by urban renewal projects or collected as tax increment. The new improvement’s tax revenue, however, is the result of the urban renewal plan. That revenue is labeled as “increment” and legally belongs to the Authority. **The Plan area’s current assessed value is \$1,327,200** This assessed value includes both building improvement values and land values. This assessed value includes all parcels within the Plan area. This current assessed value is known as the Base Value in tax increment financing.

New improvements within the Durango Crossings Urban Renewal Plan area will amount to an additional \$6,237,378 in assessed value for local governments, and \$6,777,661 in assessed value for the school district. This value is not generated at once but is instead phased in during the Plan’s first four years.

This report models new development according to its first assessment year, taxable value, and absorption schedule. It then applies the tax district’s millage rates to both existing and new improvements within the plan area. Tax revenue generated by new improvements is incremental revenue. These revenues can be utilized by the Authority for urban renewal activities within the Plan area.

Incremental revenue is also determined by TIF-sharing agreements signed between the Authority and the impacted entities that levy taxes within the Plan area. This report assumes that all taxing entities have pledged 100% of their millage rates to support the Plan.

This report assumes that all property within the Plan area is within Durango’s city-limits. The following charts and tables illustrate the Durango Crossings Urban Renewal Plan’s 25-Year TIF Projections:

Durango Crossings Urban Renewal Plan TIF Projections

Durango Crossings Urban Renewal Plan - Property TIF Estimates		
Estimated Base Taxable Value (School District)		\$1,327,200
Total New Taxable Real Property Value (Local Government)		\$6,237,378
Total New Taxable Real Property Value (School District)		\$6,777,661
Total Incremental Assessed Value (Local Government)		\$4,910,178
Total Incremental Assessed Value (School District)		\$5,450,461
Annual Property Tax Increment Revenue (25-Year Average)		\$ 257,000³
Total Property Tax Increment Revenue (25 Year Total)		\$6,700,000⁴
	Estimated Real Property Taxes	Estimated Tax Increment ⁵
Taxing District	25 Years	25 Years
DURANGO 9R SCHOOL DISTRICT (NET TOTAL PROGRAM)	\$2,059,000	\$1,658,000
DURANGO 9R SCHOOL DISTRICT (MLO+ABATEMENT)	\$1,370,000	\$1,103,000
DURANGO 9R SCHOOL DISTRICT (BOND)	\$1,915,000	\$1,542,000
LA PLATA COUNTY GENERAL FUND	\$1,179,000	\$896,000
LA PLATA COUNTY ROAD AND BRIDGE	\$116,000	\$88,000
LA PLATA COUNTY HUMAN SERVICES	\$96,000	\$73,000
CITY OF DURANGO	\$1,398,000	\$1,062,000
ANIMAS MOSQUITO CONTROL	\$209,000	\$159,000
ANIMAS LA PLATA WATER CONSERVATION	\$53,000	\$40,000
SOUTHWESTERN WATER CONSERVATION	\$58,000	\$44,000
TOTAL	\$8,453,000	\$6,665,000

³ TIF Estimate is rounded

⁴ Estimate is rounded and therefore may deviate from tables within report.

⁵ All Tax Increment estimates have been rounded down.

Sales Tax TIF Projections

Colorado’s Urban Renewal Law permits urban renewal authorities to collect sales and lodging tax as a source of incremental taxable revenue. This includes both municipalities and counties. This report assumes that the Plan will utilize sales tax revenue as a potential source of TIF revenue.

Sales Tax (Retail Sales Tax)

Future sales tax was quantified by first estimating new commercial-retail square footage within the Plan area. Similar commercial retail developments in the local market area were then evaluated, and their square footage compared to annual sales. This value was used to estimate average sales per square foot multiplier for the Plan area. The analysis conservatively estimates that retail space will generate a weighted average of \$400 sales per SF annually. The summary of these inputs and their estimated sales tax generation are listed in the table below.

City of Durango Sales Tax Estimates	
New Retail Space (25-Years)⁶	16,911 Square Feet
TIF Eligible Sales Tax Rate	3.5% ⁷
Estimated Sales Per SF	\$400.00
Estimated Sales Tax Increment (Gross)	\$7,800,000
Estimated Sales Tax Increment (Annual Average)	\$312,000
Percent of Annual Sales Tax Collections (City)⁸	0.77%

La Plata County Sales Tax Estimates	
New Retail Space (25-Years)	16,911 Square Feet
TIF Eligible Sales Tax Rate	3.0% ⁹
County Effective Sales Tax Rate (Modeled)	2.27% ¹⁰
Estimated Sales Per SF	\$400.00
Estimated Sales Tax Increment (Gross)	\$5,100,000
Estimated Sales Tax Increment (Annual Average)	\$204,000
Percent of Annual Sales Tax Collections (County)¹¹	0.3%

⁶ Sales tax estimates are rounded and adjusted for inflation.

⁷ This report models sales tax collected at the City’s General Tax Rate (2.0%), as well the sales tax dedicated to special funds that account for another 1.5%.

⁸ Estimate compares the Plan’s projected non-lodging sales tax generation with the City’s total sales tax collections.

⁹ La Plata County Sales Tax Rate

¹⁰ La Plata County effective sales tax rate after deducting joint sales tax percentages earmarked for local municipalities. This report models sales tax increment on the County’s effective rate.

¹¹ Estimate compares the Plan’s projected non-lodging sales tax generation with the County’s 2026 total sales tax collections.

Taxing Entity Impacts

Assessing an urban renewal plan's impact on partnering taxing entities requires careful consideration of the revenue, services and infrastructure required to achieve that Plan's goals. The Plan's purpose must also be considered relative to these potential impacts. In addition to remediating blighting conditions, an urban renewal plan is designed to bring about a public good, either in the remediation of blighting factors, attracting new investment to an underutilized community area, the procurement of public amenities or infrastructure, or pioneering developments.

The Durango Crossings Urban Renewal Plan is intended to remediate blighting conditions, spur new investments, and catalyze the City's largest workforce housing development. Affordable housing has been a pressing concern for the Durango community for the better part of the decade, and this development represents an innovative approach to tackling that community issue. This development would generate 169 new residential units, with an estimated 82% priced below 120% Area Median Income. This public private partnership represents a pioneering approach towards addressing affordable housing access, and promises to unlock similar development by proving a market for these products exists and can be feasible.

In addition to the city's stated purpose in their RFQ and with this P3, the Plan will advance significant community benefits. This development will extend public infrastructure into the project area, specifically a road segment that may (in time) connect Jenkins Ranch Road. This has been a strategic goal for Durango Public works for over two decades, one that improves the city's connectivity and reduces traffic congestion. The project will also help concentrate new commercial development at the Florida Road, CR 250 intersection, helping to advance an economic hub serving the Northeast neighborhoods of Durango and surrounding residential areas in La Plata County.

Ensuring development feasibility while maximizing housing affordability, however, requires a public investment. This investment will require local financing to prove feasible. The only feasible financial strategy is to leverage tax increment financing to close this funding gap with revenues generated by the development. To access tax increment financing, the Durango Renewal Partnership has elected to form a new Urban Renewal Plan area around this proposed development. The development area was found to exhibit the requisite number of blighting factors to be eligible for Urban Renewal treatment. The proposed development has also been annexed into the City and is informed by the City's comprehensive plan update and zoning districts. The urban renewal plan will buttress the city's existing public private partnership to ensure this project's success.

This partnership between the City of Durango, the Authority, its participating taxing entities and the private sector, needs to be weighed against the possible fiscal impacts caused by the Urban Renewal Plan on partnering taxing entities. Colorado's Urban Renewal Law is clear in C.R.S. 31-25-107(3.5)I-V), when it lists the impacts an Urban Renewal Impact Report must evaluate on effected taxing entities. The statute requires that the report examine County impacts, in particular, stating the following:

- An estimate on the county revenue impact, and on the cost and extent of additional county infrastructure and services required to serve development within the proposed urban renewal area, and the benefit of improvements within the urban renewal area to existing county infrastructure,
- A statement setting forth the method under which the authority or the municipality will finance, or that agreements are in place to finance, any additional County infrastructure and services required to serve development in the urban renewal area for the period in which all or any portion of the property taxes described in subparagraph (II) of paragraph (a) of subsection (9) of this section and levied by a county are paid to the authority,
- Any other estimated impacts of the urban renewal project on county services and revenues.

This section of the Report will answer the Durango Crossings Urban Renewal Plan's impacts on La Plata County directly. This report will also address the impacts to the Durango 9R School District, the City of Durango, the Animas Mosquito Control District. Fiscal impacts to the Animas La Plata Water Conservation Districts and the Southwestern Water Conservation District are de minimis and not evaluated by this report.

Urban Renewal Plan Impact Summary

The Durango Crossings Urban Renewal Plan includes six (6) taxing districts: La Plata County, Durango 9R School District, the City of Durango, the Animas Mosquito Control District, Southwestern Water Conservancy District and the Animas La Plata Water Conservation District. All six taxing districts levy a millage rate within the Plan area. La Plata County’s and the Durango 9R School District’s specific millage rates have also been isolated by this report.

The table below compares the Plan’s assessed value (AV), average annual property tax, and average annual sales tax with the six taxing entities and their respective funds. The comparison represents a snapshot in time, contrasting the taxing entities’ 2025 AV, budgeted property tax revenue and (when applicable) budgeted sales tax revenue, with the Urban Renewal Plan’s stabilized AV and its average property tax and sales tax incremental revenue. The reason for this comparison is to determine if the Plan’s AV and tax increment generated is significant at each taxing entity’s AV, millage rate or sales tax rate. **This report qualifies “significance” as any Urban Renewal Plan metric that is 10% or more than its associated taxing entity metric.** It should be noted that this report forecast impacts assuming **100% revenue sharing agreements**. The purpose is to determine if a maximum revenue sharing scenario triggers a substantial fiscal impact and tax revenue sharing negotiations.

The table below summarizes this comparison. Any comparison over 10% is highlighted. The Durango Crossings Urban Renewal Plan will have a **low impact on all taxing entities**. The Impact Assessment categories, which range from Low, Medium, High, represent this report’s Impact conclusion based on the quantitative comparison and additional measures explained in the following sections.

Urban Renewal Plan Area Value and Tax Generation Comparison				
Tax District Name	% District's Total AV	% District's Annual Property Tax	% District's Annual Sales Tax	Impact Assessment
Durango 9R General Fund	0.3%	0.3%	0.0%	LOW
Durango 9R MLO	0.3%	0.3%	0.0%	LOW
Durango 9R Bond Redemption	0.3%	0.3%	0.0%	LOW
La Plata County General Fund	0.2%	0.2%	0.4%	LOW
La Plata County Road and Bridge	0.2%	0.2%	1.7%	LOW
La Plata County Human Services	0.2%	0.3%	0.0%	LOW
City of Durango	0.7%	0.6%	0.8%	LOW
Animas Mosquito Control	0.6%	0.5%	0.0%	LOW
Animas La Plata Water Conservation	0.5%	0.5%	0.0%	LOW
Southwestern Water Conservation	0.3%	0.3%	0.0%	LOW

La Plata County

Revenue Impacts

La Plata County issues a combined millage rate of 8.50¹². These mill levies include the County General Fund Levy (7.20), the County’s Road and Bridge Fund Levy (0.71) and the County’s Human Services Levy (0.59). These mill levies represent a significant revenue source for the County’s budget. According to the La Plata County’s 2026 Adopted Budget, net property taxes account for 24% of its General Fund revenues, 9% of Road and Bridge revenues, and 14% of Human Service revenues collected. Last year, property taxes amounted to ~\$18.7 million in budgeted revenue.

To quantify potential revenue impacts to the County, this report compares the Plan’s annual property tax revenue to the County’s annual property tax revenue. Projected property tax revenue is derived from new improvements in the Plan area, meaning that the Plan area’s base assessed value was not included in this comparison.

This Report projected the Plan area’s annual property tax increment per the County’s millage rates and compared it as a percentage to total property tax revenue collections. This report estimates that the property tax increment generated at the County’s 8.50 millage rate would account for 0.272% of La Plata County’s annual property tax revenue collections.

La Plata County	2026 Property Tax Revenue (Cert. of Revenues)	Plan Area Estimated Property Tax TIF (25-Year Annual Average)	Percent of Total
County Wide Summary	\$ 18,732,613	\$ 40,000	0.214%
General Fund	\$16,107,048	\$ 34,000	0.21%
Road and Bridge	\$1,587,632	\$ 3,000	0.19%
Human Services	\$1,037,933	\$ 3,000	0.29%

The Plan is expected to last 25 years. Over that time, the new improvements incentivized by this Plan through the Authority will begin to accumulate incremental property tax revenue. These incremental property tax revenues represent a revenue stream that can be remitted to the Authority via TIF agreement in support of its remediation and redevelopment efforts within the Plan area. These TIF agreements will also increase affordable housing units within the development.

La Plata County also levies a sales tax, meaning that the Plan’s commercial uses will generate new sales tax revenue for the County. This report assumes that incremental sales tax revenue generated at La Plata County’s sales tax rate will not be shared with the Plan. This revenue instead can be used to offset property contributed tax increment revenues.

La Plata County’s sales tax rate is 3.00%. This rate applies to all retail sales that occur within La Plata County. However, the County does not collect 100% of this sales tax. The sales tax rate is shared between Durango, Ignacio, Bayfield and also a Joint Sales Tax fund between Durango and La Plata County. When these sales tax sharing agreements are factored, La Plata County captures approximately 75.63% of its 3.00% sales tax rate, making its effective sales tax rate 2.27%. This report uses the effective rate to estimate the Plan’s sales tax revenue that is allocated to La Plata County.

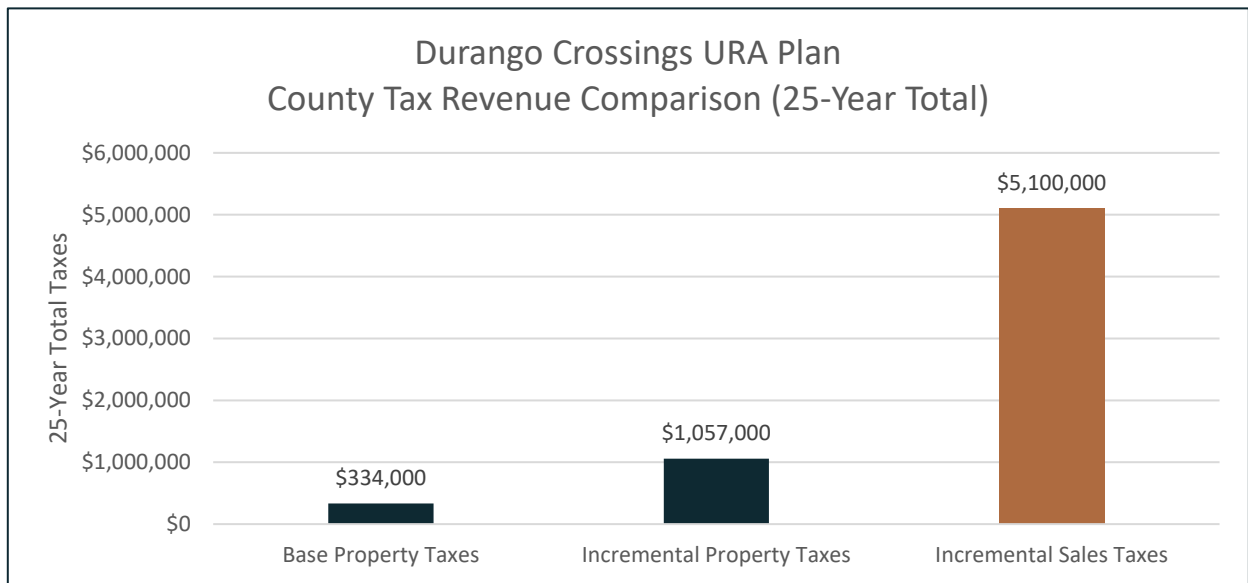
¹² 2026 Millage Rates, this is an aggregated millage rate that includes the County’s General Fund, Road and Bridge, and Human Services.

The County’s 2026 budgeted sales tax revenue is \$48,702,532, or 39% of the County annual budgeted revenue. Sales tax revenue represents a greater share of the County’s budget than property tax revenue, meaning that the County is more fiscally dependent on sales tax.

This Report projected the Plan area’s annual sales tax increment per the County’s sales tax rate and compared it as a percentage to total sales tax revenue collections. This report estimates that the sales tax increment generated at the County’s tax rate and percent share would account for 0.3% of La Plata County’s annual sales tax revenue collections.

La Plata County	2026 Sales Tax Revenue (Budgeted)	Plan Area Estimated Sales Tax TIF (25-Year Annual Average)	Percent of Total
County Wide Summary	\$ 48.7 Million	\$ 204,000	0.3%

This report compared the Plan’s property tax generation to its sales tax generation. The following table illustrates the annual property taxes currently being collected by the County, the Plan’s annual property tax increment, and the Plan’s annual sales tax increment. Base taxes and new sales tax increment is ~5x greater than the property tax increment.



The Plan is expected to generate minimal revenue impacts on La Plata County’s General Fund, Road and Bridge Fund, and Human Services. The projected property tax increment is below the 10% threshold this report uses to estimate substantial impacts on fiscal revenues. More importantly, this incremental property tax revenue will be exceeded by the Plan’s incremental sales and tax revenue. In other words, the Plan’s proposed revenue sharing agreement represents a net positive fiscal impact on the county. Even if La Plata County were to pledge 100% of its property tax increment to support this Plan, its sales tax returns would exceed its pledge.

The fact that the County can pledge 100% of its property tax mill levy and receive an increase in tax revenue from the Plan indicates a minimal revenue impact. This report does not find a negative revenue impact on La Plata County caused by the Durango Crossings Urban Renewal Plan.

Infrastructure and Service Impacts

The Plan will only include parcels that have been annexed into the City of Durango's municipal limits prior to adoption. It will not require new County infrastructure to serve the renewal project's development. La Plata County will not need to develop, construct or maintain any new infrastructure projects within the Plan area or those serving the Plan area. Sales tax generated by the Plan can also support the County's Road and Bridge fund.

The proposed development is not expected to generate significant traffic impacts to La Plata County, although future residents will likely use county roads given the development's location. The development is located at the intersection of County Road 250 and Florida Road. Traffic will largely be concentrated on the City-owned segments of these roads, including the newly reconstructed 32nd Street. The city's multi-modal efforts will also limit traffic at this location, as future residents could bike or walk towards the city's downtown core. There is also a public transit stop in walking distance from the project site. Given the small, expected increase in traffic volume, and the fact that much of this traffic volume will be concentrated on city-owned roads, the Plan is expected to generate only minimal impacts to La Plata County's infrastructure and roadways.

New development within the Plan area is projected to generate ~311 additional permanent residents over 25 years. These residential units will be within the City of Durango's municipal limits and be served by the city. This includes police, water, sewer and other municipal services. La Plata County's total population in 2026¹³ was estimated at 56,823 people. New residents generated by the Plan will account for ~ 0.6% of the County's population.

County Impact Conclusion

This report concludes that the Plan will generate low fiscal impacts on La Plata County's revenue, infrastructure and services. The project's projected population is not expected to demand significant increases in county services. The project's public infrastructure will be constructed by the developer and be maintained by the city of Durango. The project's projected sales tax revenues are expected to exceed any pledged property tax revenue and can also be leveraged for road and bridge infrastructure by the County. This report recommends the County agree to a TIF agreement with the Authority that helps the Plan achieve financial feasibility for its proposed development and infrastructure projects, as these will benefit the County economy.

This report recommends that La Plata County share 100% of its General Fund Millage Rate, Road and Bridge Fund millage rate, and Human Services Millage Rate with the Durango Crossings Urban Renewal Plan. The Plan also recommends that the Plan remit sales tax revenue that can effectively offset the County's property tax increment share.

¹³ Per State Demographer

Durango 9R School District

Revenue Impacts

The Durango 9R School District is the taxing entity that levies the largest millage rate within the Plan area. In 2026, the School District’s total millage rate is 31.011, approximately 61% of the total property tax rate within the Plan area. The School District is therefore an important partner to the Authority and vulnerable to the Plan’s tax increment financing impacts.

According to the district’s 2025 adopted budget, 49% of the District’s General Fund revenue comes from local Property Tax. The school district’s property tax revenue is generated by three separate mill levies:¹⁴ The General Fund’s School Finance Act (SFA) Levy (total program levy), the Mill Levy Override, and the Bond Redemption Levy. La Plata County’s 2025 Certification of Mill Levies and Revenues projects that the School District will receive ~\$33 million from property taxes in 2025 from its Total Program Levy and Override Mill Levy (minus the temporary tax credit levy). The school district will generate an additional \$17,274,430 at its Bond Redemption levy.

The following table compares these annual tax revenues with the estimated annual incremental property tax revenue generated by the Plan.

Durango Crossings Urban Renewal Plan Impacts – School District			
School District Fund	2025 Property Tax Revenue	Estimated Property Tax TIF (Annual Average)	Percent of Total
Total	\$ 50,319,503	\$ 165,000	0.33%
Total Program (SFA)	\$ 16,932,359	\$ 64,000	0.38%
MLO	\$ 16,154,503	\$ 42,000	0.26%
Bond Redemption	\$ 17,232,641	\$ 59,000	0.34%

The Plan’s projected revenue is less than 10% of the school district’s annual collections. If the school district were to pledge 100% of its SFA, MLO, and Bond levy, this would indicate a low impact on its future revenues.

However, it is exceedingly rare for school districts to share their MLO and Bond Levy tax increment revenues with urban renewal plans. The following table compares the Plan’s projected property tax revenue at only the SFA millage rate:

SFA TIF Sharing Only			
School District Fund	2025 Property Tax Revenue	Estimated Property Tax TIF (Annual Average at SFA Levy Only)	Percent of Total
Total	\$ 16,932,359	\$ 64,000	0.38%

If the Durango 9R School District were to agree to a revenue sharing agreement where only its SFA levy contributes to the Plan, the estimated annual property tax increment generated by the Plan would not exceed the 10% threshold. More importantly, the Plan would generate new revenues for the School District at its MLO and Bond levy rates. This report estimates that the Plan would generate approximately \$101,000 annually for the School District’s MLO and Bond funds. All incremental revenues generated by the SFA levy are subject to the Colorado Department of Education’s Total Funding Formula, meaning any

¹⁴ This report combines the school finance act levy and tax abatement levy as its total is immaterial to the forecasts.

shortfalls in local revenue is equalized by the state. Sharing these revenues does not create a fiscal impact on the school district’s general fund revenues. In fact, they can in effect increase the school budget if additional students are generated by the Urban Renewal Plan.

The Plan is not expected to generate a significant impact on the school district’s annual property tax revenue, especially if the school district only pledges its general fund (School Finance Act) millage rate as part of a TIF sharing agreement. This millage rate’s revenues are essentially guaranteed based on the district’s pupil membership and total funding formula. However, bond levies and mill levy overrides are not eligible for state reimbursement, which is why the Plan should remit those revenues back to the district. It is important to note that those revenues are net new revenues to the district which are realized only if this development is made feasible.

This report recommends that the Durango 9R School District pledge 100% of its general fund mill levy to the Plan as it will not be adversely impacted.

Student Population Generation

The Plan is projected to generate both residential and commercial development over the next 25 years. The commercial development will create a negligible impact on the school district. However, residential development leads to additional households and, potentially, new students. This report forecasts potential student generation to quantify that impact.

To forecast student generation, this report estimated the number of students per household population. La Plata County’s total household population in 2023 was 54,823¹⁵. The County’s total number of students in 2024 was 6,014. Durango 9R School District’s total pupil membership was 4,282¹⁶.

Given these estimates, La Plata County exhibits approximately 0.11 students per capita. The Plan will generate ~311 new residents over the next 25 years. Using this report’s estimated students per capita in La Plata County, the Plan will generate approximately 34 additional students for the Durango 9R School District. This represents 0.80% of the district’s current pupil membership. The table below summarizes the Durango 9R School District Pupil Membership data¹⁷.

Durango Crossings Urban Renewal Plan - Estimated Population and Pupil Generation	
Projected Population	311
Pupils Per Capita	0.11
Projected Pupils	34
School District Pupil Membership (2026)	4,282
Percentage of School District	0.80%

This report estimates that the Plan will generate approximately 34 students once residential development is completed. This increase in students is projected to occur between 2027 and 2030. This equates to about 8 new students per year.

¹⁵ Per SDO Estimates, 2024 vintage.

¹⁶ Colorado Dept. of Education PK-12th Total Membership by District, 2026

¹⁷ Colorado State Demographer and Colorado Department of Education 2023 County Population and Pupil Counts.

This increase in students may be a welcome change to the Durango 9R School District. Since 2019, the school district has lost ~1,053 students¹⁸. That is a 19% decline in enrollment over the past five years. School district budgets are based on pupil membership, and a declining pupil count could negatively impact budgets in the future. The Plan's modest generation of students could help the district stabilize its enrollment, without overwhelming its facilities and staff. Also, if the district elects to retain its MLO and Bond levy, future staffing and capital expenses will continue to be funded by this Plan's incremental tax revenues.

School District Impact Conclusion

The Durango Crossings Urban Renewal Plan is not likely to generate significant adverse impacts on the Durango 9R School District. The school district's finances will not be negatively impacted by an SFA revenue sharing agreement with this plan. In fact, if the Plan is successful, it will provide new revenues for the school at its MLO and Bond levy rates. The projected increase in students is unlikely to trigger the need for capital improvements and teacher hirings. However, this modest increase in students could help mitigate a five-year decline in enrollment trends.

This report does not recommend allocating any debt service (bond) or override mill levy to the plan area. Instead, this report recommends that the school district pledge its school finance act (SFA) mill levy in support of the Urban Renewal Plan.

¹⁸ Per CDE's PK-12th Total Membership Trends by Organization 2025.

City of Durango

Revenue Impacts

The Durango Crossings Urban Renewal Plan will exert the greatest impact on the City of Durango. The development is within City limits, its infrastructure will be maintained by the city, and its future residents will rely on city services. The Plan area’s road networks, water lines, sewer lines, police and fire services will all be provided by the City of Durango. The project will also advance the City’s goal for providing new, affordable and workforce housing. This in turn will generate more permanent residents, who will shop and work within Durango and benefit the overall municipal economy. The Durango Crossings Urban Renewal Plan’s impacts need to be contextualized relative to the city’s fiscal revenues. This requires comparing the project’s property and sales tax increment to the city’s annual property and sale tax revenues.

The City of Durango’s budgeted revenues for 2026 are \$59,891,480. Only 11% of these budgeted revenues are derived from property taxes, whereas 67% of these budgeted revenues are derived from sales taxes. The city’s property tax millage rate is 8.54. This millage rate will generate ~\$6.7 million in property tax revenue to the city in 2026. The city’s sales tax rate is 3.5%. The 2025 budget estimates that the city will collect \$40,343,231¹⁹ in sales taxes in 2025.

At stabilization, the Plan’s estimated taxable value will reach ~\$6.237 million. This is less than 1% of the City’s current assessed value. The Plan’s annual average property tax generated at the City’s millage rate is an estimated \$41,000. This annual property tax increment is equivalent to 0.76% of the City’s 2026 budgeted property tax revenues. The Plan’s sales tax increment is estimated to average \$312,000 annually, which is approximately 0.77% of the City’s 2026 sales tax revenue.

These comparisons indicate a **low-level impact** on the city’s finances and are illustrated in the tables below:

City of Durango	2026 Property Tax Revenue	Property Tax TIF (25-Year Annual Average)	Percent of Total
All Funds	\$ 6,710,957	\$ 41,000	0.61%

City Durango	2026 Sales Tax Revenue	Sales Tax TIF (25-Year Annual Average)	Percent of Total
Sales Tax	\$ 40,343,231	\$ 312,000	0.77%

This report recommends that the City carefully evaluate its TIF sharing agreement in partnership with the Authority. The City is unlikely to incur a negative fiscal impact from this project, even if it agrees to 100% revenue shares. The city should also weigh these revenue sharing agreement in light of the project’s purpose, which is to make the community’s largest affordable and workforce housing development feasible. If the city were to retain a portion of the project’s sales tax increment, it could easily offset the property taxes.

Infrastructure and Service Impacts

The proposed development is projected to create 169 new residential units within the City of Durango. While this represents a large number of affordable housing units, overall, this number of new residences will not generate a significant impact on the City’s demographics. According to the State Demographer,

¹⁹ This estimate includes the joint sales tax revenue and voter approved sales taxes.

the average number of persons per housing unit in Durango was 1.84 in 2024. Using this statistic, this report estimates that the Plan will generate an additional 311 residents over the next 25 years. This represents ~1.6% of the City’s total population²⁰.

Demographic Impacts				
City Pop. 2024	Persons Per Household	Total Owner-Occupied Residential Units	New Residents	% of City
19,756	1.84	169	311	1.6%

The Urban Renewal Plan will not generate a significant increase in population for the City of Durango. The small population increase is not likely to trigger significant infrastructure impacts on the city. Existing water, sewer and road networks currently have the capacity to serve this development. There are also multi-modal transportation options down Florida Road, and a public bus stop a few hundred yards from the project site. The development will also help to extend public infrastructure into the project site, potentially connecting County Road 250 to Jenkins Ranch Road. This connection has been a goal for the city over the past two decades. This project therefore advances public infrastructure goals, without significantly impacting existing infrastructure and services.

City of Durango Impact Conclusion

This report finds that the Urban Renewal Plan will have low-level impacts on the City of Durango’s finances and services. At full build-out, the Plan will increase the City’s population by only 1.6%. While the increase in affordable housing units is significant, the overall population increase is not significant. The Plan’s annual average TIF estimates account for less than 1% of the City’s annual property taxes and less than 1% of the City’s annual sales tax collections. These incremental revenue amounts are not considered significant fiscal impacts.

This report recommends that the city of Durango share 100% of its property tax millage rate and 100% of its sales tax rate with the Plan. This revenue sharing agreement will not adversely impact the City but will help ensure that Durango Crossings maximizes its affordability for the Durango community.

²⁰ City of Durango Population, State Demographer 2024 estimates.

Impact Summary on Special Districts

Animas Mosquito Control District Impact Conclusion

The Animas Mosquito Control District is a special district that operates within the City of Durango. In 2026, this district's millage rate is 1.28. The Plan is estimated to generate approximately \$6,000 annually in incremental property tax revenue at this millage rate. These TIF estimates account for 0.48% of the district's annual property tax revenue. The report finds 0.48% to have a low revenue impact on the district and recommends 100% revenue sharing commitments with the Plan.

Animas-La Plata Water Conservation District Impact Conclusion

The Animas-La Plata Water Conservation District is a special district that operates within the City of Durango. In 2026, this district's millage rate was 0.32. The Plan is estimated to generate approximately \$2,000 annually in incremental property tax revenue at this millage rate. These TIF estimates account for 0.52% of the district's annual property tax revenue. The report finds 0.52% to have a low revenue impact on the district and recommends 100% revenue sharing commitments with the Plan.

Southwestern Water Conservation District Impact Conclusion

The Southwestern Water Conservation District is a special district that operates within the City of Durango. In 2026, this district's millage rate is 0.36. The Plan is estimated to generate approximately \$2,000 annually in incremental property tax revenue at this millage rate. These TIF estimates account for 0.26% of the district's annual property tax revenue. The report finds 0.26% to have a low revenue impact on the district and recommends 100% revenue sharing commitments with the Plan.

Conclusion and Recommendations

The Durango Crossings Urban Renewal Plan area is eligible to be adopted as an urban renewal plan based on the findings catalogued by the 2024 Durango Crossings Conditions Survey. This Plan is also expected to leverage tax increment financing to overcome identified blighting conditions and facilitate new development and public infrastructure within the Plan area. This Plan will also yield significant affordable and attainable housing units. The Plan's intention to utilize tax increment financing necessitated this Urban Renewal Impact Report as a supplementary document per Colorado's Urban Renewal Law. The report evaluated the Plan's potential impacts on all taxing entities within its proposed boundaries.

This report finds that the Plan will generate low-level impacts on the City of Durango, La Plata County, the Durango 9R School District, and the participating taxing entities. This report recommends that the Authority negotiate TIF sharing agreements with its taxing entity partners to ensure impacts are properly mitigated. These TIF sharing agreements should be balanced against the project's financial needs and community benefits.

This report recommends the following:

- The Authority and the City of Durango agree to share 100% of the project's incremental property tax and incremental sales tax revenue with the Plan.
- The Authority and the Durango 9R School District agree to share 100% of the total program property tax levy with the Plan but share back the Mill Levy Override and Bond Levy to the Durango 9R School District.
- The Authority and La Plata County agree to share 100% of its general fund, road and bridge fund, and human services fund levies with the Plan. The Plan will remit a portion of the County's sales tax revenue.
- The Authority and the Animas Mosquito Control District agree to share 100% of the project's incremental property tax revenues with the Plan.
- The Authority and the Animas-La Plata Water Conservation District agree to share 100% of the project's incremental property tax revenues with the Plan.
- The Authority and the Southwestern Water Conservation District agree to share 100% of the property tax levy with the Plan.

This report only recommends TIF sharing agreements that will provide the Authority with the funds it needs to financially support the Urban Renewal Plan. Proper TIF sharing agreements will ensure this development remediates blight and attracts investment that achieves community and economic development outcomes, without adversely impacting the Authority partners.

Appendix

1. Tax Increment Pro Forma
2. Taxing Entity Tax Increment Forecast Tables
3. Development Absorption and Valuation Table

Durango Crossings Urban Renewal Plan TIF Model

TAX REVENUE FORECAST PRO FORMA		Durango Crossings																										End of URA Timeline
Durango Crossings Combined Annual Proforma		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	
Absorption Schedule																												
Residential		-	-	43	86	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial		-	-	-	16,911	6,470	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Residential Units		-	-	43	86	40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Commercial SF/Units		-	-	-	16,911	6,470	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Project Total Value																												
Residential		\$ -	\$ -	\$ 14,283,250	\$ 28,566,500	\$ 14,283,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Commercial		\$ -	\$ -	\$ -	\$ 5,775,753	\$ 1,692,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Residential Actual Value		\$ -	\$ -	\$ 14,283,250	\$ 28,566,500	\$ 14,283,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Commercial Actual Value		\$ -	\$ -	\$ -	\$ 5,775,753	\$ 1,692,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Local Government Assessment																												
Project Taxable Value																												
RESIDENTIAL (Non-School / Local Gov portion)		6.25%																										
NONRESIDENTIAL (General)		27.00%																										
Assessor % of Market Value		100%																										
Residential Local Gov Taxable Value		\$ -	\$ -	\$ 892,578	\$ 1,785,156	\$ 892,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Commercial Taxable Value		\$ -	\$ -	\$ -	\$ 1,559,453	\$ 456,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Project Assessed Value (Local Gov. Taxable Value)		\$ -	\$ -	\$ 892,578	\$ 3,316,366	\$ 2,028,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Estimated Increment																												
Annual NET AV (Assessed Value)		\$ -	\$ -	\$ 892,578	\$ 3,316,366	\$ 2,028,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total NET AV (Inflation Adjusted)		\$ -	\$ -	\$ 892,578	\$ 4,293,124	\$ 6,321,557	\$ 6,447,988	\$ 6,447,988	\$ 6,576,948	\$ 6,576,948	\$ 6,708,487	\$ 6,708,487	\$ 6,842,657	\$ 6,842,657	\$ 6,979,510	\$ 6,979,510	\$ 7,119,100	\$ 7,119,100	\$ 7,261,482	\$ 7,261,482	\$ 7,406,712	\$ 7,406,712	\$ 7,554,846	\$ 7,554,846	\$ 7,705,943	\$ 7,705,943	\$ 7,860,062	
Estimated Base																												
Existing Taxable Value		\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	
Base Inflation Factor		2%																										
Incremental Taxable Value		\$ -	\$ -	\$ -	\$ 2,912,305	\$ 4,940,738	\$ 5,039,553	\$ 5,039,553	\$ 5,140,344	\$ 5,140,344	\$ 5,243,151	\$ 5,243,151	\$ 5,348,014	\$ 5,348,014	\$ 5,454,974	\$ 5,454,974	\$ 5,564,074	\$ 5,564,074	\$ 5,675,355	\$ 5,675,355	\$ 5,788,862	\$ 5,788,862	\$ 5,904,640	\$ 5,904,640	\$ 6,022,732	\$ 6,022,732	\$ 6,143,187	
School District Assessment																												
Project Taxable Value																												
RESIDENTIAL (School District portion)		7.05%																										
NONRESIDENTIAL (General)		27.00%																										
Assessor % of Market Value		100%																										
Residential Local Gov Taxable Value		\$ -	\$ -	\$ 1,006,828	\$ 1,981,798	\$ 1,772,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Commercial Taxable Value		\$ -	\$ -	\$ -	\$ 1,559,453	\$ 456,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Project Assessed Value (Local Gov. Taxable Value)		\$ -	\$ -	\$ 1,006,828	\$ 3,541,251	\$ 2,229,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Estimated Increment																												
Annual NET AV (Assessed Value)		\$ -	\$ -	\$ 1,006,828	\$ 3,541,251	\$ 2,229,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total NET AV (Inflation Adjusted)		\$ -	\$ -	\$ 1,006,828	\$ 4,639,041	\$ 6,868,622	\$ 7,005,995	\$ 7,005,995	\$ 7,146,115	\$ 7,146,115	\$ 7,289,037	\$ 7,289,037	\$ 7,434,818	\$ 7,434,818	\$ 7,583,514	\$ 7,583,514	\$ 7,735,184	\$ 7,735,184	\$ 7,889,888	\$ 7,889,888	\$ 8,047,686	\$ 8,047,686	\$ 8,208,639	\$ 8,208,639	\$ 8,372,812	\$ 8,372,812	\$ 8,540,269	
Estimated Base																												
Existing Taxable Value		\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	\$ 1,327,200	
Base Inflation Factor		2%																										
Incremental Taxable Value		\$ -	\$ -	\$ -	\$ 3,311,841	\$ 5,541,422	\$ 5,678,795	\$ 5,678,795	\$ 5,818,915	\$ 5,818,915	\$ 5,961,837	\$ 5,961,837	\$ 6,107,618	\$ 6,107,618	\$ 6,256,314	\$ 6,256,314	\$ 6,407,984	\$ 6,407,984	\$ 6,562,688	\$ 6,562,688	\$ 6,720,486	\$ 6,720,486	\$ 6,881,439	\$ 6,881,439	\$ 7,045,612	\$ 7,045,612	\$ 7,213,069	
Sales Tax Estimates																												
Municipality		3.5%																										
County		3.0%																										
State		2.9%																										
Retail Sales Generated by Development		\$ -	\$ -	\$ -	\$ 7,037,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Retail Sales		\$ -	\$ -	\$ -	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	\$ 7,037,682	
Estimated Annual Sales Tax (Muni)		\$ -	\$ -	\$ -	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	\$ 246,319	
Estimated Annual Sales Tax (County)		\$ -	\$ -	\$ -	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	\$ 211,130	
Estimated Annual Sales Tax (State)		\$ -	\$ -	\$ -	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	\$ 204,093	
Local Gov. Property Tax TIF Estimates																												
Total Incremental Taxable Value		\$ -	\$ -	\$ -	\$ 2,912,305	\$ 4,940,738	\$ 5,039,553	\$ 5,039,553	\$ 5,140,344	\$ 5,140,344	\$ 5,243,151	\$ 5,243,151	\$ 5,348,014	\$ 5,348,014	\$ 5,454,974	\$ 5,454,974	\$ 5,564,074	\$ 5,564,074	\$ 5,675,355	\$ 5,675,355	\$ 5,788,862	\$ 5,788,862	\$ 5,904,640	\$ 5,904,640	\$ 6,022,732	\$ 6,022,732	\$ 6,143,187	
Mill Levy		18.902																										
Annual Incremental Estimate		\$ -	\$ -	\$ -	\$ 55,810	\$ 93,824	\$ 95,711	\$ 95,711	\$ 97,625	\$ 97,625	\$ 99,578	\$ 99,578	\$ 101,569	\$ 101,569	\$ 103,601	\$ 103,601	\$ 105,673	\$ 105,673	\$ 107,786	\$ 107,786	\$ 109,942	\$ 109,942	\$ 112,141	\$ 112,141	\$ 114,384	\$ 114,384	\$ 116,671	
Discount Rate		6.50%																										
NPV		\$960,187																										
School District Property Tax TIF Estimates																												
Total Incremental Taxable Value		\$ -	\$ -	\$ -	\$ 3,311,841	\$ 5,541,422	\$ 5,678,795	\$ 5,678,795	\$ 5,818,915	\$ 5,818,915	\$ 5,961,837	\$ 5,961,837	\$ 6,107,618	\$ 6,107,618	\$ 6,256,314	\$ 6,256,314	\$ 6,407,984	\$ 6,407,984	\$ 6,562,688	\$ 6,562,688	\$ 6,720,486	\$ 6,720,486	\$ 6,881,439	\$ 6,881,439	\$ 7,045,612	\$ 7,045,612	\$ 7,213,069	
Mill Levy		30.109																										
Annual Incremental Estimate		\$ -	\$ -	\$ -	\$ 99,716	\$ 166,847	\$ 170,983	\$ 170,983	\$ 175,202	\$ 175,202	\$ 179,505	\$ 179,505	\$ 183,894	\$ 183,894	\$ 188,371	\$ 188,371	\$											

Durango Crossing Urban Renewal Plan - School District Property Tax Increment Estimates

TAX INCREMENT ESTIMATES FOR SCHOOL DISTRICT											TAX INCREMENT CALCULATION									
Project	Fully Assessed January 1, xxxx	Collection	Estimated Net Assessment of Real Property (Rounded to \$100)		Total Base Property Assessed	Total Increment Property Assessed	Estimated Tangible Property	Estimated Tax	Accumulated Tax	Allocation	Collection	Total Increment Assessed	100% DURANGO 9R SCHOOL DISTRICT (NET TOTAL PROGRAM)		100% DURANGO 9R SCHOOL DISTRICT (MLO+ABATEMENT)		100% DURANGO 9R SCHOOL DISTRICT (BOND)		Total Increment	
			BASE	New									Valuation	Valuation	Taxes	Increment	Increment	Year		Year
1	2026	2027	\$ 1,327,200	\$ -	\$ 1,327,200	\$ -	\$ 39,961	\$ -	\$ -	1	2027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	2027	2028	\$ 1,327,200	\$ -	\$ 1,327,200	\$ -	\$ 39,961	\$ -	\$ -	2	2028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	2028	2029	\$ 1,327,200	\$ 1,006,828	\$ 1,327,200	\$ -	\$ 39,961	\$ -	\$ -	3	2029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	2029	2030	\$ 1,327,200	\$ 4,639,041	\$ 1,327,200	\$ 3,311,841	\$ 139,677	\$ 99,716	\$ 99,716	4	2030	\$ 3,311,841	\$ 38,421	\$ 25,564	\$ 35,731	\$ 99,716	\$ 99,716	\$ 99,716	\$ 99,716	\$ 99,716
5	2030	2031	\$ 1,327,200	\$ 6,868,622	\$ 1,327,200	\$ 5,541,422	\$ 206,807	\$ 166,847	\$ 266,563	5	2031	\$ 5,541,422	\$ 64,286	\$ 42,774	\$ 59,786	\$ 166,847	\$ 166,847	\$ 166,847	\$ 166,847	\$ 166,847
6	2031	2032	\$ 1,327,200	\$ 7,005,995	\$ 1,327,200	\$ 5,678,795	\$ 210,943	\$ 170,983	\$ 437,546	6	2032	\$ 5,678,795	\$ 65,880	\$ 43,835	\$ 61,269	\$ 170,983	\$ 170,983	\$ 170,983	\$ 170,983	\$ 170,983
7	2032	2033	\$ 1,327,200	\$ 7,005,995	\$ 1,327,200	\$ 5,678,795	\$ 210,943	\$ 170,983	\$ 608,529	7	2033	\$ 5,678,795	\$ 65,880	\$ 43,835	\$ 61,269	\$ 170,983	\$ 170,983	\$ 170,983	\$ 170,983	\$ 170,983
8	2033	2034	\$ 1,327,200	\$ 7,146,115	\$ 1,327,200	\$ 5,818,915	\$ 215,162	\$ 175,202	\$ 783,730	8	2034	\$ 5,818,915	\$ 67,505	\$ 44,916	\$ 62,780	\$ 175,202	\$ 175,202	\$ 175,202	\$ 175,202	\$ 175,202
9	2034	2035	\$ 1,327,200	\$ 7,146,115	\$ 1,327,200	\$ 5,818,915	\$ 215,162	\$ 175,202	\$ 958,932	9	2035	\$ 5,818,915	\$ 67,505	\$ 44,916	\$ 62,780	\$ 175,202	\$ 175,202	\$ 175,202	\$ 175,202	\$ 175,202
10	2035	2036	\$ 1,327,200	\$ 7,289,037	\$ 1,327,200	\$ 5,961,837	\$ 219,466	\$ 179,505	\$ 1,138,437	10	2036	\$ 5,961,837	\$ 69,163	\$ 46,019	\$ 64,322	\$ 179,505	\$ 179,505	\$ 179,505	\$ 179,505	\$ 179,505
11	2036	2037	\$ 1,327,200	\$ 7,289,037	\$ 1,327,200	\$ 5,961,837	\$ 219,466	\$ 179,505	\$ 1,317,942	11	2037	\$ 5,961,837	\$ 69,163	\$ 46,019	\$ 64,322	\$ 179,505	\$ 179,505	\$ 179,505	\$ 179,505	\$ 179,505
12	2037	2038	\$ 1,327,200	\$ 7,434,818	\$ 1,327,200	\$ 6,107,618	\$ 223,855	\$ 183,894	\$ 1,501,836	12	2038	\$ 6,107,618	\$ 70,854	\$ 47,145	\$ 65,895	\$ 183,894	\$ 183,894	\$ 183,894	\$ 183,894	\$ 183,894
13	2038	2039	\$ 1,327,200	\$ 7,434,818	\$ 1,327,200	\$ 6,107,618	\$ 223,855	\$ 183,894	\$ 1,685,730	13	2039	\$ 6,107,618	\$ 70,854	\$ 47,145	\$ 65,895	\$ 183,894	\$ 183,894	\$ 183,894	\$ 183,894	\$ 183,894
14	2039	2040	\$ 1,327,200	\$ 7,583,514	\$ 1,327,200	\$ 6,256,314	\$ 228,332	\$ 188,371	\$ 1,874,102	14	2040	\$ 6,256,314	\$ 72,579	\$ 48,292	\$ 67,499	\$ 188,371	\$ 188,371	\$ 188,371	\$ 188,371	\$ 188,371
15	2040	2041	\$ 1,327,200	\$ 7,583,514	\$ 1,327,200	\$ 6,256,314	\$ 228,332	\$ 188,371	\$ 2,062,473	15	2041	\$ 6,256,314	\$ 72,579	\$ 48,292	\$ 67,499	\$ 188,371	\$ 188,371	\$ 188,371	\$ 188,371	\$ 188,371
16	2041	2042	\$ 1,327,200	\$ 7,735,184	\$ 1,327,200	\$ 6,407,984	\$ 232,899	\$ 192,938	\$ 2,255,411	16	2042	\$ 6,407,984	\$ 74,339	\$ 49,463	\$ 69,136	\$ 192,938	\$ 192,938	\$ 192,938	\$ 192,938	\$ 192,938
17	2042	2043	\$ 1,327,200	\$ 7,735,184	\$ 1,327,200	\$ 6,407,984	\$ 232,899	\$ 192,938	\$ 2,448,349	17	2043	\$ 6,407,984	\$ 74,339	\$ 49,463	\$ 69,136	\$ 192,938	\$ 192,938	\$ 192,938	\$ 192,938	\$ 192,938
18	2043	2044	\$ 1,327,200	\$ 7,889,888	\$ 1,327,200	\$ 6,562,688	\$ 237,557	\$ 197,596	\$ 2,645,945	18	2044	\$ 6,562,688	\$ 76,134	\$ 50,657	\$ 70,805	\$ 197,596	\$ 197,596	\$ 197,596	\$ 197,596	\$ 197,596
19	2044	2045	\$ 1,327,200	\$ 7,889,888	\$ 1,327,200	\$ 6,562,688	\$ 237,557	\$ 197,596	\$ 2,843,541	19	2045	\$ 6,562,688	\$ 76,134	\$ 50,657	\$ 70,805	\$ 197,596	\$ 197,596	\$ 197,596	\$ 197,596	\$ 197,596
20	2045	2046	\$ 1,327,200	\$ 8,047,686	\$ 1,327,200	\$ 6,720,486	\$ 242,308	\$ 202,347	\$ 3,045,888	20	2046	\$ 6,720,486	\$ 77,964	\$ 51,875	\$ 72,507	\$ 202,347	\$ 202,347	\$ 202,347	\$ 202,347	\$ 202,347
21	2046	2047	\$ 1,327,200	\$ 8,047,686	\$ 1,327,200	\$ 6,720,486	\$ 242,308	\$ 202,347	\$ 3,248,235	21	2047	\$ 6,720,486	\$ 77,964	\$ 51,875	\$ 72,507	\$ 202,347	\$ 202,347	\$ 202,347	\$ 202,347	\$ 202,347
22	2047	2048	\$ 1,327,200	\$ 8,208,639	\$ 1,327,200	\$ 6,881,439	\$ 247,154	\$ 207,193	\$ 3,455,429	22	2048	\$ 6,881,439	\$ 79,832	\$ 53,118	\$ 74,244	\$ 207,193	\$ 207,193	\$ 207,193	\$ 207,193	\$ 207,193
23	2048	2049	\$ 1,327,200	\$ 8,208,639	\$ 1,327,200	\$ 6,881,439	\$ 247,154	\$ 207,193	\$ 3,662,622	23	2049	\$ 6,881,439	\$ 79,832	\$ 53,118	\$ 74,244	\$ 207,193	\$ 207,193	\$ 207,193	\$ 207,193	\$ 207,193
24	2049	2050	\$ 1,327,200	\$ 8,372,812	\$ 1,327,200	\$ 7,045,612	\$ 252,097	\$ 212,136	\$ 3,874,758	24	2050	\$ 7,045,612	\$ 81,736	\$ 54,385	\$ 76,015	\$ 212,136	\$ 212,136	\$ 212,136	\$ 212,136	\$ 212,136
25	2050	2051	\$ 1,327,200	\$ 8,372,812	\$ 1,327,200	\$ 7,045,612	\$ 252,097	\$ 212,136	\$ 4,086,894	25	2051	\$ 7,045,612	\$ 81,736	\$ 54,385	\$ 76,015	\$ 212,136	\$ 212,136	\$ 212,136	\$ 212,136	\$ 212,136
26	2051	2052	\$ 1,327,200	\$ 8,540,269	\$ 1,327,200	\$ 7,213,069	\$ 257,139	\$ 217,178	\$ 4,304,073	26	2052	\$ 7,213,069	\$ 83,679	\$ 55,678	\$ 77,822	\$ 217,178	\$ 217,178	\$ 217,178	\$ 217,178	\$ 217,178
					Totals:		\$ 5,085,911	\$ 4,304,073		Totals		1,658,360	1,103,429	1,542,284	4,304,073					
							\$ 5,085,911	\$ 4,304,073		Totals (Rounded)		1,658,000	1,103,000	1,542,000	4,304,073					6.5%
										Annual Averages		\$ 64,000	\$ 42,000	\$ 59,000	\$ 166,000					

Durango Crossing Urban Renewal Plan - Development Program

DEVELOPMENT PROGRAM AND TIMING																							
Blue text + yellow fill = manual inputs. Black text = formulas. Green text = links.																							
Assessment Type	Development Program Number	Real Estate Product	Property Class	Start Date (Assumes 1-Yr Lag)	Months Until Completion	Estimated Completion Date	Assessment Year	Value Per SF	Value Per Unit	SF	Units	Total (SF) Value	Total (Unit) Value	Total Value	SF	DUs/Units	Sales Per SF	Local Government Equalization Ratios	Estimated Assessed Value	School District Equalization Ratios	Estimated Assessed Value		
Residential	DX1	Condos 1A	RESIDENTIAL (Non-School / Local Gov portion)	6/01/2026	18	11/23/2027	2028	\$ -	\$ 332,122	-	43	-	14,281,255	\$ 14,281,255	-	43	\$ -	6.25%	\$892,578	7.05%	\$1,006,828		
Residential	DX2	For Sale Condos II	RESIDENTIAL (Non-School / Local Gov portion)	6/01/2026	30	11/17/2028	2029	\$ -	\$ 338,765	-	35	-	11,856,763	\$ 11,856,763	-	35	\$ -	6.25%	\$741,048	7.05%	\$835,902		
Residential	DX3	Phase III (Apartments)	RESIDENTIAL (Non-School / Local Gov portion)	6/01/2026	30	11/17/2028	2029	\$ -	\$ 318,703	-	51	-	16,253,848	\$ 16,253,848	-	51	\$ -	6.25%	\$1,015,865	7.05%	\$1,145,896		
Commercial	DX4	Phase III (Retail)	NONRESIDENTIAL (General)	6/01/2026	30	11/17/2028	2029	\$ 342	\$ -	16,911	-	5,775,753	\$ -	5,775,753	16,911	-	\$ 416	27.00%	\$1,559,453	27.00%	\$1,559,453		
Residential	DX5	Phase III D (Apartments)	RESIDENTIAL (Non-School / Local Gov portion)	6/01/2026	42	11/12/2029	2030	\$ -	\$ 325,077	-	16	-	5,201,231	\$ 5,201,231	-	16	\$ -	6.25%	\$325,077	7.05%	\$366,687		
Commercial	DX6	Phase III D (Retail)	NONRESIDENTIAL (General)	6/01/2026	42	11/12/2029	2030	\$ 262	\$ -	6,470	-	1,692,473	\$ -	1,692,473	6,470	-	\$ -	27.00%	\$456,968	27.00%	\$456,968		
Residential	DX7	Phase 1B Townhomes	RESIDENTIAL (Non-School / Local Gov portion)	6/01/2026	42	11/12/2029	2030	\$ -	\$ 830,926	-	24	-	19,942,221	\$ 19,942,221	-	24	\$ -	6.25%	\$1,246,389	7.05%	\$1,405,927		
										Project Square Feet	Project Units	Total Actual Value											
										23,381	169	\$ 75,003,542								Local Gov. AV	\$ 6,237,378	School District AV	\$ 6,777,661

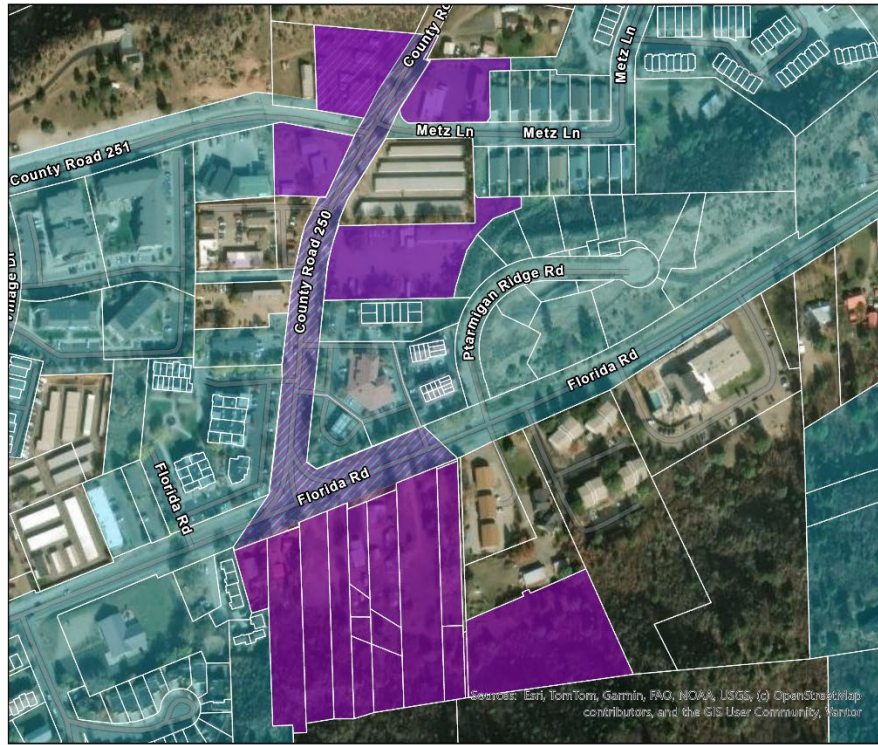
Durango Crossings
Urban Renewal Plan
March 19th, 2026



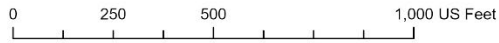
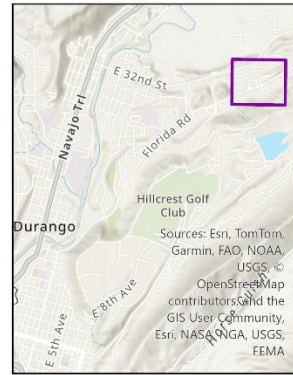
Prepared by:

Durango Urban Renewal Authority
City of Durango
Prosperity Office

Durango Crossings Urban Renewal Plan



- Durango Crossings Urban Renewal Plan
- ROW Connection
- La Plata County Parcels
- City Limits



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Definitions

The Terms used in this Urban Renewal Plan shall have the following meanings:

Act means the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31, of the Colorado Revised Statutes.

Area or **Urban Renewal Area** means the area of the City included within the boundaries of this Urban Renewal Plan as depicted in Exhibit A and described in Exhibit B.

Authority means the Urban Renewal Authority of the City of Durango, Colorado (Durango Renewal Partnership).

City means the City of Durango, Colorado.

Community Development means the Community Development Department at the City of Durango, Colorado.

Comprehensive Plan means the City of Durango Comprehensive Plan, revised April 4th, 2017.

County means La Plata County, Colorado.

Plan or Urban Renewal Plan means this urban renewal plan as it may be amended in the future.

Project or Urban Renewal Project means all activities and undertakings described in this Plan.

TIF means Tax Increment Financing.

Workforce Housing means housing product that is priced to sale or to rent at levels considered affordable by the US Department of Housing and Urban Development for La Plata County households earning between 80% and 125% Area Media Income.

I. Introduction

The purpose of this Plan is to implement those provisions of the City of Durango’s Comprehensive Plan that apply to the Urban Renewal Area. The provisions of this Plan are intended to help to help eliminate and prevent conditions of blight by providing important services to the Area, attracting private investment, utilizing underdeveloped land, and leveraging public investment and funding mechanisms to promote redevelopment and rehabilitation of the area by private enterprise, develop residential housing that is marketed to the local workforce and, where necessary, provide necessary public infrastructure to serve the Area.

This Urban Renewal Plan has been proposed for consideration by the City Council of Durango pursuant to the provisions of the Act. The administration of the Project and the implementation of the Plan shall be the responsibility of the Authority.

II. Urban Renewal Area Boundary

An urban renewal plan area has been created that includes property within the City of Durango’s municipal limits. The plan includes twenty (20) parcels with an approximate area of 12.3 acres. At the time of this Plan’s adoption, the subject parcels are privately owned or owned by the City of Durango, and the parcels are assessed by the La Plata County Assessor as Tax Exempt and Residential. A map of the Plan Area and its specific legal description have been included as Exhibit A and Exhibit B.

III. Summary of Statutory Criteria

The Authority commissioned Conditions Surveys to evaluate blighted area factors present within the Plan’s boundaries. Relevant conditions were researched, documented, photographed, and compared with the blight factors pursuant to the Act. Two surveys were completed, first on April 24th, 2025, and a second on March 5th, 2026. These conditions survey evaluated all property within the Plan boundary and identified the requisite number of blighting factors to deem the Plan area eligible for urban renewal treatment. The Conditions Surveys are incorporated herein in their entirety by this reference. The Conditions Surveys shows that the following factors listed in the Act are present in the Area and that these conditions qualify the Area as a "blighted area" as defined in the Act:

Conditions Survey – Blighting Factors Catalogued	
Blighted Area Factor # (C.R.S. 31-25-103.2 List Label)	Definition
Factor 1 (a)	Slum, Deteriorated, or Deteriorating Structures.
Factor 2 (b)	Predominance of Defective or Inadequate Street Layout
Factor 3 (c)	Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness
Factor 4 (d)	Unsanitary or Unsafe Conditions
Factor 5 (e)	Deterioration of Site or Other Improvements
Factor 6 (f)	Unusual Topography or Inadequate Public Improvements or Utilities
Factor 10 (j)	Environmental Contamination
Factor 11 (k.5)	The Existence of Health, Safety, or Welfare Factors Requiring High Levels of Municipal Services or Substantial Physical Underutilization or Vacancy of Sites, Buildings, or Other Improvements

IV. Description of Urban Renewal Project

This Plan will be implemented as part of a comprehensive program to eliminate and prevent blight in the Urban Renewal Area. The Authority and the City, with the cooperation of private enterprise and other public bodies, will undertake a program to eliminate the conditions of blight identified in the Conditions Survey while supporting the Comprehensive Plan. Although there are other adopted Plan's both locally and regionally not listed, the Goals and Policies of these plan's are assumed to be subsumed under the Comprehensive Plan.

A. **Urban Renewal Plan Goals and the Plan's Relationship to Local and Regional Objectives**

1. **Goals of the Plan** – This Plan has been adopted to achieve the following goals in the Area:

- a) To eliminate and prevent conditions of blight within the Plan Area
- b) To encourage renewal throughout the Plan area by attracting additional investment and development within the project boundary.
- c) To leverage Tax Increment Financing to assist with the funding of Infrastructure that will help advance the remediation and development goals of the Plan area.
- d) To leverage Tax Increment Financing assists in the development of projects that align with the City's affordable housing goals and Housing Plan.
- e) To leverage Tax Increment Financing that increases the number of residential units within the project that are affordable for the local workforce.
- f) To incentivize and invest in catalytic developments to remediate blighting conditions and spur additional community minded development throughout the Plan area.
- g) To encourage projects within the subject area that align with the Community's desires for new development as indicated by the City's future land use designations, zoning districts, and Land Use and Development Code.
- h) To extend public infrastructure and road networks into the project area that may one day create new transportation connections with College Mesa.
- i) To improve the streetscapes in ways that promotes on-street bike and pedestrian travel while also enhancing lighting, sidewalks, pedestrian safety, parking, signage, landscaping, bike racks and bus shelters.
- j) To invest in cultural and community spaces and facilitate a legacy development for the Durango Community.

2. Relationship to Comprehensive Plan

The Plan conforms with and is designed to help implement the Vision Statement, Core Values, and Guiding Principles detailed in the City of Durango's Comprehensive Plan, revised and adopted April 4th, 2017:

Vision: Durango is an authentic, diverse, and creative community living in harmony with its natural environment, pursuing economic, environmental, and social sustainability.

Core Values: Durango's Comprehensive Plan lists Five Core Values:

- **Sustainability:** We embrace public and private actions to preserve and enhance our natural and built environments for future generations.
- **Healthy Community:** We flourish as a community by caring about everyone's needs and supporting efforts to reach our full potential.
- **Environmental Stewardship:** We honor and respect our natural environment, realizing that our lives are inter-dependent with the Earth's well-being.
- **Vibrant Culture:** Our community thrives as a welcoming and creative people who learn from history and tradition.
- **Economic Vitality:** Our community experiences economic prosperity through diversification, self-reliance, interdependence, and adaptability.

Guiding Principles: This Plan will align and be guided by the City of Durango Comprehensive Plan's Ten Guiding Principles.

The Durango Crossings Urban Renewal Plan will also advance the Comprehensive Plan's Future Land Use Plan, Goals and Policies. The Plan will align with the Comprehensive Plan in its entirety. Specific Comprehensive Plan Goals that directly relate to the Plan and its proposed development are listed within the following sections:

- a) *The Plan will respond to the following **Growth Trends** outlined in the City's Comprehensive Plan by facilitating workforce housing development and extending transportation infrastructure:*
- (1) **The disparity between wages and the cost of living in Durango** – The Plan intends to remove conditions arresting sound development within a planned development area. The proposed development includes a mixed-use concept, blending residential and commercial development to be compatible with surrounding development. The Plan will also facilitate the development of housing that is priced at levels that are attainable for the local workforce.
 - (a) *See City of Durango Comprehensive Plan 3.1*
 - (2) **The need for a broad range of housing choices for all income and age groups** – The Plan will alleviate conditions arresting sound development and incentivize private investment to attract housing development within the Plan area. The Plan will facilitate the development of workforce housing product, and will create for sale and for rent residential units. These units and their pricing will provide a broad range of housing choices to the Durango Community.
 - (a) *See City of Durango Comprehensive Plan 3.1*
 - (3) **Increasing service demands for all ages and income groups** – The Plan will remediate blighting conditions and attract new mixed-use development and investment that will reverse retail leakage and provide new services and amenities to the City of Durango's Northeast neighborhoods.
 - (a) *See City of Durango Comprehensive Plan 3.1*
 - (4) **The diverse and increasing mobility needs of a population that is spread over a wider area** – The Plan will remediate blighting conditions and extend public infrastructure within and along the Plan area. This infrastructure will include multi-modal improvements that will enhance the area's active transportation options and safety.
 - (a) *See City of Durango Comprehensive Plan 3.1*
- b) *The Plan will address the **Community Development Element's Key Development Issue of "Enhancing the Community's Built Form While Promoting Infill"***
- (1) The Plan will remediate factors arresting sound development and incentivize new development within an underutilized area of the city. The Plan's will ensure that new development within this infill area is the highest and best use for the City of Durango's limited developable land. The proposed workforce housing development and commercial mixed-use represents a built form that enhances the City's existing northeast area and realizes infill development.
 - (a) *See City of Durango Comprehensive Plan 5.3.3*
- c) *The Plan will advance the following **Community Development Element Goals and Policies**:*
- (1) **Goal 4:** The Plan will Foster sustainable and resilient development that is compatible with established neighborhoods and contributes to reductions in resource consumption, greenhouse gas emissions, and improves quality of life. The Plan will facilitate housing density that is connected to existing bike lanes, pedestrian infrastructure, and is near an existing bus transit stop.
 - (2) **Goal 7:** The Plan will create quality places throughout the City. This Plan will remediate blighting conditions and attract new development to an area of the city that has for decades been underutilized. This Plan will facilitate new investment and development that create a quality development that helps sustainably grow the Durango Community.
- d) *The Plan will address the **Housing Element's Key Development Issue of "Housing the Workforce"***

- (1) The Plan will remediate factors arresting sound development and incentivize new development within an underutilized area of the city. The Plan represents a public private partnership to create attainable housing priced for the local workforce. This project represents one of the City's largest workforce housing initiatives.
- (a) *See City of Durango Comprehensive Plan 6.4*
- e) *The Plan will advance the following **Housing Element** Goals and Policies:*
 - (1) **Goal 13:** The Plan will continually improve the sustainability of Durango's housing and neighborhoods. The Plan is designed to facilitate workforce housing development, offering residential product that is both for sale and for rent. This project will generate affordable housing options for the Durango community that will improve the community's sustainability.
 - (2) **Goal 14:** The Plan will provide for the development of a variety of housing types throughout the Durango planning area that meets the diverse needs of the community. The Plan will facilitate market rate and workforce housing development. These units will be offered for sale and for rent, providing a broad spectrum of housing options to the Durango Community.
 - (1) **Goal 15:** The Plan will increase housing opportunities for workforce and special needs housing populations (target populations) through public/private partnerships. The Plan represents a public-private partnership between the City of Durango, the Durango Renewal Partnership, partnering taxing entities such as the School District and County, and the private sector. This partnership will facilitate affordable, workforce housing development that advances this goal and its policies.
- f) *The Plan will advance the following **Transportation Element** Goals and Policies:*
 - (1) **Goal 18:** The Plan will provide employees, residents and visitors with realistic opportunities to use various modes of transportation. The Plan will remediate an area of the city that is proximal to active transportation facilities and multi-modal facilities. The Plan and its activities will extend these active transportation networks, and provide future residents and employees with a realistic opportunity to walk, bike, and take city buses into Durango's downtown and around the County.

B. Land Use Regulations and Building Requirements

The Plan will provide a comprehensive and unified plan to promote and encourage high quality development and redevelopment of the Area by cooperative efforts of private enterprise and public bodies. Notwithstanding anything in the Plan to the contrary, the development and use of the property within the Urban Renewal Area described in the Plan including, without limitation, land area, land use, design building requirements, timing or procedures applicable to the property, shall be subject to the City of Durango's Land Use and Development Code and secondary codes therein adopted by reference, and other applicable standards and regulations of the City of Durango ("City Regulations"). Permitted uses for properties in the Urban Renewal Area shall be those uses allowed in the City of Durango Land Use and Development Code.

V. Project Activities

The following provisions shall apply to the Area. In accordance with the Act, the Authority may undertake these activities directly or, to the extent authorized by applicable law, contract with third parties to do so:

A. Land Acquisition

To carry out this Plan, the Authority may exercise any and all of its rights and powers under the Act and any other applicable law, ordinance or regulation. The Authority may acquire any interest in property by any manner available. The Authority may acquire property in the Area for the following reasons: To eliminate or prevent conditions of blight; to carry out one or more objectives of the Plan; to assemble property for redevelopment by private enterprise; for needed public improvements; and for any other lawful purpose authorized by the Plan, the Act or any other applicable law.

Acquisition of property by eminent domain is not authorized unless the City Council approves, by majority vote, the use of eminent domain by the Authority in accordance with the Act and other applicable laws.

B. Relocation

If acquisition of property displaces any individual, family, or business concern, the Authority may assist such party in finding another location, and may, but is not obligated to, make relocation payments to eligible residents and businesses in such amounts and under such terms and conditions as it may determine and as may be required by law.

C. Demolition, Clearance, and Site Preparation

The Authority may demolish and clear those buildings, structures, and other improvements from property it acquires if such buildings, structures, and other improvements are not to be rehabilitated in accordance with this Plan. The Authority may provide rough and finished site grading and other site preparation services as part of a comprehensive redevelopment program.

D. Property Management

During such time as any property is acquired by the Authority, for disposition for redevelopment, such property shall be under the management and control of the Authority and may be rented or leased by it pending disposition for redevelopment or rehabilitation. Notwithstanding the foregoing, the Authority may acquire property, develop, construct, maintain, and operate thereon buildings, and facilities devoted to uses and purposes as the Authority deems to be in the public interest.

E. Public Improvements

The Authority will cooperate with the City and other public bodies to install, repair or replace necessary public infrastructure including, but not limited to, public streets, ADA accessible routes, central water and sewer services, stormwater improvements, bicycle and pedestrian infrastructure, parks and recreation amenities and multi-use recreational trails in the Area.

F. Land Disposition, Redevelopment and Rehabilitation

The Authority may dispose of property it acquires by means of a reasonable competitive bidding procedure it establishes in accordance with the Act and pursuant to redevelopment agreements between the Authority and such purchasers.

The Authority may also enter into owner participation agreements with property owners in the Area for the development, redevelopment, or rehabilitation of their property. Such agreements will provide for such participation and assistance as the Authority may elect to provide to such owners.

The Authority may develop, construct, maintain, and operate buildings and facilities devoted to uses and purposes as the Authority deems to be in the public interest.

All such redevelopment, owner participation and other agreements shall contain, at a minimum, provisions requiring:

- Compliance with the Plan and, if adopted by the Authority, the Design Guidelines and Standards and City codes and ordinances.
- Covenants to begin and complete development, construction, or rehabilitation of both public and private improvements within a period of time deemed to be reasonable by the Authority.
- The financial commitments of each party (but nothing herein shall obligate the Authority to make any such financial commitment to any party or transaction).

G. Cooperation Agreements

For the purposes of planning and carrying out this Plan in the Area, the Authority may enter into one or more cooperation agreements with the City, County or other public bodies. Without limitation, such agreements may include project financing and implementation; design, location and construction of public improvements; and any other matters required to carry out this Project. It is recognized that cooperation with the City, County, other municipalities and other public and private bodies may be required to coordinate such issues as the design, construction, maintenance, operation, and timing of public and private improvements within and outside of the Area to properly and efficiently carry out the goals and objectives of this Plan.

H. Other Project Undertakings and Activities

Other Project undertakings and activities deemed necessary by the Authority to carry out the Plan in the Area may be undertaken and performed by the Authority or pursuant to agreements with other parties or public bodies in accordance with the authorization of the Act and any and all applicable laws.

VI. Project Financing

The Authority is authorized to finance activities and undertakings under this Plan by any method authorized by the Act or any other applicable law, including without limitation, appropriations, loans or advances from the City or County; federal loans and grants; state loans and grants; interest income; pay as you go arrangements; annual appropriation agreements; agreements with public and private parties or entities; sale of securities; loans, advances and grants from any other available source.

Any and all financing methods legally available to the City, the County, the Authority, any private developer, redeveloper or owner may be used to finance in whole or in part any and all costs, including without limitation, the cost of public improvements described or anticipated in the Plan or in any manner related or incidental to the development of the Urban Renewal Area. Such methods may be combined to finance all or any part of activities and undertakings throughout the Urban Renewal Area. Any financing method authorized by the Plan or by any applicable law, including without limitation, the Act, may be used to pay the principal of and interest on and to establish reserves for indebtedness (whether funded, refunded, assumed or otherwise) incurred by the Authority or the City or the County to finance activities and undertakings authorized by the Act and this Plan in whole or in part.

The Authority is authorized to issue notes, bonds or any other financing instruments or documents in amounts sufficient to finance all or part of the Urban Renewal Plan. The Authority is authorized to borrow funds and to create indebtedness in carrying out this Plan. The principal, interest, and any premiums due on or in connection with such indebtedness may be paid from any funds available to the Authority.

The Project may be financed by the Authority under the tax allocation financing provisions of the Act. Under the tax allocation method of financing the Project, property taxes levied after the effective date of the approval of this Plan upon taxable property in the Urban Renewal Area each year by or for the benefit of each public body that levies property taxes in the Area, shall be divided for a period not to exceed twenty-five (25) years after the effective date of the adoption of this tax allocation provision, as follows:

Base Amount

That portion of the taxes which are produced by the levy at the rate fixed each year by or for such public body upon the valuation for assessment of taxable property in the Urban Renewal Area last certified prior to the effective date of approval of the Plan or, as to an area later added to the Urban Renewal Area, and the effective date of the modification of the Plan shall be paid into the funds of each such public body as are all other taxes collected by or for said public body.

For sales tax, the base will be that portion of municipal and county sales taxes collected within the boundaries of the Area in the twelve-month period ending on the last day of the month prior to the effective date of approval of the Plan.

Increment Amount

The increment amount is that portion of property taxes and sales taxes in excess of the base amount as defined above. That portion of said property taxes and said municipal and county sales taxes in excess of such base amount shall be allocated to and, when collected, paid into a special fund of the Authority to pay the principal of, the interest on, and any premiums due in connection with the bonds of, loans or advances to, or indebtedness incurred by (whether funded, refunded, assumed or otherwise) the Authority for financing or refinancing, in whole or in part, the Project.

Unless and until the total valuation for assessment of the taxable property in the Urban Renewal Area exceeds the base valuation for assessment of the taxable property in the Urban Renewal Area, all of the taxes levied upon taxable property in the Urban Renewal Area shall be paid into the funds of the respective public bodies.

Unless and until the total municipal and county sales tax collections in the Urban Renewal Area exceed the base year municipal and county sales tax collections all such sales tax collections shall be paid into the funds of the City and County.

When such bonds, loans, advances and indebtedness, including interest thereon and any premiums due in connection therewith, have been paid, all taxes upon the taxable property in the Urban Renewal Area shall be paid into the funds of the respective public bodies.

When such bonds, loans, advances and indebtedness, including interest thereon and any premiums due in connection therewith, have been paid, all municipal and county sales taxes upon retail sales within the Urban Renewal Area shall be paid into the Funds of the City of Durango.

The increment portion of the taxes, as described in this subparagraph 2, may be irrevocably pledged by the Authority for the payment of the principal of, the interest on, and any premiums due in connection with such bonds, loans, advances and indebtedness incurred by the Authority to finance the Project.

VII. Changes in Approved Plan

This Plan may be modified pursuant to the provisions of the Act governing such modifications, including Section 31-25-107, C.R.S.

VIII. Minor Variations

The Authority may in specific cases allow minor variations from the provisions of the Plan if it determines that a literal enforcement of the provisions of the Plan would constitute an unreasonable limitation beyond the intent and purpose of the Plan.

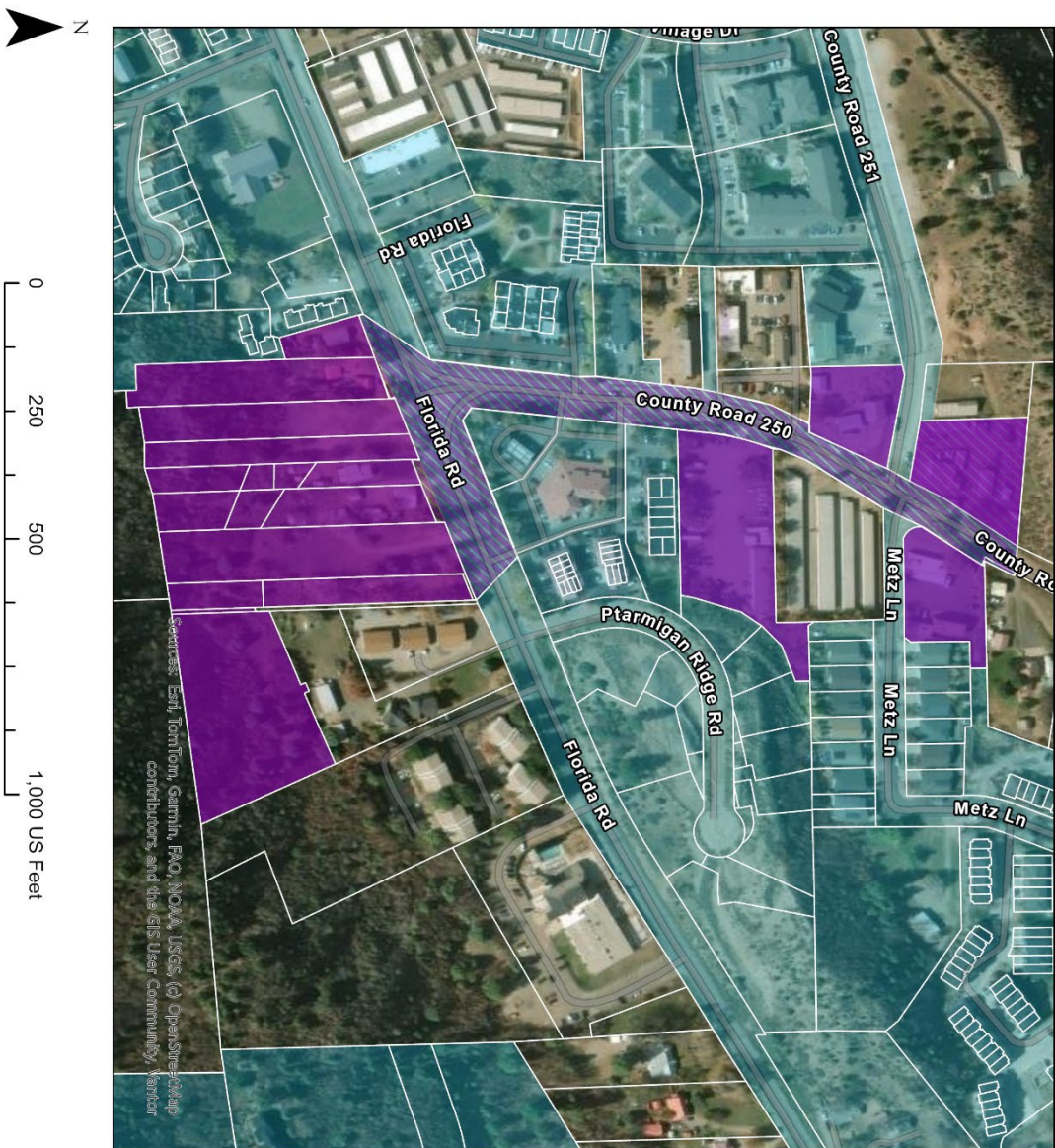
EXHIBIT A
LEGAL DESCRIPTION

DRAFT

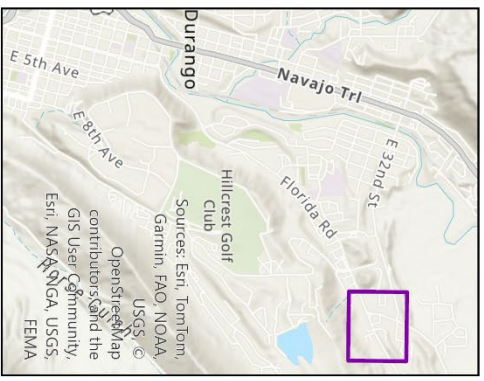
EXHIBIT B

URA PLAN MAP

Durango Crossings Urban Renewal Plan



- Durango Crossings Urban Renewal Plan
- ROW Connection
- La Plata County Parcels
- City Limits





THE SOUTHWESTERN WATER CONSERVATION DISTRICT

Developing and Conserving the Waters in the
SAN JUAN AND DOLORES RIVERS AND THEIR TRIBUTARIES
West Building – 841 East Second Avenue
DURANGO, COLORADO 81301
(970) 247-1302

BOARD MEMORANDUM

From: Josh Brooks

Subject: Agenda Item 10.3: Revisions to SWCD Financial Approval Process

Date: June 8th, 2026

Overview

This memo builds upon an item presented to the Southwestern Water Conservation District (SWCD) Board in December 2025 regarding proposed revisions to the District's expense approval policies. At that time, the Board was asked to consider several modifications intended to improve administrative efficiency while maintaining appropriate financial oversight. The proposed revisions included:

- Authorizing staff to approve expenditures below the District's established capital expenditure threshold of \$2,500 by routing supporting documentation through the Programs Manager and General Manager for review and approval.
- Designating the Board Treasurer or Board President as an alternative secondary approver to ensure that no staff member or Board member is responsible for approving their own reimbursement requests.
- Establishing a process that would permit the General Manager to serve as the sole signatory on checks when a qualified Board member is unavailable, provided prior written approval has been obtained.

This memorandum presents a resolution for Board consideration that incorporates a minor modification to the previously proposed framework.

Following the resignation of the SWCD Programs Manager, and consistent with the District's existing policy delegating authority for expenditures below the capital expenditure threshold to staff, the proposed resolution would authorize the District's financial officer to prepare and route qualifying expenditures directly to the General Manager for approval. As in the previous item broad to the Board, any circumstance involving a potential conflict of interest would require the approval to be provided instead by either the Board President or the Board Treasurer.

Board Action

Staff recommends the Board approve the attached resolution.

**SOUTHWESTERN WATER CONSERVATION DISTRICT
RESOLUTION 2026-02 TO ADOPT EXPENSE APPROVAL MEASURES**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHWESTERN
WATER CONSERVATION DISTRICT ESTABLISHING EXPENSE APPROVAL
AUTHORITY AND FINANCIAL OVERSIGHT PROCEDURES**

WHEREAS, the Board of Directors of the Southwestern Water Conservation District is responsible for establishing policies and procedures that ensure efficient administration of District operations while maintaining appropriate financial controls and oversight; and

WHEREAS, in December 2025, the Board considered proposed revisions to the District's expense approval policies intended to improve administrative efficiency while preserving accountability and segregation of duties; and

WHEREAS, the Board finds it prudent and in the best interest of the District to establish clear expense approval procedures and financial authorization requirements that promote sound fiscal management, internal controls, accountability, and the safeguarding of District assets.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
SOUTHWESTERN WATER CONSERVATION DISTRICT, COLORADO:**

Section 1. Expenditures that fall below the District's established capital expenditure threshold may be prepared and processed by the District's financial officer and routed directly to the General Manager for review and approval.

Section 2. Any expenditure that equals or exceeds the District's established capital expenditure threshold shall require approval by both the General Manager and either the Board President or the Board Treasurer prior to payment or execution.

Section 3. In any circumstance where the General Manager's approval would present an actual or perceived conflict of interest, including but not limited to reimbursement requests or expenditures benefiting the General Manager, approval authority shall be exercised by either the Board President or the Board Treasurer.

Section 4. No staff member or Board member shall approve his or her own reimbursement request or expenditure, and all approvals shall be conducted in a manner that maintains appropriate internal controls and financial accountability.

Section 5. In circumstances where District policy requires the signatures of both the General Manager and a qualified Board member on a check or other financial instrument, and a qualified Board member is unavailable to provide a timely signature, the General Manager may serve as the sole signatory, provided that prior written approval of the expenditure has been obtained from either the Board President or the Board Treasurer. Such written approval shall be retained with the supporting financial records in accordance with the District's recordkeeping policies.

Section 6. This resolution shall become effective immediately upon adoption and shall remain in effect until amended or repealed by subsequent action of the Board of Directors.

ADOPTED, THIS 18TH DAY OF JUNE 2026

Charles Smith, President

Attest:

JR Ford, Vice-President



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

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(970) 247-1302

BOARD MEMORANDUM

From: Josh Brooks

Subject: Agenda Item 10.4: Updating the SWCD Financial Accounts Authorities

Date: June 8th, 2026

Overview

Following the retirement of Steve Wolff and the appointment of Andrew Straub-Heidke as General Manager of the Southwestern Water Conservation District, updates to the District's financial account authorizations and permissions are necessary.

Effective upon the commencement of employment, the General Manager shall be granted administrative access and authority to the District's bank accounts maintained at Bank of Colorado and 1st Southwest Bank. The General Manager shall also be issued a District credit card associated with the General Fund, subject to the standard spending limit of \$20,000, and shall be authorized to execute financial instruments on behalf of the District, including checks and other authorized banking documents. It should be noted that unless otherwise directed, checks issued by the District will still require an additional signature of a qualified Board member.

In addition, unless otherwise directed by the Board, the Accounting & Grants Coordinator shall also be granted administrative access, with appropriate fiscal controls, to the District's bank accounts to support the efficient administration of day-to-day financial operations, accounting functions, and related banking activities.

Board Action

No board action needed.



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BOARD MEMORANDUM

From: Josh Brooks

Subject: Agenda Item 10.5: 2027 Grant Guidelines & Discussion

Date: June 5th, 2026

Overview

This memo is intended to inform the Southwestern Water Conservation District (SWCD) Board of proposed revisions to the District's Grant Guidelines as they transition from the 2026 program year into the 2027 award cycle. In addition to routine administrative updates—including revised dates, formatting improvements, and updated points of contact—several substantive changes are recommended for Board consideration.

The following revisions are proposed for the 2027 Grant Guidelines:

- **Application Period:** The grant application window will be adjusted to run from September 4, 2026, through November 6, 2026. This change shifts the opening and closing dates to Fridays while maintaining the current application period length.
- **W-9 Requirement:** Grant recipients will be required to submit a valid W-9 form prior to receiving any grant funds.
- **Reimbursement-Based Disbursement:** Grant awards will be distributed on a reimbursement basis. Recipients will be required to provide documentation demonstrating eligible expenses incurred before grant funds are released. Reimbursements may be requested either in full or through multiple partial disbursements. The Board may, at its discretion, waive this requirement when circumstances warrant.

A key discussion item for the Board is the overall funding level of the grant program and the allocation of funds among program categories.

The draft 2027 Grant Guidelines assume a total program budget of \$250,000, allocated as follows:

2027 Draft Category Caps	Allocation
Education	\$25,000
Public Forums	\$50,000
Emergency	\$50,000
Water Supply	\$125,000
Total	\$250,000

For comparison, the 2026 grant program was funded at up to \$550,000 with the following category allocations:

2026 Category Caps	Allocation
Education	\$25,000
Public Forums	\$75,000
Emergency	\$250,000
Water Supply	\$200,000
Total	\$550,000

Actual expenditures for the 2026 program year were:

2026 Actual Category Expenses	Expenditures
Education	\$10,000
Public Forums	\$35,000
Emergency	\$161,915
Water Supply	\$274,200
Total	\$481,115

The Board will consider updates to this and all other budget line items in workshop in September but is invited to consider if they wish to increase or decrease both the total available funds for the 2027 grant program as well as those individual category limits.

Board Action

No action needed, discussion and guidance item.



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

Developing and Conserving the Waters of the
SAN JUAN AND DOLORES RIVERS AND THEIR TRIBUTARIES
IN SOUTHWESTERN COLORADO

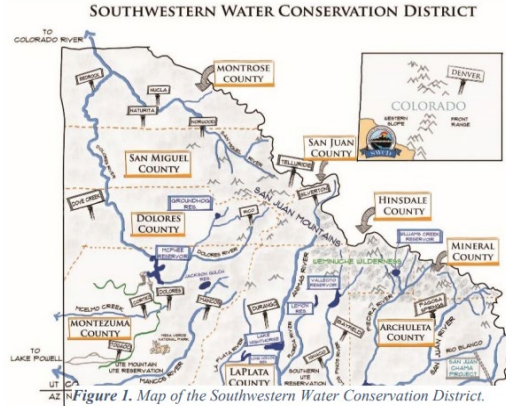
2027 GRANT PROGRAM GUIDELINES

Southwestern Water Conservation District Background

The Southwestern Water Conservation District (“SWCD”) is a political subdivision of the State that was established by the Colorado General Assembly in 1941 to protect, conserve, use, and develop the water resources of the San Juan and Dolores River Basins as well as to safeguard all waters to which the state of Colorado is equitably entitled.¹ SWCD periodically offers financial assistance in the form of grants to qualified entities², that are carrying out projects consistent with SWCD’s statutory purposes. Funding for this program is subject to SWCD’s discretion, annual budget, and appropriation process. The Board retains the right, in its sole discretion, to approve, reduce, or deny any grant request.

Before applying, please ensure you can answer “yes” to each of the following questions:

- Are you a qualified entity²?
- Are you located within the SWCD’s boundaries?
- Is the project anticipated to start and finish in 2027?
- Are you actively contributing to your project with matching funds or in-kind services? If cash, are these funds from your organization or another grant/source? SWCD generally requires at least 25% match of the total project costs³.
- Is the SWCD grant request less than 50% of the total project cost?
- Have you spoken with SWCD staff (Josh Brooks, 970-247-1302) about the project and grant application before submission?



¹ See C.R.S. § 37-47-101 through -151

² See “Additional Requirements” for definition

³ See “Matching Exceptions” for list of exceptions

1.0 General Program Information

For the 2027 grant program, applications may be submitted from **September 4 through November 6th, 2026**. Applicants are encouraged to submit their application as early as possible so that there is adequate time to work with SWCD staff to ensure that the application meets all requirements in advance of the November 7th deadline. Generally, funding decisions on grant applications will be made by the SWCD Board at its first regularly scheduled meeting of 2027 (generally held in February).

Emergency Grant Requests: The deadlines provided above apply to routine grant requests and can be modified at the discretion of the SWCD Board to address emergencies. Emergency Requests typically stem from a natural disaster or other severe weather-related event and include but are not limited to: flood events causing damage to diversion, storage, or measurement structures; catastrophic canal or pipeline failure that prevents the delivery of water; imminent or actual spillway or dam failure, wildfire impacts including post-fire runoff, and other impacts; and toxic spills. Projects that result from or are exacerbated by deferred maintenance do not qualify. Please contact SWCD staff directly if this occurs to discuss submitting an emergency grant application. SWCD will not consider grant requests for entities that do not have appropriate reserves, have not adequately or proactively maintained their water supply systems, or have shown a lack of preparation for an emergency event.

SWCD annually anticipates receiving grant requests well over the available funds. The maximum amount of money potentially available from SWCD in the 2027 calendar year for all grant recipients is listed in the table below.

Grant Funding Category	<u>Proposed 2027 Funds Available</u> <i>Total Grant Program \$250,000</i>	<u>Annual Max Grant</u> <i>Request per Applicant per Category</i>	<u>Five-Year Max</u> <i>Grant Funds received per Applicant per Category</i>
Water Supply/Watershed Restoration: Water supply or watershed restoration or enhancement projects, including design, engineering, and construction	\$125,000	\$60,000	\$120,000
Public Forums/Studies: Public forums, workgroups, studies, planning efforts	\$50,000	\$20,000	\$40,000
Education: Teaching seminars, workshops, and related programs	\$25,000	\$10,000	\$20,000
Emergency requests: flood events causing damage to diversion, storage, or measurement structures; catastrophic canal or pipeline failure that prevents the delivery of water; imminent or actual spillway or dam failure, wildfire impacts, including post-fire runoff, and toxic spills	\$50,000 + any remaining unallocated grant funds	\$50,000	\$50,000

If, as part of budget development for the upcoming fiscal year, the board adjusts the total grant program funding available, funding allocations by category will be adjusted proportionally or based on Board recommendations.

Any member of SWCD’s Board of Directors or Staff with a financial or property interest in a grant request will disclose any such interest or any other conflict of interest and recuse themselves from participating in any recommendation, vote, or decision-making process related to that grant request.

2.0 Additional Requirements

Eligibility:

SWCD will only consider grant requests from “qualified entities” for (1) development or improvement of water supply and watershed restoration or enhancement projects, including related design, engineering, and construction, (2) studies and facilitating stakeholder involvement in water-related matters, including water quality, (3) educational purposes, including teaching seminars, workshop, and related programs, and (4) emergency situations. “Qualified entities” are defined by statute to include any public entity, non-profit corporation, not-for-profit corporation, carrier ditch company, mutual ditch or reservoir company, unincorporated ditch or reservoir company, or cooperative association within the boundaries of SWCD.⁴ All projects, studies, and program grants will be limited to “raw” or untreated water supplies, except as provided below. Only projects or portions of projects located within the SWCD’s boundaries are eligible for grant funding.

SWCD will **not** consider grant requests or funding for;

- a. Completed Projects; however, the board may make an exception for projects completed within the past six months arising from the emergencies;
- b. Municipal or domestic drinking water projects that do not qualify as a “public water system,” which is defined for the purposes of these guidelines to mean any system that does not have a public water system ID number with the state of Colorado;
- c. Any part of a municipal or domestic “public water system” which is unrelated to raw water storage or delivery. Applications for eligible portions of the public water system should include the state ID number for the system;
- d. Wastewater treatment projects;
- e. Legal fees or payroll costs. SWCD will not pay an employee’s salary or hourly wages but may consider paying for crew or seasonal work as it pertains to the specific project described in the grant proposal. If your project includes salary or hourly wages for employees, please identify them as a separate line item in the proposed budget and explain how you will pay for those costs without using SWCD grant

⁴ C.R.S. § 37-47-107(1)(j.5).

funds. If you want to apply for funding for crew or seasonal project work, please identify this in your application, extra documentation may be required by the Board to approve such requests. Paying for an employee's time will be at the discretion of the board;

- f. Grant administration costs; or
- g. Weed management projects, although consideration will be given to programs that specifically remove phreatophytes if the Applicant demonstrates it has a plan, including funding, for appropriate revegetation and ongoing maintenance.
- h. Projects that arise due to lack of proper maintenance or lack of maintaining sufficient financial reserves to address routine maintenance and unforeseen events.

Matching Contributions

SWCD will not award a grant for more than 50% of the total project costs,⁵ and Applicants must demonstrate that they are actively contributing to the project for which they are requesting a grant. Any grant approval and release of funds will be contingent on the recipient demonstrating that they have secured funding for the remaining total project costs.

In addition, Applicants or beneficiaries of the proposed project must also demonstrate that they will provide, through a cash contribution and/or in-kind goods or services, at least 25% of the total project costs (in other words, half of the matching funds)⁶. Applications proposing the use of in-kind goods and services as all or a portion of the required matching contribution must provide detailed information identifying the time and valuation (at an hourly or total project rate) of in-kind contributions. The Board may, at their discretion, consider previous expenditures directly related to the proposed project as matching contributions if those expenditures occurred within six months of the grant application deadline. Matching Contributions Exceptions:

Non-profit, or non-governmental organizations, serving on behalf of a broad group of local constituents that do not receive tax revenues and do not have opportunities for third-party contributions for the project, may request a reduction of the match requirement to 10% of the total project cost (subject to approval by the Board) by garnering and documenting strong community or watershed support for the project.

Applicants that are actively pursuing large state, federal, or other grants may request a reduction in match. In these cases, applicants must describe the Grants being applied to and how SWCD dollars will be used to leverage these funds.

⁵ For multi-phase projects, "total project costs" shall mean all costs related to the particular phase of the project for which the Applicant is requesting funding.

⁶ Multi-phase projects, "total project costs" shall mean all costs related to the particular phase of the project for which the Applicant is requesting funding.

Limits on Grant Funding

The amount of funding each “qualified entity” may receive from SWCD is further limited to the following:

- a. Recipients of grants for the development or improvement of water-related projects may not receive more than \$60,000 in a single year or a total of \$120,000 in any given five-year period.
- b. Recipients of grants for participation in public forums and the performance of studies may not receive more than \$20,000 in any single year or a total of \$40,000 in any given five-year period.
- c. Recipients of grants for educational purposes may not receive more than \$10,000 in a single year or a total of \$20,000 in any given five-year period.
- d. Recipients of grants for Emergency purposes may not receive more than \$50,000 in a single year or a total of \$50,000 in any given five-year period.

Exceptions: For qualified entities that have multiple departments/programs, they may request that five-year limits apply only to singular departments or programs. Ultimately, departments or programs that are considered for this exception will have to demonstrate that their budget operates separately from the larger entities' whole budget. For example, the department or program is required to find its own funding for programs through grants and other means.

3.0 Application Instructions and Process

Completion of SWCD’s application is required for SWCD to consider grant requests. The Board will not consider applications that do not meet the minimum requirements. To ensure consideration for funding by SWCD, please apply for a grant before the water project, study or educational program has been initiated.

2027 SWCD Grant Application

Each application should be filled in electronically (highly preferred) or printed legibly and include, at a minimum, the required information indicated by a required field. If submitting a printed document, all applications and supporting documentation must be submitted in a single file. Applications submitted in multiple files will not be considered. For printed applications, please attach additional sheets as necessary to fully answer any question to assure that all information that might help evaluate your application is considered. Please return the **signed copy** of the application to Southwestern Water Conservation District and retain a copy for your records. Please submit to the following address or email: Southwestern Water Conservation District, 841 E. 2nd Avenue, Durango, CO 81301, or admin@swwcd.org. Once your grant application is received,

it will be reviewed by SWCD staff to ensure that it meets the minimum requirements before consideration by the Board.

The Board will review and consider grant applications at the first Regular Board meeting in 2027. Applicants are encouraged to attend the meeting at which the funding requests will be considered, either in person or virtually, so that they can provide a brief summary of their grant request and answer questions that may arise. The Board requests a thorough, completed application form be submitted in lieu of a formal presentation.

For questions about the application or board meeting, please contact SWCD staff by phone (970-247-1302) or e-mail (admin@swwcd.org). For your reference, agendas are generally posted to the swwcd.org website one week prior to regular board meetings.

4.0 Evaluation Criteria

Grant proposals will be evaluated based on how well the proposed project, study, or educational request carries out the purposes, mission, and strategic priorities of SWCD. The Board will give special consideration to grant proposals that further the use or protection of pre-compact water rights and the development of Colorado River Compact entitlements as well as educational-related requests that complement or otherwise further SWCD's existing programs.

Furthermore, Applicants must demonstrate adequate shareholder assessments and reserves for ongoing operation, maintenance, and repair of their infrastructure. The Board will give favorable consideration to grant proposals from Applicants that are proactively and financially planning for their own future needs.

5.0 Fund Disbursement

Once a grant application has been reviewed and approved by the Board, a request for the release of grant funds may be made during 2027. If the Applicant will not be able to use the funds in that year, please contact the SWCD office as soon as possible.

For grant funds to be released, the Applicant must complete the following tasks:

1. Sign the "Document of Understanding" that accompanies the grant approval letter;
2. Complete a "Request for Release of Funds" form found on the SWCD website, [Financial Assistance Program - Southwestern Water Conservation District \(swwcd.org\)](http://swwcd.org);
3. Provide valid W-9;
4. Provide written documentation that all committed matching funds have been secured;
5. Provide written documentation that the Applicant continues to be a qualified entity

The signature of the Applicant’s authorized representative on the “Request for Release of Funds” form indicates that the funds are needed at that time and that the Applicant ensures and verifies that the funds are only being used for the specific purpose(s) described in the application and amount(s) indicated in SWCD’s grant approval letter. The Applicant agrees to allow SWCD to display a public notice identifying the project or activity as partially funded by the SWCD.

All grants awarded through this program shall be administered on a reimbursement basis. Grant recipients must first incur and pay eligible project expenses and then submit a Request for Release of Funds, together with supporting documentation acceptable to SWCD, including but not limited to invoices, receipts, proof of payment, contractor pay applications, or other records demonstrating that the expenses have been incurred and paid. SWCD reserves the right to review all submitted documentation and determine the eligibility of requested reimbursements prior to the release of grant funds. Reimbursement requests may be denied, reduced, or delayed if sufficient documentation is not provided or if the expenses are determined to be inconsistent with the approved grant application or award conditions.

The reimbursement requirement set forth herein may be waived, in whole or in part, by the Board of Directors upon a finding that advance payment is necessary to facilitate the successful completion of the approved project, study, or program and is in the best interest of the District.

In the event the project, study, or program for which the grant was awarded ultimately comes under budget, the grant recipient must return a pro-rata portion of the remaining funds to SWCD within 45 days of completion. For example, if the completed project, study, or program is \$20,000 under budget and SWCD contributed 20% of the total anticipated project costs, then the grant recipient must return \$4,000 (20% of \$20,000) to SWCD.

6.0 Changing the Use of Funds

If the Board approves funding for the application, and at a future date the Applicant wishes to modify the intended use of funds, please notify staff as soon as possible. Any such modifications may be disallowed or require Board approval. Otherwise, SWCD requires reimbursement of funds.

7.0 Grant Extension Requests

If the Board approves funding for the application, and completion of the project, study, program, or other grant-funded task has not occurred in 2027, the Applicant must submit a written grant extension request to SWCD Staff describing the progress to date and the projected timeline for completion. At that time, Staff may elect to approve a one-year extension.

Grant extensions are usually limited to one year. However, the Board may approve grant extensions of more than one year; the Applicant may be required to submit a new application, or if funds have already been disbursed, the Board may request that the funds be returned.

8.0 Annual Reporting Requirement

If the Board approves funding for the application, the Applicant must provide a written report and/or supporting documentation of the work accomplished no later than December 31, 2027. This written report will include a detailed accounting of the use of funds including supporting documentation for any expenses incurred, as well as a detailed outline of the total project budget spent. Additional documentation may be requested at the discretion of SWCD. See sample final reports at swgcd.org. If the Applicant cannot submit the final report by the deadline, they must submit a written request for an extension of time to SWCD staff prior to December 31, 2027, which explains the reporting delay and proposed final submittal date. The Board will not consider future grant requests from Applicants that do not comply with this provision or submit an unacceptable final report.



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

BOARD MEMORANDUM

From: Steve Wolff, General Manager
Beth Van Vurst, General Counsel

Subject: Agenda Item 19.2 – Emergency Substitute Water Supply Plan Request

Date: June 11, 2026

Rob Genauldi, the Division Engineer for Water Division 7, informed us that the water supply for a number of residential domestic wells located within SWCD's boundaries (specifically, the Florida River basin) may be in jeopardy in the coming months due to the unprecedented drought during the 2026 water year. A similar situation is unfolding in other areas of the State, most notably in Water Division 5 (the Colorado River mainstem and its tributaries), due to persistent extreme drought conditions. At its most recent special meeting, the SWCD Board authorized staff and its consultants to take a closer look at this issue and the possible development of an emergency substitute water supply plan ("Emergency SWSP") that could provide some short-term relief for these water users in the Florida Basin. An Emergency SWSP is a unique type of SWSP that is rarely used because it is only available to address a situation affecting public health or safety.¹ This memo provides an update on our work.

Wright Water Engineers, Inc. ("WWE") has, in coordination with the Division Engineer's office, taken the lead on investigating this issue. It does appear there are numerous residential wells that have historically operated under either decreed augmentation plans or decreed changes of water right that are susceptible to curtailment in the coming months due to low stream flows that are likely to increase the depth and duration of the call on the Florida River. These wells are used for both indoor domestic purposes and outdoor uses (e.g., irrigation).

An Emergency SWSP request has been developed and submitted that, if approved, will allow 252 domestic residential taps² to continue to be used for indoor purposes over a 90-day period. No outdoor uses are included the SWSP request. Approximately 2 acre-feet of augmentation water will be needed to replace the out-of-priority depletions associated with this indoor use. SWCD will lease the necessary augmentation water from the Florida Water Conservancy District.

¹ C.R.S. § 37-92-308(7).

² The number of residential taps included in the Emergency SWSP is greater than the number of well structures because some wells serve more than one residence.

New form submission assigned to you: SWCD 2026 Grant Application

From Streamline <noreply@specialdistrict.org>

Date Fri 2026-05-08 10:41 AM

To Steve Wolff <steve@swgcd.org>



SOUTHWESTERN WATER CONSERVATION DISTRICT

SWCD 2026 Grant Application

Overview:	
Name of Qualified Entity:	Mesa Ditch Company
Date of Submittal:	5/8/2026
Type of Qualified Entity:	Non-profit organization or not-for-profit organization
Mailing Address to Send Grant Check (if approved):	P.O. Box 3724, Pagosa Springs, CO 81147
Federal ID Number:	84-1166529
Public Water System ID:	NA
Contact Person 1:	Becca Smith
Contact 1 Title:	President, Mesa Ditch Company
Contact 1 Phone:	9705070309
Contact 1 Email:	beccasmithco7@gmail.com
Contact Person 2:	Ron Decker

Contact 2 Title:	Secretary/Treasurer, Mesa Ditch Company
Contact 2 Phone:	9075070334
Contact 2 Email:	ronalddecker@centurytel.net
Project Overview:	
Project Name:	Mesa Ditch Bank Failure Repair
Applicant:	Mesa Ditch Company
Is the Applicant using a fiscal agent? if so is the fiscal agent a qualified entity?:	No
River Basin and County:	Fourmile Creek tributary to the San Juan River, Archuleta County
Total Project Costs?:	\$48,892.00
Grant Request Amount? Request cannot exceed 50% of total project costs.:	\$24,446.00
Applicant Match? Applicant match must be at least 25% of total project costs. See Guidelines for exceptions and more information.:	\$24,446.00
I acknowledge that the grant funds will be used in 2026?:	Yes
Water Activity Category:	
What category does this grant fall into?:	Emergency: Situations arising from catastrophic or unforeseen events. Max Request \$50,000.
Applicant Description:	
Provide a brief description of the applying entity. For ditch companies, please provide the number of shareholders, acres served, and annual assessment. (250-word max):	The applicant is the Mesa Ditch Company, a nonprofit corporation registered with the State of Colorado. There are 6 shareholders owning a total of 720 shares. The Mesa Ditch irrigates approximately

	<p>640 acres. The annual assessment amount is determined at the annual Mesa Ditch Company shareholders meeting. The following assessments were collected for the last 5 years: 2021 – no assessment needed; 2022 - \$720 assessment collected; 2023 - \$1800 assessment collected; 2024 - \$1800 assessment collected; 2025 - \$6000 assessment collected; 2026 - \$30,240 collected.</p>
<p>Describe how the applicant is proactively and financially planning for their own future needs through adequate assessments, reserves, and other means. (250-word max):</p>	<p>The Mesa Ditch shareholders vote on assessments annually. Assessments are determined based on the balance of funds in the Mesa Ditch Company bank account, anticipated future expenses, amount of desired reserves, and shareholder discussion. The goal is to maintain enough funds in the Mesa Ditch Company bank account to pay for planned ditch maintenance and contingency funds to pay for unanticipated expenses.</p>
<p>Provide a narrative description of the project's physical location, as well as its purpose. Additionally, provide a description of the water supply source to be utilized or the water body affected by the project. (200-word max):</p>	<p>The project is located approximately 0.75 mile down ditch from the Mesa Ditch headgate on Fourmile Creek north of Pagosa Springs, CO in T. 36 N., R. 2 W., Section 13. Please see attached document for a description of the project.</p>
<p>What are the measurable results such as acres served, watersheds impact, types of crops, number of taps, length of ditch improvements, length of pipe installed, area of habitat improvements, or students impacted.:</p>	<p>The project will repair the ditch bank failure on the Mesa Ditch in order to be able to divert water into and through the Mesa Ditch during the 2026 and future irrigation seasons. The Mesa Ditch irrigates approximately 640 acres for livestock forage and hay cultivation.</p>

<p>Photos, maps, or other graphics can be inserted or attached to support the above questions.:</p>	<p>File attached — please log in to download it securely</p>
<p>Long Answer:</p>	
<p>What are the benefits of the project? Consider the following prompts in your answer, hitting all points if possible. 1. How does the project assist SWCD in furthering its statutory mission to protect, conserve, use, and develop the water resources of southwestern Colorado, as well as safeguard all waters to which Colorado is entitled? 2. In February of 2022, SWCD adopted a strategic plan with six strategic priorities. Which priorities does this project satisfy and how? 3. Does your project enhance or preserve any pre-compact water rights? If so, please describe the amount, appropriation date and adjudication date of these water rights. (750-word max):</p>	<p>Repair of the Mesa Ditch bank assists SWCD in furthering its statutory mission to protect, conserve, use, and develop the water resources of southwestern Colorado by ensuring that water can be diverted into the Mesa Ditch and put to beneficial use during the 2026 and future irrigation seasons. The project supports SWCD's strategic priority 4 by investing in improvements to existing infrastructure for multiple uses in southwest Colorado. This project preserves pre-compact water rights. The Mesa Ditch has 28 cfs of absolute water rights with appropriation dates ranging from 1891 to 1902 and adjudication dates of 1902 and 1912.</p>
<p>Attach a 'water rights tabulation' report from the Colorado Division of Water Resources (DWR), if applicable.:</p>	<p>File attached — please log in to download it securely</p>
<p>Water Project Timeline:</p>	
<p>Provide a narrative description of the timeline for the project's major tasks and/or a detailed outline (250-word max):</p>	<p>The ditch bank failed on about April 26, 2026. Work to repair the failure will begin in mid-May 2026.</p>
<p>Engineering and Legal Feasibility:</p>	
<p>Will the project require the acquisition of additional water rights or a change of existing water rights? If yes, please explain (150-word max):</p>	<p>No</p>

<p>Will the project require local, state, or federal regulatory permits of any type? If yes, please explain. (150-word max):</p>	<p>No</p>
<p>List below any feasibility studies or investigations that have been completed or are now in progress for the proposed project. (200-word max):</p>	<p>N/A</p>
<p>Please attach feasibility studies or investigations here.:</p>	
<p>Matching Requirements:</p>	
<p>Applicants must demonstrate that they are actively contributing to the project for which they are requesting funding. Any grant approval will be contingent upon the recipient ultimately demonstrating that they have secured funding for the full project cost.:</p>	<p>The Mesa Ditch Company shareholders agreed to a 2026 assessment of \$30,280 to pay for the ditch bank repair. The project cost is \$48,892. The Mesa Ditch Company will provide a 50% cash match of \$24,446 for the project with the funds in our bank account. We are requesting \$24,446 from SWCD. In the event that SWCD does not approve this grant, the shareholders have agreed to pay an additional assessment to pay the contractor if necessary.</p>
<p>In addition, applicants must also demonstrate that they will provide, through a cash contribution and/or the performance of in-kind services, at least 25% of the total project costs. See the guidelines for more information. Please upload a table showing contributing entity, amount, In-Kind or Cash, and Approval Date or Anticipated Approval Date. Please include the total applicant match, total other funding, and the SWCD request.:</p>	<p>File attached — please log in to download it securely.</p>
<p>I've read the above statement, and this application meets the matching</p>	<p>Yes</p>

requirements.:	
Water Project Budget:	
<p>Please provide a detailed project budget. You can use the template below or provide a more detailed table in an attachment. *Describe any payroll or legal costs, as well as any costs for administering this and other grants. SWCD will not fund those portions of the project.:</p>	<p>Contracted pipe, equipment and operators to repair the bank failure = \$48,892</p>
<p>Or upload a water project budget here.:</p>	<p>File attached — please log in to download it securely.</p>
Water Activity Budget:	
<p>Provide any narrative description of the project expense and funding budget that is necessary. (200-word max):</p>	<p>Contracted pipe, equipment and operators to repair the bank failure = \$48,894</p>
<p>Please include a detailed description of in-kind materials and services, if any, along with the basis for in-kind valuations.:</p>	<p>None</p>
<p>Attach supporting documentation if necessary.:</p>	
<p>By submitting below, I acknowledge I have read the 2026 SWCD Grant Program guidelines, I understand the program requirements, and I submit this application, which is complete and true to the best of my knowledge. Should the grant funds be awarded, I understand that the grant funds shall only be used by a qualified entity for the specific purpose(s) described in my SWCD grant application and up to the amount indicated in SWCD's grant approval letter. I understand that grant funding may be requested when needed in 2026. Upon the District's receipt of the Request for</p>	<p>I understand the above statement</p>

Release of Funds form, documentation showing the applicant continues to be a qualified entity and that all other matching project funds required by the District's 2026 Grant Program Guidelines have been committed and secured, the grant will be made available. If the intended use of grant funds changes, I am required to inform SWCD staff and further review and approval by the District's Board will be necessary. The District may require additional documentation regarding the use of the funds at its discretion. In addition, in the event the project, study, or program for which the grant was awarded ultimately comes in under budget, I must return a pro-rata portion of the remaining funds to the District within 45 days of completion. For example, if the completed project, study, or program is \$20,000 under budget, and SWCD contributed 20% of the total project costs, then the grant recipient shall be required to return \$4,000 (20% of \$20,000) to SWCD. I acknowledge that a final written report, including a description of work completed and a detailed accounting of the use of funds, will be due to SWCD within three (3) months of the final expenditure or by December 31, 2026, whichever occurs first. If the Applicant cannot submit the final report by the deadline, they must submit a written request for an extension of time to SWCD staff prior to December 31, 2026 that explains the reporting delay and a proposed final submittal date. The Board will not consider future grant requests from Applicants that do not comply with this provision and submit an acceptable final report. If the project will not be completed in 2026, I understand it

is necessary to submit a written grant extension request.:	
Name of Individual Submitting Applicant:	Becca Smith, President, Mesa Ditch Company
Date of Submission:	5/8/2026

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Mesa Ditch Company

Pagosa Springs, CO

Project: Mesa Ditch Bank Failure Repair

Description of Work to be Completed:

The Mesa Ditch diverts out of Fourmile Creek which is tributary to the San Juan River upstream of Pagosa Springs.

Water was turned into the ditch on April 22, 2026. On about April 26, 2026, an approximately 140-foot section of the ditch bank failed. This failure was discovered on April 27, 2026 and the water was immediately shut out of the ditch. The bank failure is on a section of the ditch that crosses a steep sidehill with a high cutbank and long fill slope. It is not possible to move the ditch over into the cutslope very far. 48" diameter culverts need to be installed across the failure area in order to prevent ditch water from saturating the hillside below the ditch resulting in potential future failures. Water cannot be diverted into the Mesa Ditch nor can the water be put to beneficial use until this bank failure is repaired.

The condition of the ditch is evaluated and maintained every spring. Some years, only hand work to remove fallen trees and shovel silt out of the ditch is needed. Most years, a small excavator is hired to remove larger quantities of silt, large rocks, and larger fallen trees. Over the last ten years, an excavator has been used to clean the ditch in 2015, 2016, 2017, 2019, 2022, 2023, 2024, and 2026.

Estimated Expenses:

A & M Const. & Excav., Inc.	Estimate # 2975	\$48,892.00
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We acquired two bids to complete this work, the Mesa Ditch Company shareholders met on May 5, 2026 and selected A & M Construction and Excavation to complete the work. The contractor gave us multiple estimates depending on either 160 or 180 feet of pipe, whether or not we had flare ends on the pipe, and whether or not the flare ends were plastic or metal. The Mesa Ditch Company shareholders decided to go with 180 feet of pipe to ensure that there was enough pipe to span the failure area, flare ends to ensure water wouldn't go around or under the pipe, and metal flare ends. At the May 5, 2026 Mesa Ditch Company meeting, the shareholders agreed to an immediate assessment of \$42/share totaling \$30,240 to cover the initial payment to the contractor. In the event that we do not receive grant funding, the shareholders also agreed pay an additional assessment as

needed to pay the contractor. Mesa Ditch Company matching funds would be \$24,446. We are requesting \$24,446 from the Southwestern Water Conservation District for this work. The contractor is working on ordering the pipe and will begin work within the next two weeks.

Additional Information

The Mesa Ditch Company received a grant from the Southwestern Water Conservation District of \$1315 in February 2026 to repair the diversion structure at the headgate that had been damaged by the October 2025 flood. A & M Construction and Excavation did that work. They did a good job and the diversion structure is functioning properly. The bank failure that we are now requesting funding for is in an entirely different location, approximately 0.75 mile down the ditch from the headgate.



Ditch bank failure looking south



Ditch bank failure looking north



Ditch bank failure looking south, well maintained ditch on the right



Structure Summary Report

Structure Name: MESA DITCH (2900669) Associated Permits:
 Structure Type: DITCH Water Source Type: Tributary
 CIU Code: Active Structure with contemporary diversion records (A) Water Source: FOURMILE CREEK [00184129] @ Stream Mile: 5.13

Physical Location

Feature Type	Dist N/S	Dist E/W	Q10	Q40	Q160	Sec	Township	Range	PM	UTMx	UTMy	Latitude	Longitude	Location Accuracy
Point of Diversion				SW	NW	13	36.0 N	2.0 W	N	321235.0	4136430.0	37.357385	-107.018522	Digitized

Division: 7 District: 29
 County: ARCHULETA
 Designated Basin:
 Management District:

Water Rights - Net Amounts

Adj Date	Appro Date	Priority Admin No	Order No	Priority No	Associated Case Numbers	Net Absolute	Net Conditional	Net APEX Absolute	Net APEX Conditional	Decreed Units	Seasonal Limits	Comments
1/20/1902	1/12/1891	14987.00000	0	#58	CA0073	6.0000	0.0000	0.0000	0.0000	C	No	
1/20/1902	12/31/1895	16801.00000	5	#93	CA0073	4.0000	0.0000	0.0000	0.0000	C	No	
1/20/1902	12/31/1898	17897.00000	3	#107	CA0073	6.0000	0.0000	0.0000	0.0000	C	No	
1/20/1902	12/31/1900	18627.00000	4	#122	CA0073	4.5000	0.0000	0.0000	0.0000	C	No	
11/13/1912	4/3/1902	19085.00000	0	#148	CA0308	8.0000	0.0000	0.0000	0.0000	C	No	

Water Rights - Transactions

Case Number	Adj Date	Appro Date	Priority Admin No	Order No	Priority No	Adjudication Type	Decreed Uses	Max Decreed Rate (CFS)	Total Vol Limit (AF)	Seasonal Limits	Comments
CA0073	1/20/1902	1/12/1891	14987.00000	0	#58	O	1	6.0000		No	
CA0073	1/20/1902	12/31/1895	16801.00000	5	#93	O	1	4.0000		No	
CA0073	1/20/1902	12/31/1898	17897.00000	3	#107	O	1	6.0000		No	
CA0073	1/20/1902	12/31/1900	18627.00000	4	#122	O	1	4.5000		No	
CA0308	11/13/1912	4/3/1902	19085.00000	0	#148	S	1	8.0000		No	

Legend:

Adjudication Type(s): O - Original, S - Supplemental

Decreed Use(s): 1 - IRRIGATION

Diversion Record - Totals

Water Class	Irr Year	FDU	LDU	MaxQ	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Annual Amount	Units	Data Status
Total (Diversions)	2022	5/6/22	7/1/22	21.05							684.39	201.09	18.07	0.00	0.00	0.00	903.54	AF	Provisional
Total (Diversions)	2021	5/12/21	7/14/21	11.47							436.69	423.72	25.69	0.00		0.00	886.09	AF	Approved
Total (Diversions)	2020	4/30/20	7/20/20	18.86						13.09	961.24	323.71	35.31	0.00	0.00	0.00	1333.35	AF	Approved
Total (Diversions)	2019	6/10/19	10/30/19	22.47							0.00	826.82	607.80	142.24	56.77	146.92	1780.55	AF	Approved
Total (Diversions)	2018	4/17/18	6/20/18	11.03						139.56	437.58	52.76	0.00	0.00	0.00	0.00	629.90	AF	Approved
Total (Diversions)	2017	5/30/17	9/19/17	11.25							36.14	517.83	484.23	535.56	328.25	0.00	1902.02	AF	Approved

Note:
 FDU - First day used
 LDU - Last day used
 MaxQ - Maximum flow rate

Diversion Record - Water Classes

Water Class	Irr Year	FDU	LDU	Max Q	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Annual Amount	Units	Data Status
2900669 S:1 F: U:1 T: G: To:	2022	5/6/22	7/1/22	21.05							684.39	201.09	18.07	0.00	0.00	0.00	903.54	AF	Provisional
2900669 S:1 F: U:1 T: G: To:	2021	5/12/21	7/14/21	11.47							436.69	423.72	25.69	0.00		0.00	886.09	AF	Approved
2900669 S:1 F: U:1 T: G: To:	2020	4/30/20	7/20/20	18.86						13.09	961.24	323.71	35.31	0.00	0.00	0.00	1333.35	AF	Approved
2900669 S:1 F: U:1 T: G: To:	2019	6/10/19	10/30/19	22.47							0.00	826.82	607.80	142.24	56.77	146.92	1780.55	AF	Approved
2900669 S:1 F: U:1 T: G: To:	2018	4/17/18	6/20/18	11.03						139.56	437.58	52.76	0.00	0.00	0.00	0.00	629.90	AF	Approved
2900669 S:1 F: U:1 T: G: To:	2017	5/30/17	9/19/17	11.25							36.14	517.83	484.23	535.56	328.25	0.00	1902.02	AF	Approved

Note:
 FDU - First day used
 LDU - Last day used
 MaxQ - Maximum flow rate

Irrigated Lands

Year	Parcel Count	Land Use	Irrigation Method	Parcel Size (Acres)	Prorated Structure Acres	Linked Surface Water WDIDs	Linked Groundwater WDIDs
2020	72900411	GRASS_PASTURE	FLOOD	651.8267	162.9567	4	0
2020	72900412	GRASS_PASTURE	FLOOD	14.9294	14.9294	1	0
2020	72900418	GRASS_PASTURE	FLOOD	4.8227	4.8227	1	0
2020	72900419	GRASS_PASTURE	FLOOD	45.5179	22.7589	2	0
2020	72900423	GRASS_PASTURE	FLOOD	1.8504	1.8504	1	0
2020	72900491	GRASS_PASTURE	FLOOD	816.5984	408.2992	2	0
2020	72901744	GRASS_PASTURE	FLOOD	48.5928	24.2964	2	0
2015	72900461	GRASS_PASTURE	FLOOD	688.9626	172.2406	4	0
2015	72900462	GRASS_PASTURE	FLOOD	14.9294	14.9294	1	0
2015	72900469	GRASS_PASTURE	FLOOD	4.8227	4.8227	1	0

Year	Parcel Count	Land Use	Irrigation Method	Parcel Size (Acres)	Prorated Structure Acres	Linked Surface Water WDIDs	Linked Groundwater WDIDs
2015	72900470	GRASS_PASTURE	FLOOD	45.5179	22.7589	2	0
2015	72900474	GRASS_PASTURE	FLOOD	1.8504	1.8504	1	0
2015	72900541	GRASS_PASTURE	FLOOD	813.4767	406.7384	2	0
2015	72901893	GRASS_PASTURE	FLOOD	48.5928	24.2964	2	0
2010	72901108	GRASS_PASTURE	FLOOD	691.3248	172.8312	4	0
2010	72901109	GRASS_PASTURE	FLOOD	14.9294	14.9294	1	0
2010	72901116	GRASS_PASTURE	FLOOD	4.8227	4.8227	1	0
2010	72901117	GRASS_PASTURE	FLOOD	45.5179	22.7589	2	0
2010	72901121	GRASS_PASTURE	FLOOD	1.8504	1.8504	1	0
2010	72901167	GRASS_PASTURE	FLOOD	813.4767	406.7384	2	0
2010	72901199	GRASS_PASTURE	FLOOD	48.5928	24.2964	2	0
2005	72900325	GRASS_PASTURE	FLOOD	4.8227	4.8227	1	0
2005	72900326	GRASS_PASTURE	FLOOD	45.5179	22.7589	2	0
2005	72900330	GRASS_PASTURE	FLOOD	1.8504	1.8504	1	0
2005	72900596	GRASS_PASTURE	FLOOD	691.3248	172.8312	4	0
2005	72900597	GRASS_PASTURE	FLOOD	14.9294	14.9294	1	0
2005	72900669	GRASS_PASTURE	FLOOD	813.4767	406.7384	2	0
2005	72902091	GRASS_PASTURE	FLOOD	48.5928	24.2964	2	0
2000	72900267	GRASS_PASTURE	FLOOD	1.8504	1.8504	1	0
2000	72900272	GRASS_PASTURE	FLOOD	45.5179	22.7589	2	0
2000	72900279	GRASS_PASTURE	FLOOD	4.8227	4.8227	1	0
2000	72900316	GRASS_PASTURE	FLOOD	691.3248	172.8312	4	0
2000	72900332	GRASS_PASTURE	FLOOD	813.4767	406.7384	2	0
2000	72900344	GRASS_PASTURE	FLOOD	14.9294	14.9294	1	0
2000	72901774	GRASS_PASTURE	FLOOD	48.5928	24.2964	2	0
1993	72902172	GRASS_PASTURE	FLOOD	126.7999	126.7999	1	0
1993	72902183	GRASS_PASTURE	FLOOD	19.5720	19.5720	1	0
1993	72902236	GRASS_PASTURE	FLOOD	21.5853	21.5853	1	0
1993	72902258	GRASS_PASTURE	FLOOD	242.1121	242.1121	1	0
1993	72902349	GRASS_PASTURE	FLOOD	43.0805	43.0805	1	0
1993	72902351	GRASS_PASTURE	FLOOD	221.2806	110.6403	2	0

A & M Const. & Excav., Inc.

5379 E. US Hwy 160
Pagosa Springs, CO 81147

Estimate

Date	Estimate #
5/4/2026	2975

Name / Address
Mesa Ditch P.O. Box 804 Pagosa Springs, CO 81147

			Project
Description	Qty	Cost	Total
MESA DITCH / 4 FEET CULVERT INSTALL			
A&M WILL COME IN AND EXCAVATE OUT FOR THE INSTALL OF A 4 FOOT ADS CULVERT ALONG THE SLID DITCHBANK. TO ACCOMPLISH THIS TASK WE ALL EXCAVATE FARTHER BACK IN THE HILL. THIS WILL GIVE THE CULVERT STABLE VIRGIN GROUND TO SIT ON. THIS WILL ALSO ALLOW THE DITCH TO BE STRAIGHTENED OUT FOR THIS SECTION AS WELL. AFTER THE INSTALL OF CULVERTS TO GRADE, WE WILL START BACKFILLING THE CULVERTS AND COMPACTING IN LIFTS. THIS WILL BE ACCOMPLISHED UNTIL THE NEEDED FILL IS OVER THE CULVERTS. THE LENGTH MAY VARY BECAUSE OF NEEDED DISTANCE FOR CULVERT INSTALLATION.		0.00	0.00
160 FOOT INSTALL OF 4 FOOT ADS CULVERTS	0	39,715.00	0.00
160 FOOT INSTALL OF 4 FOOT ADS CULVERTS/ ADS PLASTIC FLARE ENDS	0	47,415.00	0.00
160 FOOT INSTALL OF 4 FOOT ADS CULVERTS / METAL FLARE ENDS	0	43,937.00	0.00
180 FOOT INSTALL OF 4 FOOT ADS CULVERTS	0	44,680.00	0.00
180 FOOT INSTALL OF 4 FOOT ADS CULVERTS / ADS PLASTIC FLARE ENDS	0	52,380.00	0.00
180 FOOT INSTALL OF 4 FOOT ADS CULVERTS / METAL FLARE ENDS	0	48,892.00	0.00
TO GET THE CULVERTS AND NEEDED PARTS AT THIS TIME THERE IS A 1 WEEK LEAD TIME FOR THE DELIVERY.			
Sales Tax		6.90%	0.00
		Total	\$0.00

Customer Signature _____

Page: SWCD 2026 Grant Application

Overview	
Name of Qualified Entity	East Mancos Highline Ditch Company
Date of Submittal	May 12, 2026
Type of Qualified Entity	Carrier ditch company, mutual ditch company, unincorporated ditch or reservoir company
Mailing Address to Send Grant Check (if approved)	East Mancos Highline Ditch Company C/O Evan Campbell (President) 42760 Highway 160 Mancos, CO 81328
Federal ID Number	84-0479383
Public Water System ID	
Contact Person 1	Evan Campbell
Contact 1 Title	President
Contact 1 Phone	206-619-5625
Contact 1 Email	evan@chinookranch.com
Contact Person 2	David Dull
Contact 2 Title	Secretary and Treasurer
Contact 2 Phone	616-581-5468
Contact 2 Email	4daviddull@gmail.com
Project Overview	
Project Name	EMHDC Pipeline Repair and Remediation Project
Applicant	East Mancos Highline Ditch Company
Is the Applicant	no

using a fiscal agent? if so is the fiscal agent a qualified entity?	
River Basin and County	Mancos River / San Juan River Basin, Montezuma County
Total Project Costs?	\$50,550.34
Grant Request Amount? Request cannot exceed 50% of total project costs.	\$25,000
Applicant Match? Applicant match must be at least 25% of total project costs. See Guidelines for exceptions and more information.	\$25,550.34 Cash and in-kind
I acknowledge that the grant funds will be used in 2026?	Yes
Water Activity Category	
What category does this grant fall into?	Emergency: Situations arising from catastrophic or unforeseen events. Max Request \$50,000.
Applicant Description	
Provide a brief description of the applying entity. For ditch companies, please provide the number of shareholders, acres served, and annual assessment.	EAST MANCOS HIGHLINE DITCH COMPANY is a Nonprofit Corporation formed or registered on January 15, 2004 under the law of Colorado. This entity has been assigned state entity identification number 20441417890. The East Mancos Highline Ditch Company (EMHDC) is responsible for operations and maintenance of the critical irrigation infrastructure of the ditch/pipeline. EMHDC has six shareholders. The ditch was adjudicated in 1894 and is priority #32. It has 5.58 cfs of adjudicated water and 212 acre feet of Jackson Lake storage water. The ditch serves parcels totaling approximately 800 acres which is actively irrigated, farmed and grazed. In 2010 a project put the ditch into a 5 mile long 15" PVC pipe with six takeouts. This was funded through a partial NRCS grant and a 30-year loan (payments \$10,673.74 annually) taken by the ditch company at 2.5% interest. Annual assessments vary starting from a baseline amount of approximately \$13,000 made up of loan service and insurance premiums. Additional funds are usually required through special

<p>(250-word max)</p>	<p>assessments to repair the pipe which bursts almost every year due to overpressure conditions caused by a water hammer. This project is designed to address the latest break in the pipe and fix the underlying design flaw that causes the pipeline to explode every time we attempt to irrigate.</p>
<p>Describe how the applicant is proactively and financially planning for their own future needs through adequate assessments, reserves, and other means. (250-word max)</p>	<p>Every year EMHDC levies standard dues to service the remaining debt and insurance premiums, plus special assessments as needed for repairs, upgrades, etc and to maintain a target balance of reserves. EMHDC has proactively maintained reserves, currently \$17,000, reliably for many years. Most of the last several years the company has levied substantial special assessments to repair damages to the pipeline caused by a failing float valve that this project is designed to rectify. We adjust assessments every year to cover current obligations and maintain a healthy reserve. Annual repair bills to fix pipeline blowouts have ranged from a few thousand dollars to nearly twenty thousand dollars per year. The members are committed to maintaining and supporting our infrastructure, and with this proposed project we intend to fix the latest pipe break and also address the root cause of repeated breakages while also improving stewardship of scarce water resources.</p>
<p>Provide a narrative description of the project's physical location, as well as its purpose. Additionally, provide a description of the water supply source to be utilized or the water body affected by the project. (200-word max)</p>	<p>The pipeline is fed from the East Mancos River through a headgate at address 45493 HWY 160 that goes directly into a 15" pipe. The farms and ranches that use the water irrigate (via side-roll sprinklers and gated pipe) to produce hay and maintain pasture for livestock. The total length of the pipe is about 5 miles. Given the significant drop in elevation, the NRCS designed a pressure relief near the halfway point (on the south side of US160 two miles east of Mancos, 43950 HWY 160). The lower half of the pipeline starts over at 0 psi from a large underground concrete cistern. The cistern is fed from the upper pipe by a 6" float valve in a vault connected to the cistern. The valve is supposed to maintain a constant level in the cistern at all levels of upstream pressure and downstream consumption, but in spite of a recent rebuild, the valve is failing and does not work properly. This project is designed to fix our pipeline and remediate the annual expensive pipeline damage and huge volumes of wasted water that result from the ineffective valve by replacing it with an appropriate valve and supporting infrastructure. Note: If we fix the pipe and irrigate without fixing the valve the pipe will inevitably explode again wasting water in a drought year and damaging private and public property.</p>
<p>What are the measurable results such as acres served, watersheds impact, types of crops, number of taps, length of ditch improvements, length of pipe installed, area of habitat improvements, or students impacted.</p>	<p>The pipeline serves approximately 800 acres with irrigation, and it traverses many miles of neighboring properties, BLM, and Forest Service land that have been impacted by flooding and damage resulting from pipeline breaks. The floods created by breaks in the pipeline by the valve being stuck open have wasted a tremendous amount of precious Mancos River water every year, and the deteriorating valve is causing more frequent and severe breaks every year. Breaks in our pipeline can expel 5.5 cfs wasting 11 acre feet of water per day. Two years ago, a break in the pipeline near 45493 HWY 160 ran water through private property and Forest Service land for almost two weeks before we heard from a neighbor that there was a new creek running through Reddert Ranch. By the time we realized it was from our pipe (we weren't irrigating at the time) over 150 acre feet of water had been wasted. In a break May 1st, 2026 (the break that still needs to be repaired), 4 cfs ran for two days washing away a hillside and almost breaching a pond dam on private property on the south side of HWY 160. Estimates of Previous 5 Years of Annual Water Waste in Acre Feet: Year Cistern Overflow Loss Blowout Location Est. Pipeline Blowout Loss 2022 20 44850 HWY 160 125 2023 20 44850 HWY 160 140 2024 20 44662 HWY 160 100 2025 20 45493 HWY 160 150 2026 20 43950 HWY 160 40 Totals: 200 510 Approximate water waste over five years = 710 acre feet. Photos and videos of some blowouts and repair projects are available here: https://chinookbranch-my.sharepoint.com/:f/p/evan/lgDbwaJp1IYATLY1rRxBpDIvAfDHxWpHXo0RhT8Xsze7weA?</p>

	<p>e=zPktCN Cistern overflows from the valve being stuck open occur periodically every year at increasing intervals as the valve fails. In addition to blowouts in the main 15" line, members' privately owned infrastructure in branch and lateral lines on their property explode every year. Note that the pipeline is currently unusable because of a blowout that occurred May 1, 2026 (see video). Given the rapid deterioration of the valve and the increasing incidence of blowouts and flooding, we are extremely uncomfortable with the idea of fixing the break and irrigating without addressing the underlying cause of the failures. Measurable results from the project include:</p> <ul style="list-style-type: none"> • Number and severity of pipeline blowouts per year • Acre feet of lost and wasted water per year • Acres of neighboring land impacted and damaged by flooding from pipeline blowouts • Flow rate of the East Mancos and Mancos Rivers comparing when the pipeline is or is not spilling 5+ cfs from a blowout • Dates and priorities for adjudicated water in the Mancos watershed with and without pipeline blowouts • Annual maintenance costs to repair pipeline blowouts
<p>Photos, maps, or other graphics can be inserted or attached to support the above questions.</p>	<p>c1afd41d-006a-4da9-a8e0-87d77f53ab73/EMHDC_pipeline.jpeg</p>
<p>Long Answer</p>	
<p>What are the benefits of the project? Consider the following prompts in your answer, hitting all points if possible. 1. How does the project assist SWCD in furthering its statutory mission to protect, conserve, use, and develop the water resources of southwestern Colorado, as well as safeguard all waters to which Colorado is entitled? 2. In February of 2022, SWCD adopted a strategic plan with six</p>	<p>Background / The Root Cause of the Problem: The current float valve is broken. The valve should modulate flow (be partially open and adjust the flow to maintain constant level), but it is incapable of being partially open for any length of time. In spite of a complete rebuild and endless tuning, the valve only operates at 0% or 100% flow and slams open and shut in 3-minute cycles. This creates tremendous water hammer shocks up the pipeline blowing up the pipeline once a year on average. When upstream pressure changes the valve often sticks open or closed causing the cistern to overflow over a large meadow on private property adversely impacting native vegetation and soil health or leaving properties dry when they are trying to irrigate. High Level Summary of Project: The project is to fix the pipe and replace the float valve with a modern high-performance flow-control plunger valve ideal for this system (as certified by an independent water engineer and the manufacturer). In addition to a better valve, the project includes:</p> <ul style="list-style-type: none"> • An electric modulating valve actuator to isolate valve operation from variable pipeline pressure. • Sensors for cistern level and pipeline pressure to improve monitoring. • A Proportional-Integral-Derivative (PID) process controller to continuously evaluate parameters and modulate flow. • A Supervisory Control and Data Acquisition (SCADA) system with cellular uplink for remote monitoring and control. • 24VDC solar power system to power the site. <p>Benefits of the Project: The pipeline is wasting 100+ acre-feet of water per year because of the failing. Damage to public and private property has been substantial and could be devastating in the future. This project will reduce water waste and improve utilization of scarce water resources. It is clearly aligned to the mission of SWCD and benefits the larger watershed community. Our 1894 water rights are pre-compact, and we take our responsibility to put them to beneficial use and conserve water wherever possible seriously. Good stewardship of our adjudicated rights aligns to the interests of SWCD and safeguards the water rights of the larger community. Alignment to SWCD Strategic Priorities:</p> <ul style="list-style-type: none"> • Water Data Management: This project improves water supply and usage data through the aggregation and reporting of historic metrics on key usage data and builds a record of our efforts to maximize beneficial use and efficiency. Long term data logging and reporting capabilities are an integral feature of our SCADA system design. • Advocacy & Leadership: This project shows that SWCD is sponsoring leading-edge improvements to technology, infrastructure and practices in the interest of water conservation and empirical data collection demonstrating leadership in how our resources are being managed. It supports SWCD's statutory charge to protect, conserve, use and develop the water resources of the San Juan River Basin and safeguard for Colorado all waters to which the state is entitled. EMHDC is willing to develop and

<p>strategic priorities. Which priorities does this project satisfy and how? 3. Does you project enhance or preserve any pre-compact water rights? If so, please describe the amount, appropriation date and adjudication date of these water rights. (750-word max)</p>	<p>maintain presentations of the benefits of the project and provide experience tours to parties interested in SWCD's contributions to responsible stewardship and to provide guidance to ditch companies designing similar solutions. • Balance Water Needs Management: When our pipeline ruptures and wastes hundreds of acre feet of water and a new creek forms running for miles through neighboring properties, agricultural water consumers appear profligate and irresponsible. This can only amplify conflict with other water stakeholders. When our cistern overflows and washes away a hillside, or washes out a dam in a pond below, it creates a lot of conflict. Replacing the valve remediates the root cause of these problems and shows that SWCD is supporting responsible water conservation that benefits everyone in the drainage. • Support Infrastructure Investment: This is the clearest alignment of this project to SWCD's mission because it gives SWCD a great opportunity to showcase really compelling state-of-the-art irrigation infrastructure. This pipeline has repeatedly failed injuring the members of EMHDC and the larger community. SWCD has the opportunity to contribute to a tremendous improvement in infrastructure that provides big wins for all stakeholders and will be a great example of SWCD's leadership in innovative and impactful infrastructure investments. • Outreach & Credibility: We're willing to help SWCD promote this project as a big win by sharing our learning, showing the system to appropriate interested parties and advising other stakeholders on valve design, SCADA systems design and the other important knowledge we've gained in the process of designing and ultimately implementing this project.</p>
<p>Attach a 'water rights tabulation' report from the Colorado Division of Water Resources (DWR), if applicable.</p>	
<p>Water Project Timeline</p>	
<p>Provide a narrative description of the timeline for the project's major tasks and/or a detailed outline (250-word max)</p>	<p>The project involves replacing the burst sections of 15" pipe, replacing the existing valve with a 8" plunger valve from Av-Tek and valve actuator from Limitorque. The 20-week lead time on the valve/actuator combo is the critical path driver for the overall project timeline. We'd like to get the order entered for the valve before the quote expiration date of June 8, 2026 (or as soon thereafter as practical) which would result in delivery in November. We can acquire and install all other project components before the valve is delivered. The actual installation of the valve will be very quick and straightforward if everything else (the power and SCADA infrastructure, sensors, and wiring) has been installed and the pipeline fittings have been adapted to fit the larger 8" valve, so we are optimistic we can have the project completed in calendar year 2026. Even if there are delays in supply chain or implementation, there is plenty of buffer (and abundant motivation) to have the upgraded system ready to operate before the 2027 irrigation season. Note: If we can't get the valve ordered until the next non-emergency grant approval cycle the long lead time for the valve will result in us getting it too late for the 2027 irrigation season, presenting the choice of not irrigating or irrigating with the very high likelihood of a blowout and potentially catastrophic flood.</p>
<p>Engineering and Legal Feasibility</p>	

<p>Will the project require the acquisition of additional water rights or a change of existing water rights? If yes, please explain (150-word max)</p>	<p>No. We're just trying to utilize the water rights we have more efficiently.</p>
<p>Will the project require local, state, or federal regulatory permits of any type? If yes, please explain. (150-word max)</p>	<p>no</p>
<p>List below any feasibility studies or investigations that have been completed or are now in progress for the proposed project. (200-word max).</p>	<p>We have utilized several water infrastructure engineers to help us select the ideal replacement valve and associated technology, as well as many design and configuration conversations with various manufacturers and distributors. We have assessed at least six alternate valve designs (eccentric plug, V-cut ball, globe, piston float, triple offset butterfly, and others) and all the experts we consulted agreed the plunger valve was the best solution for this installation. We have and can provide a statement from a local water system engineer, Ty Koppenhafer of Jones and DeMille Engineering, who inspected our system and recommended the valve/actuator manufacturer and model in this project. The SCADA and power systems designs have also been reviewed by experts and certified as viable. We have extensive design documentation prepared for every aspect of the system installation, configuration, installation and commissioning procedures that we can share with you on request. Design document table of contents: Section Content Cover Page Project title, revision block, device summary table Document Index All 5 drawings + tech notes cross-reference table Important Notice Actuator terminal assignment warning (yellow callout) System Components 9-device component table with manufacturer/model/function Control Philosophy Numbered loop description, control loop summary table D1 — System Overview Full embedded diagram + 3 annotated notes D2 — Power Distribution Full embedded diagram + 4 annotated notes D3 — 4–20 mA Control Loop Full embedded diagram + 4 annotated notes D4 — RS-485 Modbus Network Full embedded diagram + 4 annotated notes D5 — Terminal Block Schedule Full embedded diagram + 4 annotated notes Wire Schedule W01–W21 8-column point-to-point table with section color bands Voltage Drop Analysis 5-circuit table with pass/fail status Modbus Configuration Bus parameters + slave address/register table 4–20 mA Loop Notes Compliance check, loop power, scaling tables Solar Power System Energy budget table + LiFePO4 charging parameters Commissioning Checklist Checkbox lists for RUT986, N2000, actuator, wiring Critical Cautions 5 yellow warning boxes covering all key hazards</p>
<p>Please attach feasibility studies or investigations here.</p>	<p>b056ab40-155b-4032-8949-f5d5003941c8/Screenshot 2026-05-12 at 12.58.43.png</p>
<p>Matching Requirements</p>	

<p>Applicants must demonstrate that they are actively contributing to the project for which they are requesting funding. Any grant approval will be contingent upon the recipient ultimately demonstrating that they have secured funding for the full project cost.</p>	<p>EMHDC has approved a special assessment to pay for our share of the project. The members have the funds available to pay for the project out of pocket. We are also assessing loan options as a funding vehicle to spread out the costs.</p>
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<p>In addition, applicants must also demonstrate that they will provide, through a cash contribution and/or the performance of in-kind services, at least 25% of the total project costs. See the guidelines for more information. Please upload a table showing contributing entity, amount, In-Kind or Cash, and Approval Date or Anticipated Approval Date. Please include the total applicant match, total other funding, and the SWCD request.</p>	<p>ae6993cb-7c30-4346-a926-c2e2d5f32244/Screenshot 2026-05-12 at 13.28.11.png</p>
<p>I've read the above statement, and this application meets the matching requirements.</p>	<p>Yes</p>
<p>Water Project Budget</p>	
<p>Please provide a detailed project budget. You can use the template below or provide a more detailed table in an</p>	<p>please see the attached spreadsheet for detailed costing of all materials and labor</p>

<p>attachment. *Describe any payroll or legal costs, as well as any costs for administering this and other grants. SWCD will not fund those portions of the project.</p>	
<p>Or upload a water project budget here.</p>	<p>88f7d6e1-42d5-4f1b-a490-fe54f28f230a/Pipe_Repair_Cistern_Valve_SCADA_BOM_V2.xlsx</p>
<p>Water Activity Budget</p>	
<p>Provide any narrative description of the project expense and funding budget that is necessary. (200-word max)</p>	<p>EMHDC is providing substantial cash funding of materials and labor for the project representing more than 50% of the total cost. (See the attached bill of materials and labor cost worksheet for full cost breakdown.) Project Total \$50,550.34 Grant Request \$25,000.00 Total Materials \$31,150.34 Total Labor \$19,400.00 EMHDC In-Kind \$10,000.00 EMHDC Cash Outlay \$15,550.34 We plan to provide some in-kind services, as time and skills allow, to include: • Construction machinery (eg backhoe, welder) • Labor (dirt work, pipe repairs, valve bolt-up) • Pipeline fabrication and welding • System integration and software configuration</p>
<p>Please include a detailed description of in-kind materials and services, if any, along with the basis for in-kind valuations.</p>	<p>Details of all labor items is provided in BOM We plan to provide in-kind services, including: • Construction machinery (eg backhoe, welder) • Labor (dirt work, pipe repairs, valve bolt-up) • Pipeline fabrication and welding • System integration and software configuration</p>
<p>Attach supporting documentation if necessary.</p>	
<p>By submitting below, I acknowledge I have read the 2026 SWCD Grant Program guidelines, I understand the program requirements, and I submit this</p>	<p>I understand the above statement</p>

application, which is complete and true to the best of my knowledge. Should the grant funds be awarded, I understand that the grant funds shall only be used by a qualified entity for the specific purpose(s) described in my SWCD grant application and up to the amount indicated in SWCD's grant approval letter. I understand that grant funding may be requested when needed in 2026. Upon the District's receipt of the Request for Release of Funds form, documentation showing the applicant continues to be a qualified entity and that all other matching project funds required by the District's 2026 Grant Program Guidelines have been committed and secured, the grant will be made available. If the intended use of grant

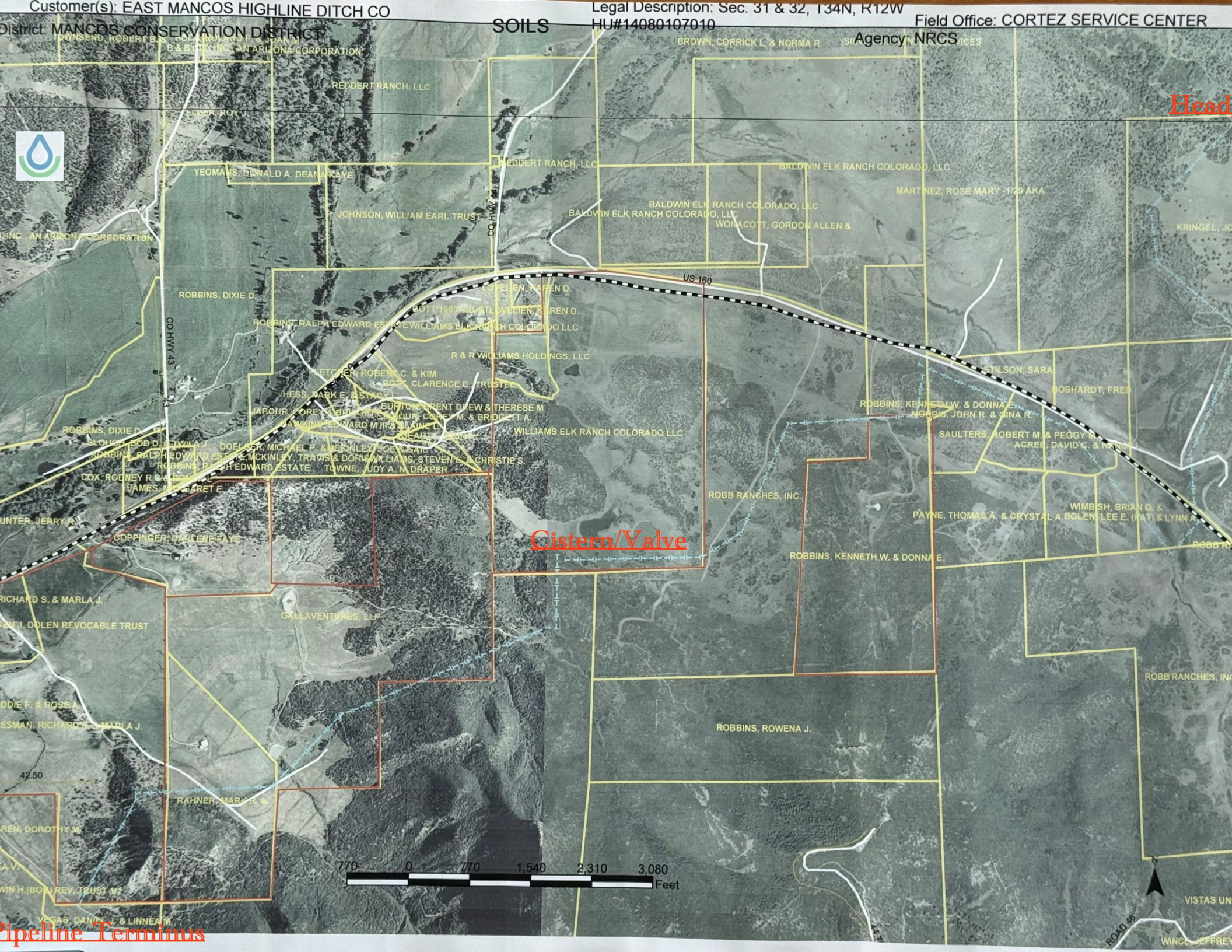
funds changes, I am required to inform SWCD staff and further review and approval by the District's Board will be necessary. The District may require additional documentation regarding the use of the funds at its discretion. In addition, in the event the project, study, or program for which the grant was awarded ultimately comes in under budget, I must return a pro-rata portion of the remaining funds to the District within 45 days of completion. For example, if the completed project, study, or program is \$20,000 under budget, and SWCD contributed 20% of the total project costs, then the grant recipient shall be required to return \$4,000 (20% of \$20,000) to SWCD. I acknowledge that a final written report, including a

description of work completed and a detailed accounting of the use of funds, will be due to SWCD within three (3) months of the final expenditure or by December 31, 2026, whichever occurs first. If the Applicant cannot submit the final report by the deadline, they must submit a written request for an extension of time to SWCD staff prior to December 31, 2026 that explains the reporting delay and a proposed final submittal date. The Board will not consider future grant requests from Applicants that do not comply with this provision and submit an acceptable final report. If the project will not be completed in 2026, I understand it is necessary to submit a written grant extension request.

Name of Individual

Evan Campbell

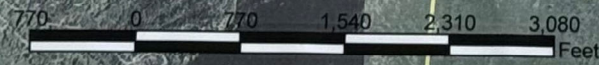
Submitting Applicant	
Date of Submission	May 12th, 2026



Head

Cistern/Valve

Pipeline Terminus



VISTAS UN

WINGE, JEFFREY

ROAD 48

ROBB RANCHES, INC.

ROBB R

ROSHARDT, FRED

KRINGEL, JO

MARTINEZ, ROSE MARY 1729 AKA

BALDWIN ELK RANCH COLORADO, LLC

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WONACOTT, GORDON ALLEN &

REDDERT RANCH, LLC

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UNTER, JERRY R.

RICHARD S. & MARLA J.

WILLIAMS, J. DOLEN REVOCABLE TRUST

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COX, RODNEY R. & DONNA L.

JAMES, MARGARET E.

ROBBINS, DIXIE D.

SLOAN, BOB D. & DWILA J.

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ROBBINS RALPH EDWARD ESTATE TOWNE, JUDY A. N. DRAPER

UNTER, JERRY R.

RICHARD S. & MARLA J.

WILLIAMS, J. DOLEN REVOCABLE TRUST

ROBBINS, DIXIE D.

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RAHNER, MARGARET E.

GALLAVENTURES, LLP

ROBB RANCHES, INC.

ROBBINS, KENNETH W. & DONNA E.

PAYNE, THOMAS A. & CRYSTAL A. BOLEN LEE E. (PAT) & LYNN A.

WIMBISH, BRIAN G. &

ROBBINS, KENNETH W. & DONNA E.

ROBBINS, JOHN R. & GINA R.

SAULTERS, ROBERT M. & PEGGY R.

ACREE, DAVID C. & NANCY

STILSON, SARA

AKA

BALDWIN ELK RANCH COLORADO, LLC

REDDERT RANCH, LLC

REDDERT RANCH, LLC

YEOMANS, DONALD A. DEANA KAYE

ROBBINS, DIXIE D.

ELEN, KAREN D.

BOYF 1983 TRUATLOVE, KAREN D.

ROBBINS RALPH EDWARD ESTATE WILLIAMS ELK RANCH COLORADO LLC

R & R WILLIAMS HOLDINGS, LLC

ETCHEP, ROBERT C. & KIM

ROCK, CLARENCE E. TRUSTEE

HESS, MARK E. & STACY J.

BURTON, RICHARD DREW & THERESE M

JABOUR, COREY BRIGGS, JABOUR, COREY M. & BRIDGETT A.

WILKINS EDWARD M III & HEATHER

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ROBBINS RALPH EDWARD ESTATE TOWNE, JUDY A. N. DRAPER

UNTER, JERRY R.

EMHDC PIPELINE AND VALVE REPAIR / REPLACEMENT & SCADA & POWER SYSTEMS

East Mancos Highline Ditch Company | Bill of Materials | Grant Application Budget | Prepared: May 2026

#	Item	Description	Manufacturer	Model Number	Qty	Unit Price	Ext. Price	Notes
1. VALVE AND ACTUATOR								
1	Control Valve — 8" Plunger	Av-Tek 8" VRX plunger valve with IB worm gearbox, AWWA C540 compliant, flanged, modulating trim	Av-Tek Valves	VRX-8-IB	1	\$21,465.34	\$21,465.34	Package price includes valve, IB gearbox, QXMb-1 actuator and orifice plate as quoted
2	Electric Quarter-Turn Actuator	Limiterque QXMb-1 modulating actuator, 24VDC, Modbus RTU, IP67, non-intrusive setup	Flowsolve / Limitorque	QXMb-1	1	\$0.00	\$0.00	Included in Av-Tek package price above — do not double-count
3	Valve Flange Gaskets	Full-face EPDM gaskets, 8" 150# ANSI, for upstream and 6" downstream flanges	TBD	TBD	3	\$28.00	\$84.00	Verify flange rating with Av-Tek quote
4	Flange Bolts & Nuts — 8" 150# (2 sets)	B7 stud bolts with 2H heavy hex nuts, 8" 150# ANSI, hot-dip galvanized, qty per flange set	TBD	TBD	3	\$45.00	\$135.00	16 studs + 32 nuts per set; verify count with gasket supplier
5	Weld On Flanges	8" flange for upstream + 2x 6" flanges for orifice plate	TBD	TBD	3	\$80.00	\$240.00	
6			TBD	TBD	0	\$65.00	\$0.00	Allowance; final qty TBD at installation
Valve and Actuator Subtotal						Subtotal	\$21,924.34	
2. SENSORS								
7	Submersible Water Level Transmitter	4-20 mA submersible pressure/level transducer, stainless 316, 0-10 ft or 0-20 ft range, vented cable	TBD	TBD	1	\$350.00	\$350.00	4-20 mA output wired to N2000-485 PID controller analog input
8	Level Sensor Mounting Hardware	Stainless cable grip, conduit fitting, and PVC standpipe for sensor installation in cistern	TBD	TBD	1	\$85.00	\$85.00	Budget allowance; field-configured
9	Pressure Transmitter — Pipeline	4-20 mA / Modbus RTU pressure transmitter, 0-100 PSI, stainless wetted parts, 1/4" NPT	TBD	TBD	1	\$250.00	\$250.00	Wired direct to RUT986 input for pipeline pressure monitoring
10	Pressure Sensor Mounting	Threaded 316 SS half coupling welded to pipeline; includes isolation ball valve 1/2" NPT	TBD	TBD	1	\$55.00	\$55.00	Allows sensor removal without pipeline shutdown
11	Conduit Fittings — Sensor Field Connections	Liquidtight conduit connectors, 1/2" NPT, straight and 90° for submersible sensor cable entry	TBD	TBD	4	\$8.50	\$34.00	
Sensors Subtotal						Subtotal	\$774.00	
3. SCADA COMPONENTS								
12	LTE Industrial Router / Modbus Master	4G LTE Cat 4 dual-SIM industrial router, RS-485 Modbus RTU master, VPN (OpenVPN/WireGuard), DIN rail, -40°C to +75°C	Teltonika	RUT986	1	\$325.00	\$325.00	Modbus master for N2000 PID and actuator; analog input for pressure sensor
13	PID Process Controller	Dual-display PID controller, RS-485 Modbus RTU slave, 4-20 mA input (level sensor) and 4-20 mA output (actuator), 24VDC powered	Novus Automation	N2000-485 (8200200)	1	\$285.00	\$285.00	Closes 4-20 mA control loop: level sensor → PID → actuator; Modbus slave monitored by RUT986
14	Cellular LTE Antenna (Dual)	Outdoor rated, omnidirectional, 4G LTE, N-type or SMA connector, 3 dBi gain, weatherproof	TBD	TBD	2	\$45.00	\$90.00	Mount on NEMA enclosure or on mast; ATT or Nimbus
15	GPS Antenna	Active GPS antenna for RUT986 GPS port (optional for asset tracking / time sync)	TBD	TBD	1	\$25.00	\$25.00	Optional; include if SCADA platform requires GPS time synchronization
16	Ethernet Patch Cable — Internal	Cat6 patch cable, 1 ft, for internal cabinet connections (router to switch if needed)	TBD	TBD	4	\$8.00	\$32.00	
17	SCADA Cloud Platform — Annual Subscription	Cloud-based SCADA / remote monitoring subscription (HMI, trending, alarms, mobile app)	TBD	TBD	1	\$600.00	\$600.00	Budget allowance; options include Teltonika RMS, Ignition EDGE, FUXA on VPS or Nimbus.

EMHDC PIPELINE AND VALVE REPAIR / REPLACEMENT & SCADA & POWER SYSTEMS

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18	SIM Card — Industrial LTE	Industrial-grade SIM, M2M data plan; 1GB/month minimum. One primary + one backup.	TBD (Carrier)	TBD	2	\$120.00	\$240.00	Annual cost per SIM. Verify carrier coverage at site (Nimbus or AT&T)	
SCADA Components Subtotal							Subtotal	\$1,597.00	
4. WIRING AND CONNECTORS									
19	Power Cable — Battery to Actuator (30 ft run)	10 AWG THWN-2 stranded, 2-conductor + ground, 600V, for 24VDC actuator power feed (15 ft run, sized for <3% voltage drop)	TBD	TBD	75	\$0.75	\$56.25	Buy 75 ft; 30 ft run + service loop + terminations. 10 AWG at 30 ft and actuator load is well within limits.	
20	Control Cable — 4-20 mA Signal (Level Sensor to PID, 30 ft run)	18 AWG shielded twisted pair (STP), 2-conductor, 600V, for 4-20 mA analog loop; foil + drain	TBD	TBD	75	\$0.85	\$63.75	Buy 75 ft; 30 ft run + loops + terminations	
21	Control Cable — 4-20 mA Signal (PID to Actuator, 30 ft run)	18 AWG shielded twisted pair (STP), 2-conductor, 600V, for 4-20 mA control output to actuator	TBD	TBD	75	\$0.85	\$63.75	Buy 75 ft; 30 ft run + loops + terminations	
22	RS-485 Modbus Cable — Actuator (30 ft run)	22 AWG shielded twisted pair (STP), Belden 9841 or equiv., for Modbus RTU RS-485 to actuator	TBD	Belden 9841 or equiv.	75	\$1.10	\$82.50	Buy 75 ft; 30 ft run + loops + terminations; daisy-chain through N2000 on same bus	
23	RS-485 Modbus Cable — PID Controller (30 ft run)	22 AWG shielded twisted pair (STP), Belden 9841 or equiv., for N2000 Modbus RTU RS-485 segment	TBD	Belden 9841 or equiv.	75	\$1.10	\$82.50	Same RS-485 bus as actuator — total stub length must be < 4000 ft per EIA-485	
24	Pressure Sensor Cable — Modbus/4-20 mA (30 ft run)	22 AWG shielded twisted pair for pressure sensor to RUT986 (Modbus or analog); foil + drain	TBD	TBD	75	\$0.85	\$63.75	Buy 75 ft; 30 ft run + loops + terminations	
25	Liquidtight Flexible Conduit — 1/2" (Cabinet to Field)	1/2" LFMC (liquid-tight flexible metallic conduit) with fittings, for cable exits from enclosure	TBD	TBD	20	\$2.25	\$45.00	20 ft allowance; used for final connections to sensors and actuator terminal box	
26	Conduit — 3/4" PVC Schedule 40 (Field Runs)	3/4" PVC conduit for underground or surface raceway; includes couplings, elbows	TBD	TBD	60	\$1.40	\$84.00	Budget allowance for field conduit routing; adjust per actual trench/surface routing	
27	Wire Lugs — Ring Terminal, 12 AWG (Bag of 50)	Insulated ring terminals, 12 AWG, 1/4" stud, for power wiring terminations	TBD	TBD	1	\$12.00	\$12.00		
28	Wire Lugs — Ring Terminal, 18–22 AWG (Bag of 100)	Insulated ring terminals, 18-22 AWG, #6 stud, for signal and Modbus cable terminations	TBD	TBD	1	\$14.00	\$14.00		
29	Ferrules — Bootlace, Assorted 18-22 AWG (Kit)	Insulated ferrule assortment for DIN rail terminal block terminations; 500 pc kit	TBD	TBD	1	\$28.00	\$28.00	Use ferrules on all stranded wire at screw terminals for reliability	
30	RS-485 Termination Resistors — 120 Ohm	120 Ω 1/4W resistors for RS-485 bus end termination at RUT986 and far-end device	TBD	TBD	4	\$0.50	\$2.00	Install at both physical ends of the RS-485 daisy chain	
31	Surge Protector — RS-485 DIN Rail (2-wire)	RS-485 transient voltage surge suppressor (TVSS), DIN rail mount, for RS-485 bus protection	TBD	TBD	1	\$65.00	\$65.00	Strongly recommended for remote sites with long cable runs and lightning exposure	
32	Surge Protector — 24VDC Power (DIN Rail)	24VDC DIN rail surge protection device for battery power bus inside cabinet	TBD	TBD	1	\$55.00	\$55.00		
33	Surge Protector — Analog 4-20 mA (DIN Rail)	4-20 mA signal surge protector, loop-powered compatible, DIN rail, for level sensor input	TBD	TBD	2	\$48.00	\$96.00	One per 4-20 mA input circuit; install at cabinet entry	
34	Heat Shrink Tubing — Assorted (Kit)	3:1 adhesive-lined heat shrink assortment, outdoor-rated, for field splice protection	TBD	TBD	1	\$22.00	\$22.00		
35	Cable Ties — UV-Rated (Bag of 100)	UV-stabilized nylon cable ties, 8" and 11", for wire management	TBD	TBD	2	\$9.00	\$18.00		
36	Wire Labels — Pre-printed or Brady Label Kit	Self-laminating cable markers for all wire IDs at both ends per NEC best practice	TBD	TBD	1	\$35.00	\$35.00	All wires must be labeled at both termination points	
Wiring and Connectors Subtotal							Subtotal	\$888.50	

EMHDC PIPELINE AND VALVE REPAIR / REPLACEMENT & SCADA & POWER SYSTEMS

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#	Item	Description	Manufacturer	Model Number	Qty	Unit Price	Ext. Price	Notes
5. CABINET, DIN RAIL, AND JUNCTION COMPONENTS								
37	NEMA 4X Enclosure — Main SCADA Cabinet	Fiberglass or 316 SS NEMA 4X enclosure, approx. 24" H x 20" W x 8" D, with hasp, outdoor rated	TBD	TBD	2	\$485.00	\$970.00	Size for all DIN rail components + battery mounted in separate enclosure
38	DIN Rail — 35mm Top Hat, 12" length	Steel 35mm x 7.5mm top-hat DIN rail, pre-cut or field-cut, for component mounting	TBD	TBD	3	\$14.00	\$42.00	3 rails: power/fusing tier, control tier, terminal block tier
39	DIN Rail End Caps / Stops	DIN rail end stops to secure terminal blocks on rail	TBD	TBD	8	\$2.50	\$20.00	Pair (2) per rail end; 4 rails x 2 ends = 8
40	Terminal Blocks — 4mm ² Screw, 24VDC (Pack of 25)	Phoenix Contact or equiv. 4 mm ² DIN rail screw terminal blocks, grey, for field wiring	Phoenix Contact	UK 4 or equiv.	25	\$3.50	\$87.50	For power and signal field terminations
41	Terminal Blocks — Ground (GND) Type, 4mm ² (Pack of 10)	Green/yellow PE ground terminal blocks, DIN rail, 4 mm ²	Phoenix Contact	UKK 5 or equiv.	10	\$4.25	\$42.50	
42	Terminal Blocks — Disconnect/Fused, 4mm ² (Qty 6)	Fused disconnect terminal blocks (knife disconnect) for branch circuit isolation	TBD	TBD	6	\$9.00	\$54.00	One per major circuit: level sensor, PID, actuator, router, solar controller, spares
43	Circuit Breaker — 24VDC, 2A, DIN Rail (MCB)	DIN rail DC miniature circuit breaker, 2A, 24VDC, C-curve, for SCADA/router branch	TBD	TBD	3	\$28.00	\$84.00	One per branch: router, PID controller, spare
44	Circuit Breaker — 24VDC, 10A, DIN Rail (MCB)	DIN rail DC miniature circuit breaker, 10A, 24VDC, for actuator power feed	TBD	TBD	1	\$32.00	\$32.00	
45	Circuit Breaker — 24VDC, 20A, DIN Rail (Main)	DIN rail DC main circuit breaker, 20A, 24VDC, for battery main disconnect	TBD	TBD	1	\$42.00	\$42.00	Main disconnect at battery bus; upstream of all branch breakers
46	Shunt — 100A/75mV (for battery current monitoring)	Precision DC shunt, 100A / 75mV, for current measurement at battery; pairs with volt meter or BMS	TBD	TBD	1	\$22.00	\$22.00	Allows Modbus or RUT986 voltage monitoring of battery state
47	DC Bus Bar — 24V Positive and Negative (Pair)	DIN rail mounted distribution bus bars, 24VDC; pair (+ and -) for power distribution	TBD	TBD	1	\$38.00	\$38.00	Allows clean power distribution to all loads from battery bus
48	Cabinet Thermostat / Fan Controller	DIN rail bimetallic thermostat for cabinet cooling fan control, 24VDC coil, adjustable setpoint	TBD	TBD	1	\$45.00	\$45.00	Protect electronics from overtemperature in summer; set ~100°F trip point
49	Cabinet Cooling Fan — 24VDC	24VDC axial fan with finger guard and filter, for NEMA 4X cabinet ventilation	TBD	TBD	1	\$38.00	\$38.00	Use NEMA 4X rated filtered fan assembly to maintain enclosure rating
50	DIN Rail Mounted Fuse Holder (6.3A slow-blow)	DIN rail fuse holder + 6.3A ceramic slow-blow fuse for level sensor loop protection	TBD	TBD	2	\$8.50	\$17.00	One per 4-20 mA loop (sensor supply fuse)
51	Grounding / Bonding Bar — Cabinet Interior	Copper DIN rail ground bar for cabinet bonding; connects all shields and PE grounds to one point	TBD	TBD	1	\$28.00	\$28.00	Bond all cable shields at one point only to prevent ground loops
52	Junction Box — Field (NEMA 4X, 6x6x4)	Small NEMA 4X polycarbonate junction box for sensor splices or conduit junctions	TBD	TBD	2	\$45.00	\$90.00	Locate at cistern + valve for cable connection and conduit entry
53	Cable Glands — PG13.5 / M20 (Qty 10)	Nylon or nickel-plated brass cable glands for cable entries into NEMA 4X enclosures	TBD	TBD	10	\$4.50	\$45.00	Install on all cable entry points to maintain NEMA 4X rating
54	Enclosure Mounting Hardware — Pole or Wall Mount	Unistrut channel, mounting brackets, stainless hardware for cabinet and solar panel mounting	TBD	TBD	1	\$120.00	\$120.00	Budget allowance; field-configured. Includes Unistrut, clamps, lag bolts
Cabinet, DIN Rail, and Junction Subtotal						Subtotal	\$1,817.00	
6. 24VDC SOLAR POWER COMPONENTS								
56	Solar Panel — 24VDC, 300W Monocrystalline	300W 24VDC monocrystalline solar panel, aluminum frame, tempered glass, IP68 junction box	TBD	TBD	1	\$350.00	\$350.00	Sized for SW Colorado; 300W provides ~900 Wh/day at 6 PSH with 0.75 system efficiency

EMHDC PIPELINE AND VALVE REPAIR / REPLACEMENT & SCADA & POWER SYSTEMS

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57	MPPT Solar Charge Controller — 30A, 24VDC	Morningstar TriStar 30A MPPT solar charge controller, 24VDC, DIN rail compatible	Morningstar	TS-MPPT-30	1	\$425.00	\$425.00	Sized for 300W panel at 24V
58	LiFePO4 Battery — 24VDC, 100 Ah	24VDC 100 Ah lithium iron phosphate (LiFePO4) battery with integrated BMS, DIN rail or cabinet mount	TBD	TBD	1	\$875.00	\$875.00	2,400 Wh nominal; 1,920 Wh usable at 80% DoD; ~3.2 days autonomy at full load
59	Battery Cable — 2 AWG, 3 ft (+ and -)	2 AWG flexible welding cable, tinned copper, for battery to bus bar / charge controller interconnect	TBD	TBD	6	\$4.50	\$27.00	6 ft total (3 ft pos + 3 ft neg); very short high-current runs; use heavy lugs
60	Battery Lugs — 2 AWG Copper, 3/8" Stud (4 each)	Heavy-duty copper compression lugs, 2 AWG, 3/8" stud, tinned, for battery connections	TBD	TBD	4	\$5.50	\$22.00	
61	Solar Panel Cable — 10 AWG PV Wire (50 ft)	USE-2 / PV wire, 10 AWG, 600V, UV-rated, for solar panel to charge controller run (30 ft run)	TBD	TBD	50	\$0.95	\$47.50	Buy 50 ft; 30 ft run + service loops; PV-rated UV resistant jacket required
62	MC4 Solar Connectors (Pair)	MC4 compatible waterproof solar panel connectors, rated 30A / 600V, male + female pair	TBD	TBD	2	\$8.50	\$17.00	One pair; for PV cable connection at panel if panel does not include pigtails
63	Solar Fuse / Combiner — 15A, DIN Rail	DC fuse holder with 15A fuse for solar PV input protection at charge controller	TBD	TBD	1	\$18.00	\$18.00	Protects wiring between PV panel and charge controller; required for UL/NEC compliance
64	Solar Panel Mounting Rack — Adjustable Tilt	Aluminum adjustable tilt solar panel mounting rack; ground mount or roof/wall compatible	TBD	TBD	1	\$185.00	\$185.00	Size for 1x 300W panel; set tilt angle for latitude ~37° (SW CO) — ~37-47° tilt recommended
65	Battery Low-Voltage Disconnect — DIN Rail	24VDC programmable low-voltage disconnect (LVD) to protect battery from over-discharge	TBD	TBD	1	\$55.00	\$55.00	Set trip at ~22.0V (LiFePO4 low cutoff); some LiFePO4 BMS units include this function — verify
66	DC Voltmeter / Battery Monitor — DIN Rail	DIN rail DC digital voltmeter / battery state indicator, 8-60VDC input, for local status display	TBD	TBD	1	\$35.00	\$35.00	Provides local battery voltage readout on enclosure panel; low cost visual indicator
67	Fused Battery Disconnect Switch — 100A	100A DC-rated manual battery disconnect switch with fuse for battery bank isolation	TBD	TBD	1	\$48.00	\$48.00	Allows safe battery isolation for maintenance; rated 24VDC min
24VDC Solar Power Subtotal						Subtotal	\$2,104.50	
7. VALVE INSTALLATION — LABOR AND MACHINERY								
68	Resizing Inlet Pipe from 6" to 8"	Labor to cut down reducer and weld flange for valve installation	TBD (Contractor)	N/A	4	\$125.00	\$500.00	Estimated 4 man-hours; confirm with contractor
69	Excavation — Valve Vault and Pipes	Machine excavation operator for in-line valve installation; includes backfill and compaction	TBD (Contractor)	N/A	1	\$850.00	\$850.00	Lump sum allowance
70	Pipe Cutting, Preparation, Welding	Labor and equipment to cut existing 6" downstream pipeline, weld flanged spool piece and mount for orifice plate	TBD (Contractor)	N/A	4	\$125.00	\$500.00	
71	Valve Setting and Flange Connection	Labor to set valve in line, install gaskets, torque flange bolts per AWWA spec	TBD (Contractor)	N/A	6	\$125.00	\$750.00	Includes actuator mounting and initial limit switch verification
72	Pressure Test and System Recommission	Hydrostatic pressure test of valve and connections; recommission and restore system to service	TBD (Contractor)	N/A	4	\$125.00	\$500.00	
73	Backhoe / Excavator — Day Rate (if needed)	Equipment rental for excavation	TBD (Equipment)	N/A	1	\$1,200.00	\$1,200.00	One-day allowance
74	Crane / Pipe Lifter for Valve Setting	Crane truck or pipe boom for lifting and positioning 8" VRX valve assembly (estimated 300-400 lbs)	TBD (Equipment)	N/A	4	\$185.00	\$740.00	4 Hours
Valve Installation Subtotal						Subtotal	\$5,040.00	
8. SCADA AND 24VDC INSTALLATION — LABOR AND MACHINERY								

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76	Cabinet Fabrication and DIN Rail Assembly	Labor to drill, mount, and wire cabinet; install DIN rail, breakers, terminal blocks, bus bars, and all components	TBD (Contractor)	N/A	16	\$95.00	\$1,520.00	Estimated 16 man-hours for complete cabinet build and pre-wire
77	Field Wiring — Sensors to Cabinet	Labor to run conduit, pull wire, and terminate all sensor cables (level, pressure) from field to cabinet	TBD (Contractor)	N/A	8	\$95.00	\$760.00	30 ft runs; includes conduit installation and all terminations
78	Field Wiring — Actuator to Cabinet	Labor to run conduit, pull wire, and terminate 4-20 mA control cable and Modbus RS-485 monitoring cable to actuator	TBD (Contractor)	N/A	6	\$95.00	\$570.00	30 ft run (power) + 30 ft run (signal/Modbus)
79	Solar Panel and Battery Installation	Labor to set panel mounting rack, mount panel, run PV cable, connect charge controller and battery	TBD (Contractor)	N/A	6	\$95.00	\$570.00	
80	SCADA Commissioning — Device Configuration	PID parameter entry (N2000), Modbus register mapping, RUT986 router configuration, VPN setup, SIM activation	TBD (Contractor)	N/A	12	\$115.00	\$1,380.00	Specialized controls/SCADA technician rate; includes Modbus polling verification
81	Control Loop Tuning — PID Commissioning	On-site PID loop tuning for cistern level control; includes step test, parameter optimization, stability verification	TBD (Contractor)	N/A	4	\$115.00	\$460.00	Slow-acting cistern process — allow 4 hours for tuning and stability confirmation
82	SCADA Platform Setup and HMI Configuration	Cloud SCADA platform setup, tag creation, alarming configuration, trend historian, and user access setup	TBD (Contractor)	N/A	8	\$115.00	\$920.00	Remote/off-site work acceptable for cloud platform configuration
83	Documentation — As-Built Drawings and O&M Manual	Preparation of as-built wiring diagrams, system schematic, O&M manual, and commissioning report	TBD (Contractor)	N/A	4	\$95.00	\$380.00	Required for long-term O&M
84	Travel and Mobilization — Remote Site	Travel, lodging, and per diem for installation crew; SW Colorado remote site — 2 trips × 2 personnel	TBD (Contractor)	N/A	1	\$2,400.00	\$2,400.00	Allowance: 2 trips (installation + commissioning), 2 persons, ~\$600/trip/person
SCADA Installation Subtotal							Subtotal	\$8,960.00
9. 15" PIPE BLOWOUT REPAIR								
85	15 X 12 100 PSI PIP TEE		TBD	N/A	1	\$325.00	\$325.00	
86	12 x 8 PIP 125PSI Reducer		TBD	N/A	1	\$125.00	\$125.00	
87	15 PIP Repair Coupler		TBD	N/A	1	\$650.00	\$650.00	
88	6 PIP Repair Coupler		TBD	N/A	1	\$250.00	\$250.00	
89	8 x 6 PIP 125 PSI Reducer		TBD	N/A	1	\$85.00	\$85.00	
90	12 in PIP Pipe		TBD	N/A	10	\$15.00	\$150.00	
91	8 in PIP Pipe		TBD	N/A	10	\$9.00	\$90.00	
92	6 in PIP Pipe		TBD	N/A	10	\$7.00	\$70.00	
93	Pipe Glue and Primer		TBD	N/A	1	\$300.00	\$300.00	Batch Price
94	Expose Pipe, Backfill, Tamp		TBD (Contractor)	N/A	16	\$125.00	\$2,000.00	Hourly
95	Glue and Press Pipes and Couplers		TBD (Contractor)	N/A	8	\$125.00	\$1,000.00	Hourly
96	Backhoe or Excavator Day Rate		TBD (Contractor)	N/A	2	\$1,200.00	\$2,400.00	Day Rate
Pipe Repair Subtotal							Subtotal	\$7,445.00
TOTAL PROJECT BUDGET — REPAIRS, VALVE, SCADA, WIRING, SOLAR, LABOR & MACHINERY							TOTAL	\$50,550.34
			Valve and Actuator	\$	21,924.34	Grant Request	\$	25,000.00
			Sensors	\$	774.00	Total Materials	\$	31,150.34
			SCADA Components	\$	1,597.00	Total Labor	\$	19,400.00
			Wiring and Connectors	\$	888.50	EMHDC In-Kind	\$	10,000.00
			Cabinet DIN and Junction Comp.	\$	1,817.00	EMHDC Cash Outlay	\$	15,550.34
			24VDC Solar System	\$	2,104.50			
			LABOR Valve Install	\$	5,040.00			
NOTES:								
• All pricing is budgetary/ROM unless noted as quoted.								
• Items marked TBD require final vendor selection.								
• Labor hours and rates are estimates.								
• Valve/actuator package price (\$21,465.34) is a firm quote from Av-Tek/Rocky Mountain Valve as of May 2026.								

EMHDC PIPELINE AND VALVE REPAIR / REPLACEMENT & SCADA & POWER SYSTEMS

East Mancos Highline Ditch Company | Bill of Materials | Grant Application Budget | Prepared: May 2026

#	Item	Description	Manufacturer	Model Number	Qty	Unit Price	Ext. Price	Notes
	<ul style="list-style-type: none"> • Actuator (QXMb-1) is included in valve package price — not a separate line. • EMHDC Match is primarily cash outlay for materials and labor plus a contribution of in-kind elements eg labor, machine time, welding and fabrication, system and software configuration as time and our 		LABOR SCADA & Power	\$ 8,960.00				
				\$ 43,105.34				
			Pipe Blowout Repair Parts	\$ 2,045.00				
			Pipe Blowout Repair Labor	\$ 5,400.00				
				\$ 7,445.00				
		Grand Total	\$ 50,550.34					

MEMO

To: SWCD Board of Directors and Staff
From: Laura Spann, CWCB
Contact: 720.916.7723, laura.spann@state.co.us
Subject: Brief CWCB Funding Update
Date: June 10, 2026



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

Water Plan Grant Program: **Deadline July 1**

At the March meeting, the CWCB Board awarded **\$12.1 million to 34 projects** statewide, including four in southwest Colorado:

- Farmers Water Development Company, Straw Dam Feasibility Study, **\$77,355**
- Fort Lewis College, Tribal Water Media Fellowship, **\$298,188**
- San Miguel Watershed Coalition, Wildfire Ready Action Plan, **\$373,500**
- Town of Silverton, Animas River Corridor Project, **\$998,286**

Colorado State University was also awarded **\$1.2 million** for the Colorado Water Fellows Program, and Fort Lewis College is a participating institution.

\$40.2 million is officially available for Water Plan Grants for the next state fiscal year (July 1 and December 1 application cycles).

Water Supply Reserve Fund (WSRF) for Southwest Colorado: **Deadline June 21**

At the March and May meetings, the CWCB Board awarded the following WSRF grants to southwest Colorado:

- Lower Wilson Ditch Association, Gate Replacement, **\$30,293**
- Town of Mancos, Raw Water Pipeline Replacement, **\$100,000**
- Town of Pagosa, October 2025 Flood Recovery Work, **\$100,000**
- Colorado Cooperative Company, 2nd Park Reliability Project, **\$55,687**
- Center for Snow & Avalanche Studies, Dust on Snow, **\$30,000**

The current WSRF Southwest Basin Account balance is \$311,933. The Roundtable generally considers requests up to \$100,000 from the WSRF Basin Account. The next WSRF deadline is June 21 for review at the July 23 Southwest Basins Roundtable meeting in Cortez.

Diversion Measurement Installation Program: **Accepting Div. 4 & 5 This Fall**

Stay tuned for CWCB to announce informational meetings and the 2026 application deadline for Divisions 4 and 5.