

## NORWOOD WATER COMMISSION - minutes

Meeting on: Tuesday, April 14, 2026

Regular Session starting at: 6:30 p.m.

Meeting at: 1670 Naturita Street, Norwood CO 81423 at Norwood Town Hall and Zoom option.

### Call Regular Meeting To Order

The regular meeting of the Norwood Water Commission was called to order by Jenny Russell at 6:36 pm.

### Board Attendance:

Board Chair - Finn Kjome – Present

Vice Chair - Tony Daranyi – Present, via Zoom

Member – Ray Cossey - Present

Member – Jenny Russell – Present, via Zoom

Member – Ryan Howe – Present

Member- Jaime Perce- Present

### Staff Attendance:

Administrator Director – Sara Owens – Present

Public Works Director – Randy Harris – Absent

Town Clerk – Cidney Ross - Present

### Public Attendance:

Scott Thomas – CRWA

Josiah Thomas - CRWA

Catherine Carella - SGM

### Consent Agenda

1. March Financials
2. March 10, 2026, Minutes
3. Budget to Actuals

Jenny Russell motioned to approve the consent agenda with Nicole’s (Garfield and Hecht) corrections. Ray Cossey seconded the motion. All voted, motion carried.

### Executive Session

None

### Board Business Agenda

#### **1. Rate Study Presentation – CRWA**

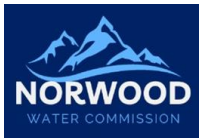
Scott presented a financial analysis of water and wastewater rate increases needed to fund capital improvement projects, including a redundant transmission main. The analysis showed that rates would need to increase significantly, particularly in 2026 with a roughly 100% increase, to cover operating expenses and debt service. Scott noted that while the increases are substantial, similar presentations to other communities have generally been well-received when explained to the public.

#### **2. Adoption of Resolution 0414 Series 2026: Resolution of the Norwood Water Commission Authorizing a Loan Agreement with the Colorado Water Resources and Power Development Authority and Designating Authorized Officer Under the Loan Agreement**

This item was tabled to May NWC Regular meeting due to updates in the language.

#### **3. Approval of the Loan Agreeen between Colorado Water Resources and Power Development Authority and Norwood Water Commission**

This item was tabled to May NWC Regular meeting due to updates in the language.



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### 4. Water Leadership funding request – Candy Meehan

The board discussed Candy Meehan's selection for the 2026 Colorado Water Leaders Program, a 7-month program costing \$5,100. The board approved a \$1,000 contribution toward the program cost, with Southwest Water Conservation District also planning to provide funding. Sarah noted that the board had \$4,000 budgeted for dues and conferences, with only \$450 currently spent, making the \$1,000 contribution feasible. Jenny Russell motioned to approve \$1,000 to the water leaders' program cost. Ray Cossey seconded the motion. All voted, motion carried.

### 5. San Miguel Sheriff Office Water Card

Sheriff Dan Covalt approached staff to request a water card for the San Miguel Sheriff's Office for emergency use.

Ray Cossey motioned to approve the San Miguel Sheriff's Office getting a water shack card. Ryan Howe seconded the motion. All voted, motion approved.

### 6. Discussion of Water Shack Pricing

Staff presented analysis showing that Water Shack revenue represents approximately 3% of total water sales and treated water, concluding that no pricing adjustments are necessary at this time.

### 7. WRAP Project Update

Tony Daranyi also provided updates on the WRAP (wildfire readiness action project), which received funding including a \$5,000 donation from the Norwood Water Commission.

### 8. Floating Solar Project Update

The group discussed a floating solar project being developed by engineering students from the School of Mines as their senior capstone project. The students presented initial results showing significant benefits including algae control, temperature reduction, and substantial water conservation through evaporation prevention, though concerns were raised about long-term panel decay and potential vandalism.

### 9. Garden in a Box Update

Sara reported challenges with the Garden in a Box program, noting that despite various promotional efforts, no orders have been received yet, and highlighted a specific case of a customer using 60,000 gallons of water per month, which raised concerns about excessive water usage in the community.

### 10. Raw Water Reservoir

The board referred to Randy Harris's written Public Works Director report for this item.

### 11. Public Notices Newspaper – San Miguel Basin Forum or Telluride Times

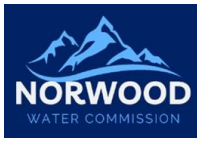
The board discussed switching public notices from the Telluride Times to the San Miguel Basin Forum, with Sara explaining the cost savings and local focus benefits.

### 12. Discussion of Billing Clerk Position

The meeting focused on challenges with the billing clerk position, including difficulties retaining staff due to low pay and excessive responsibilities beyond billing duties. Sarah proposed restructuring the position, potentially separating billing responsibilities from meeting duties and administrative tasks and suggested increasing the pay rate with overtime capabilities. The group agreed to hold a joint work session with all three boards Tuesday 04/21 at 6:30 PM to discuss restructuring options and budget impacts, with Sarah tasked to provide cost estimates for the proposed changes.

### 13. SGM Update – Catherine Carella

Catherine provided an update on the raw water reservoir project, sharing insights from a site visit and explaining changes to the water line alignment due to hydraulic modeling results. The board agreed to have Catherine discuss potential reallocation of \$20-30,000 in unused WaterSmart grant funds with Sarah and Randy for consideration at the next meeting.



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### Board Member Reports and Announcements

#### Staff Reports and Announcements

1. Randy Harris, Public Works Director

Written report is posted on [norwoodtown.com](http://norwoodtown.com) under supporting documents for this meeting.

2. Sara Owens, Town Manager

Written report is posted on [norwoodtown.com](http://norwoodtown.com) under supporting documents for this meeting.

#### Adjourn

Ray Cossey motioned that the Norwood Water Commission Regular Meeting be adjourned at 8:30 pm. Ryan Howe seconded the motion. All voted, meeting adjourned.

NORWOOD WATER COMMISSION

ACCOUNTS PAYABLE - April 2026

				NWC Portion	NSD Portion	TON Portion
PD	5140280	CenturyLink	PW Telephone	\$ 1.79		
PD	5140245	Coach's Mother	Freight and Past Due	\$ 1,505.41		
PDCC	5140630	Colorado Analytical Lab	Water Testing	\$ 245.00		
PDCC	5140275	ClearNetworkx	Water Treatment Plant Internet	\$ 60.00		
PD	5140661	Farmers Water Development	Stakeholder's Fee	\$ 2,727.50		
PD	5140620	Filter Tech Systems	Splash Top Remote Access	\$ 297.00		
PD	5140310	Filter Tech Systems	PW Supplies	\$ 8,561.14		
PD	5140460	Gardfield and Hecht	General Legal	\$ 560.50		
PD	5140460	Gardfield and Hecht	General Legal	\$ 354.00		
PD	5140460	Gardfield and Hecht	Legal Fees	\$ 531.00		
PD	5140460	Gardfield and Hecht	Legal Fees	\$ 2,766.00		
PD	5140460	Gardfield and Hecht	Legal Fees	\$ 3,509.00		
PD	5140275	San Miguel Power	Public Works Shop	\$ 17.76		
PD	5140430	Telluride Maintaince Solutions	Billing Clerk Computer Set Up	\$ 225.00		
PD	5140480	Timberline ACE Hardware	NWC Credit Card	\$ 285.45		
PD	5140110	Town of Norwood Reimbursement	Salary Reimbursement 2/25-3/11	\$ 12,530.04	\$ 6,298.27	
PD	5140270	Town of Norwood Reimbursement	FICA Reimbursement 2/25-3/11	\$ 958.55	\$ 481.82	
PD	5140132	Town of Norwood Reimbursement	CEBT Reimbursement February and March	\$ 3,784.56	\$ 211.64	
PD	5140132	Town of Norwood Reimbursement	Aflac Reimbursement	\$ 334.59	\$ 138.52	
PD	5140280	Town of Norwood Reimbursement	FirstNet Reimbursement	\$ 73.11		
PD	5140275	Town of Norwood Reimbursement	Bruin Waste	\$ 83.81	\$ 83.81	
PD	5140250	Town of Norwood Reimbursement	All Copy Products Reimbursement	\$ 428.65	\$ 428.65	
PD	5140132	Town of Norwood Reimbursement	Pinnacol Reimbursement	\$ 277.00	\$ 277.00	
PD	5140132	Town of Norwood Reimbursement	United Life Reimbursement March and April	\$ 12.14	\$ 10.38	
PD	5140290	Town of Norwood Reimbursement	Postage December Reimbursement	\$ 347.43		
PD	5140620	Town of Norwood Reimbursement	ImageNet Reimbursement	\$ 93.65		
PD	5140250	Town of Norwood Reimbursement	Capital One Credit Card Reimbursement	\$ 24.97		
PD	5140310	Town of Norwood Reimbursement	Streamline DocAccess Reimbursement	\$ 100.00	\$ 100.00	
PD	5140620	Town of Norwood Reimbursement	Zoom Reimbursement	\$ 60.96		
PD	5140250	Water Treatment Chemicals	Water Treatment Chemicals	\$ 5,087.68		
PD	5140250	West Elk Supply	Chlorine Cylinder	\$ 425.00		
PDCC	5140275	Vero Braodband	Fiber	\$ 38.00		
<b>Total Bills Paid</b>				<b>\$ 46,306.69</b>		

Report Criteria:

Includes all accounts

Includes grand totals

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Account Number	Account Title	2026-26 Current year Actual	2026-26 Current year Budget	Earned Expended Percent
10-36-900	Sundry Revenues	.00	.00	.00
10-36-905	Sale of Assets	.00	.00	.00
Total :		.00	.00	.00
10-37-001	DOLA Grant	.00	.00	.00
Total :		.00	.00	.00
Revenue Total:		.00	.00	.00
Total :		.00	.00	.00

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Account Number	Account Title	2026-26 Current year Actual	2026-26 Current year Budget	Earned Expended Percent
<b>WATER FUND</b>				
<b>WATER FUND</b>				
51-37-100	WATER SALES	182,205.09	675,000.00	26.99
51-37-200	CONNECTION FEES/RECONNECT	.00	400.00	.00
51-37-250	WATER TAPS CHARGES	.00	12,000.00	.00
51-37-300	DELINQUENT CHARGES	545.00	4,000.00	13.63
51-37-350	PUBLIC WATER METER/SHACK	6,328.87	22,000.00	28.77
Total WATER FUND:		189,078.96	713,400.00	26.50
<b>WATER FUND</b>				
51-38-100	INTEREST EARNINGS	117.41	.00	.00
51-38-200	PROJECT	14,732.44	120,857.00	12.19
51-38-201	EIAF 25-098-GRANT REDUNDANT	.00	175,000.00	.00
51-38-202	SRF D&E	.00	300,000.00	.00
51-38-203	Administrative Planning Grant	.00	8,687.00	.00
51-38-300	MISCELLANEOUS REVENUES	.00	150.00	.00
51-38-800	TAP INSTALLATION	.00	.00	.00
51-38-900	DEPOSITS/APP FEES	1,387.73	4,500.00	30.84
51-38-950	GRANTS/LOANS/LEASE	.00	.00	.00
51-38-975	Uncleared checks/misc revenue	.00	.00	.00
Total WATER FUND:		16,237.58	609,194.00	2.67
<b>WATER FUND</b>				
51-39-500	CARRY OVER WATER FUND	.00	.00	.00
51-39-600	STATE GRANTS/LOAN/WATER/DOLA	.00	.00	.00
51-39-700	BEGINNING FUND BALANC/TRANSFER	.00	218,000.00	.00
51-39-800	MISCELLANEOUS REVENUES	.00	.00	.00
Total WATER FUND:		.00	218,000.00	.00
<b>WATER FUND</b>				
51-40-110	SALARY REIMBURSEMENT - TOWN	57,778.45	202,515.00	28.53
51-40-115	GRANT WRITER	.00	25,000.00	.00
51-40-132	EMPLOYEE BENEFITS - HEALTH INS	9,788.48	21,500.00	45.53
51-40-134	EMPLOYEE BENEFITS - OVERTIME	.00	.00	.00
51-40-210	DUES/CONFERENCES	443.00	4,000.00	11.08
51-40-230	TRAVEL	320.00	2,000.00	16.00
51-40-235	Progress Incentive	.00	5,000.00	.00
51-40-240	OFFICE SUPPLIES AND EXPENSE	65.74	2,500.00	2.63
51-40-245	Freight	.00	3,000.00	.00
51-40-250	CHEMICALS/SUPPLIES/MAINT	3,761.82	35,906.00	10.48
51-40-255	VEHICLE EXPENSES	.00	3,000.00	.00
51-40-257	VEHICLE PURCHASE	.00	.00	.00
51-40-260	MATERIAL & SUPPLIES	.00	.00	.00
51-40-270	FICA MATCHING/IRA REIMBURSEMEN	2,325.96	19,000.00	12.24
51-40-275	UTILITIES -	12,483.76	30,000.00	41.61
51-40-280	TELEPHONE	981.83	3,500.00	28.05
51-40-290	POSTAGE	1,050.06	5,500.00	19.09
51-40-310	CONTRACT LABOR	15,016.34	30,000.00	50.05
51-40-315	CONTRACT LABOR - TOWN	.00	.00	.00

Account Number	Account Title	2026-26 Current year Actual	2026-26 Current year Budget	Earned Expended Percent
51-40-420	CREDITS/ADJUSTMENTS	.00	350.00	.00
51-40-430	SERVICE CHARGE	3,427.03	2,000.00	171.35
51-40-440	SERVICE CHARGES - PROJECT	.00	.00	.00
51-40-460	ATTORNEY FEES	13,252.50	35,000.00	37.86
51-40-480	MATERIALS & SUPPLIES	6,879.51	35,000.00	19.66
51-40-485	MATERIALS & SUPPLIES - TOWN	.00	.00	.00
51-40-490	PROF/TECHNICAL/AUDIT	.00	5,500.00	.00
51-40-510	INSURANCE AND SURETY BONDS	21,609.36	22,000.00	98.22
51-40-610	MISCELLANEOUS SUPPLIES	.00	.00	.00
51-40-620	MISCELLANEOUS SERVICES	4,733.21	8,000.00	59.17
51-40-630	WATER TESTING	2,185.80	8,000.00	27.32
51-40-650	DEBT SERVICE/LOAN/DOLA	.00	.00	.00
51-40-651	DEPRECIATION	.00	.00	.00
51-40-660	DEPRECIATION	.00	.00	.00
51-40-661	WATER ASSESSMENTS - FWDC	2,727.50	31,500.00	8.66
51-40-740	CAPITAL OUTLAY/EQUIPMENT/PLANT	10,614.25	34,193.00	31.04
51-40-741	AERATOR	.00	72,913.00	.00
51-40-742	PRESSURE REDUCING VALVE	.00	78,500.00	.00
51-40-743	TANK MAINTENANCE	.00	100,000.00	.00
51-40-744	FILTER SAND REPLACEMENT	.00	25,000.00	.00
51-40-750	ENGINEERING	.00	40,000.00	.00
51-40-760	CAPITAL PROJECT/SYSTEM IMPROVE	58,299.02	411,000.00	14.18
51-40-761	REDUNDANT LINE EA COST	6,590.27	12,800.00	51.49
51-40-762	ADMINISTRATIVE PLANNING GRANT	779.00	165,016.00	.47
51-40-764	AERATOR	.00	.00	.00
51-40-766	PRESSURE REDUCING VAULT	.00	.00	.00
51-40-768	TANK MAINTENANCE	.00	.00	.00
51-40-770	DEBT SERVICE/WESTERN CO BANK	.00	.00	.00
51-40-780	CONTINGENCY-SYSTEM UPGRADE	.00	.00	.00
51-40-810	DEBT SERVICE/PRINCIPAL/BERKADI	.00	.00	.00
51-40-820	DEBT SERVICE/INTEREST/BERKADIA	.00	.00	.00
51-40-825	DEBT SERVICE/PRIN/INT/GMAC	.00	.00	.00
51-40-830	DEBT SERVICE/LOAN/CWCB	51,400.00	51,401.00	100.00
51-40-835	TRANSFER OF FUNDS - CKG/MMA	.00	.00	.00
51-40-837	JOB EXPENSE	.00	.00	.00
51-40-840	SYSTEM UPGRADES	5,431.50	10,000.00	54.32
51-40-910	RIVER FILING 94CW244	.00	.00	.00
Total WATER FUND:		291,944.39	1,540,594.00	18.95
<b>WATER FUND</b>				
51-41-001	Amortization Costs	.00	.00	.00
Total WATER FUND:		.00	.00	.00
WATER FUND Revenue Total:		205,316.54	1,540,594.00	13.33
WATER FUND Expenditure Total:		291,944.39	1,540,594.00	18.95
Total WATER FUND:		86,627.85-	.00	.00

Account Number	Account Title	2026-26 Current year Actual	2026-26 Current year Budget	Earned Expended Percent
<b>WATER FUND</b>				
<b>WATER FUND</b>				
52-37-250	Tap Fees	.00	.00	.00
Total WATER FUND:		.00	.00	.00
WATER FUND Revenue Total:		.00	.00	.00
Total WATER FUND:		.00	.00	.00

Account Number	Account Title	2026-26 Current year Actual	2026-26 Current year Budget	Earned Expended Percent
<b>WATER FUND</b>				
<b>WATER FUND</b>				
61-37-400	TOWN OF NORWOOD	.00	.00	.00
Total WATER FUND:		.00	.00	.00
WATER FUND Revenue Total:		.00	.00	.00
Total WATER FUND:		.00	.00	.00
Grand Totals:		86,627.85-	.00	.00

Report Criteria:

Includes all accounts

Includes grand totals

**NORWOOD WATER COMMISSION  
RESOLUTION NO. 0512, SERIES OF 2026**

A RESOLUTION OF THE NORWOOD WATER COMMISSION AUTHORIZING A  
LOAN AGREEMENT WITH THE COLORADO WATER RESOURCES AND POWER  
DEVELOPMENT AUTHORITY AND DESIGNATING AUTHORIZED OFFICERS  
UNDER THE LOAN AGREEMENT

WHEREAS, pursuant to Ordinance No. 93-0514, as amended by Ordinance No. 0911, Series of 1997, (collectively, the “Town Ordinance”) the Town of Norwood (the “Town”) established the Town of Norwood water system; and

WHEREAS, pursuant to the Town Ordinance and by Agreement dated December 23, 1992, as amended by the First Amendment to Merger Agreement dated January 16, 1998, (collectively, the “Merger Agreement”) the Town and the San Miguel Water Conservancy District established the Norwood Water Commission as the governing body of the Town of Norwood water system, a water activity enterprise of the Town pursuant to C.R.S. § 37-45.1-101, *et seq.* (the “Enterprise”); and

WHEREAS, as a water activity enterprise pursuant to C.R.S. § 37-45.1-101, *et seq.*, the Enterprise, by and through its governing body, the Norwood Water Commission, has the power to issue bonds and other obligations to support water activities including but not limited to water diversion, delivery, and treatment services; and

WHEREAS, the Norwood Water Commission desires to construct a new water distribution pipeline and appurtenant facilities from the existing water treatment plant to the west side of the Town (the “Project”); and

WHEREAS, the Project is a “water activity” as defined in in C.R.S. § 37-45.1-102; and

WHEREAS, in order to fund the design and engineering costs of the Project, the Norwood Water Commission has applied for a loan from the Colorado Water Resources and Power Development Authority (the “Authority”) in the principal amount of up to \$300,000, 100% of which principal amount will be forgiven by the Authority subject to the terms and conditions of the loan agreement; and

WHEREAS, the Norwood Water Commission desires to approve the loan agreement with the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE NORWOOD WATER COMMISSION AS FOLLOWS:

1. Recitals. The foregoing recitals are incorporated herein as findings and determinations of the Norwood Water Commission.
2. Approval of Loan Agreement. The Norwood Water Commission hereby approves the Loan Agreement between the Authority and the Norwood Water Commission for up to \$300,000 to fund the design and engineering costs of the Project. A copy of the Loan Agreement including exhibits and

related documents is available for inspection at the Norwood Water Commission office, 1670 Naturita St, Norwood, CO 81423.

3. Authorized Officers. The Norwood Water Commission hereby designates Chairperson Tony Daranyi, Vice-Chairperson Jenny Russell, and Administrator Sara Owens as “Authorized Officers” under the Loan Agreement and authorizes them to execute the Loan Agreement and other related documents and to take such further actions as may be reasonably necessary to close the transaction contemplated by the Loan Agreement.

APPROVED AND ADOPTED at a regular meeting of the Norwood Water Commission held on May 12, 2026.

NORWOOD WATER COMMISSION,  
GOVERNING BODY OF THE WATER ACTIVITY  
ENTERPRISE OF THE TOWN OF NORWOOD

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Chairperson

ATTEST:

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Member

**DRINKING WATER REVOLVING FUND**

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**LOAN AGREEMENT**

**BETWEEN**

**COLORADO WATER RESOURCES AND POWER  
DEVELOPMENT AUTHORITY**

**AND**

**NORWOOD WATER COMMISSION, GOVERNING BODY OF THE  
WATER ACTIVITY ENTERPRISE OF THE TOWN OF NORWOOD**

**DATED**

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**DRINKING WATER REVOLVING FUND DESIGN AND ENGINEERING LOAN  
AGREEMENT**

**THIS LOAN AGREEMENT** is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_ 2026 by and between **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the "Authority"), a body corporate and political subdivision of the State of Colorado, and the **NORWOOD WATER COMMISSION, GOVERNING BODY OF THE WATER ACTIVITY ENTERPRISE OF THE TOWN OF NORWOOD** (the "Governmental Agency").

**WITNESSETH THAT:**

**WHEREAS**, the United States of America, pursuant to the federal Safe Drinking Water Act of 1996, assists state and local participation in the financing of the costs of drinking water system projects and said federal Drinking Water Act requires each state to establish a drinking water revolving fund to be administered by an instrumentality of the State.

**WHEREAS**, the Authority was created to initiate, acquire, construct, maintain, repair, and operate or cause to be operated certain water resource projects, and to finance the cost thereof;

**WHEREAS**, Section 37-95-107.8, Colorado Revised Statutes, has created a Drinking Water Revolving Fund to be administered by the Authority;

**WHEREAS**, the Governmental Agency has completed the necessary steps to finance all or a portion of the cost of certain design and engineering expenses;

**WHEREAS**, the Colorado Legislature has approved a Project Eligibility List that includes the water resource project proposed by the Governmental Agency to be financed hereunder;

**WHEREAS**, the Governmental Agency has made timely submission of a Project Needs Assessment to the Authority for financing under the Drinking Water Revolving Fund to finance a portion of the design and engineering cost of a certain water resource project, and the SRF committee has reviewed the Governmental Agency's Project Needs Assessment and recommended funding from available funds in the Drinking Water Revolving Fund in an amount not to exceed the amount of the loan commitment set forth in Exhibit B hereto to finance 80% of the design and engineering costs of the project, provided the remaining 20% of the design and engineering costs are paid by the Governmental Agency. However, these 20% matching funds shall be reimbursed if the Governmental Agency executes a loan under the Drinking Water Revolving Fund to complete the Project for which the design and engineering costs were paid;

**WHEREAS**, the Governmental Agency will issue its bond to the Authority to evidence said loan and its obligations hereunder to the Authority;

**NOW THEREFORE**, for and in consideration of the award of the loan by the Authority, the Governmental Agency agrees to perform its obligations under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and attached hereto as a part hereof, as follows:

## **ARTICLE I**

### **DEFINITIONS**

**SECTION 1.01. Definitions.** The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

**"Act"** means the "Colorado Water Resources and Power Development Authority Act," being Section 37-95-101 et seq. of the Colorado Revised Statutes, as the same may from time to time be amended and supplemented.

**"Authority"** means the Colorado Water Resources and Power Development Authority, a body corporate and political subdivision of the State of Colorado duly created and validly existing under and by virtue of the Act.

**"Authorized Officer"** means, in the case of the Governmental Agency, the person whose name is set forth in Paragraph (7) of Exhibit B hereto or such other person or persons authorized pursuant to a resolution or ordinance of the governing body of the Governmental Agency to act as an Authorized Officer of the Governmental Agency to perform any act or execute any document relating to the Loan, the Governmental Agency Bond, or this Loan Agreement, whose name is furnished in writing to the Authority.

**"Commencement Date"** means the date of commencement of the term of this Loan Agreement, as set forth in Paragraph (1) of Exhibit B attached hereto and made a part hereof.

**"Cost"** means those costs that are eligible to be funded and that are reasonable, necessary and allocable to the Project and are associated with the Project Needs Assessment.

**"Event of Default"** means any occurrence or event specified in Section 5.01 hereof.

**"Federal Capitalization Agreement"** means the instrument or agreement established or entered into by the United States of America Environmental Protection Agency with the Authority to make capitalization grant payments pursuant to the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f et seq.).

**"Governmental Agency"** means the entity that is a party to and is described in the first paragraph of this Loan Agreement, and its successors and assigns.

**"Governmental Agency Bond"** means the bond executed and delivered by the Governmental Agency to the Authority to evidence the Loan and its obligations to the Authority pursuant to the Loan, the form of which is attached hereto as Exhibit D and made a part hereof.

**"Loan"** means the loan made by the Authority to the Governmental Agency to finance or refinance a portion of the design and engineering Cost of the Project pursuant to this Loan Agreement. For all purposes of this Loan Agreement, the principal amount of the Loan at any time shall be the amount of the Loan Commitment set forth in Paragraph (4) of Exhibit B attached hereto and made a part of this Loan Agreement.

**"Loan Agreement"** means this Loan Agreement, including the Exhibits attached hereto, as it may be supplemented, modified, or amended from time to time in accordance with the terms hereof.

**"Loan Closing"** means the date upon which the Loan herein shall be closed, as set forth in Section 3.06.

**"Loan Term"** means the term of this Loan Agreement provided in Paragraph (5) of Exhibit B attached hereto and made a part hereof.

**"Principal Forgiveness"** means forgiveness upon Loan Closing of the Governmental Agency's obligation to repay 100% of the principal amount of the Loan, to be effectuated as provided in paragraph (6) of Exhibit B, attached hereto and made a part hereof.

**"Project"** means the project of the Governmental Agency described in Paragraph (1) of Exhibit A attached hereto and made a part hereof, all or a portion of the design and engineering Cost of which is financed or refinanced by the Authority through the making of the Loan under this Loan Agreement.

**"Project Loan Account"** means the Project Loan Account established within the Drinking Water Revolving Fund.

**"System"** means the water system of the Governmental Agency, including the Project described in Paragraph (1) of Exhibit A attached hereto and made a part hereof for which the Governmental Agency is making the borrowing under this Loan Agreement, as such System may be modified, replaced, or expanded from time to time.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, agencies and districts. Words importing one gender shall include the other gender.

## ARTICLE II

### REPRESENTATIONS AND COVENANTS OF GOVERNMENTAL AGENCY

**SECTION 2.01. Representations of Governmental Agency.** The Governmental Agency represents for the benefit of the Authority:

(a) Organization and Authority.

(i) The Governmental Agency is a governmental agency as defined in the Act and as described in the first paragraph of this Loan Agreement.

(ii) The Governmental Agency has full legal right and authority to execute and deliver this Loan Agreement; to execute, issue, and deliver the Governmental Agency Bond; and to carry out and consummate all transactions contemplated by this Loan Agreement and the Governmental Agency Bond. The Project is on the drinking water project eligibility list approved by the General Assembly of the State of Colorado pursuant to the Act and is a project that the Governmental Agency may undertake pursuant to Colorado law, and for which the Governmental Agency is authorized by law to borrow money.

(iii) The proceedings of the Governmental Agency's governing members and voters, if a referendum is necessary, approving this Loan Agreement and the Governmental Agency Bond, and authorizing their execution, issuance, and delivery on behalf of the Governmental Agency, and authorizing the Governmental Agency to undertake and complete the design and engineering of the Project, or to cause the same to be undertaken and completed, have been duly and lawfully adopted and approved in accordance with the laws of Colorado, and such proceedings were duly approved and published, if necessary, in accordance with applicable Colorado law, at a meeting or meetings that were duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which quorums were present and acting throughout.

(iv) This Loan Agreement has been, and the Governmental Agency Bond when delivered at the Loan Closing will have been, duly authorized, executed, and delivered by an Authorized Officer of the Governmental Agency; and, assuming that the Authority has all the requisite power and authority to authorize, execute, and deliver, and has duly authorized, executed, and delivered, this Loan Agreement, this Loan Agreement constitutes, and the Governmental Agency Bond when delivered to the Authority will constitute, the legal, valid, and binding obligations of the Governmental Agency in accordance with their respective terms; and the information contained under "Description of the Loan" on Exhibit B attached hereto and made a part hereof is true and accurate in all material respects.

(b) Full Disclosure.

There is no fact that the Governmental Agency has not disclosed to the Authority in writing on the Governmental Agency's Project Needs Assessment or otherwise that materially adversely affects the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency, or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(c) Pending Litigation.

Except as disclosed to the Authority in writing, there are no proceedings pending, or, to the knowledge of the Governmental Agency threatened, against or affecting the Governmental Agency, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(d) Compliance with Existing Laws and Agreements.

The authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond by the Governmental Agency, the observance and performance by the Governmental Agency of its duties, covenants, obligations, and agreements thereunder, and the consummation of the transactions provided for in this Loan Agreement and in the Governmental Agency Bond; the compliance by the Governmental Agency with the provisions of this Loan Agreement and the Governmental Agency Bond; and the undertaking and completion of the design and engineering for the Project; will not result in any breach of any of the terms, conditions, or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon, any property or assets of the Governmental Agency pursuant to any existing ordinance or resolution, trust agreement, indenture, mortgage, deed of trust, loan agreement, or other instrument (other than the lien and charge of this Loan Agreement and the Governmental Agency Bond) to which the Governmental Agency is a party or by which the Governmental Agency, or any of the property or assets of the Governmental Agency may be bound, and such action will not result in any violation of the provisions of the charter or other document pursuant to which the Governmental Agency was established, or of any laws, ordinances, resolutions, governmental rules, regulations, or court orders to which the Governmental Agency, or the properties or operations of the Governmental Agency are subject.

(e) No Defaults.

No event has occurred and no condition exists that, upon authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond, or receipt of the amount of the

Loan, would constitute an Event of Default hereunder. The Governmental Agency is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party, or by which it, may be bound, which violation would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(f) Governmental Consent.

The Governmental Agency has obtained all approvals required to date by any governmental body or officer for the making, observance, and performance by the Governmental Agency of its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond, or for the undertaking or completion of the design and engineering for the Project and the financing or refinancing thereof; and the Governmental Agency has complied with all applicable provisions of law requiring any notification, declaration, filing, or registration with any governmental body or officer in connection with the making, observance, and performance by the Governmental Agency of its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond, or with the undertaking or completion of the design and engineering for the Project and the financing or refinancing thereof. No consent, approval, or authorization of, or filing, registration, or qualification with, any governmental body or officer that has not been obtained is required on the part of the Governmental Agency as a condition to the authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond, the undertaking or completion of the design and engineering for the Project or the consummation of any transaction herein contemplated.

(g) Compliance with Law.

The Governmental Agency:

- (i) is in compliance with all laws, ordinances, governmental rules, and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Governmental Agency to conduct its activities or to undertake or complete the design and engineering for the Project, or the condition (financial or otherwise) of the Governmental Agency or the System; and

(h) Use of Proceeds.

The Governmental Agency will apply the proceeds of the Loan from the Authority as described in Exhibit B attached hereto and made a part hereof (i) to finance all or a portion of the Cost; and (ii) where applicable, to reimburse the Governmental Agency for a portion of the Cost, which portion was paid or incurred in anticipation of reimbursement by the Authority.

**SECTION 2.02. Particular Covenants of the Governmental Agency.**

(a) Reimbursement for Ineligible Costs.

The Governmental Agency shall promptly reimburse the Authority for any portion of the Loan that is determined not to be a Cost of the design and engineering for the Project and that would not be eligible for funding from draws under the Drinking Water Revolving Fund. Such reimbursement shall be promptly repaid to the Authority upon written request of the Authority.

(b) No Lobbying.

No portion of the Loan shall be used for lobbying or propaganda as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

(c) Records; Accounts.

During the Loan Term, the Governmental Agency shall keep accurate records and accounts, separate and distinct from its other records and accounts (the "General Records"). Such Records shall be maintained in accordance with generally accepted accounting principles, and Records and General Records shall be made available for inspection by the Authority at any reasonable time.

(d) Notice of Material Adverse Change.

During the Loan Term, (i) the Governmental Agency shall promptly notify the Authority of any material adverse change in the activities, prospects, or condition (financial or otherwise) of the Governmental Agency relating to its System, or its ability to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement; (ii) the Governmental Agency shall promptly notify the Authority of any material adverse change in the activities, prospects, or condition (financial or otherwise) of the Governmental Agency relating to its ability to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(e) Hiring Requirements.

The Governmental Agency agrees to comply with all applicable state laws regarding hiring requirements.

(f) Continuing Representations.

The representations of the Governmental Agency contained herein shall be true at the time of the execution of this Loan Agreement and the Governmental Agency covenants not to take any action that would cause them not to be true at all times during the Loan Term.

(g) Capacity Development.

The Governmental Agency covenants to maintain its technical, financial, and managerial capability to ensure compliance with the requirements of the Safe Drinking Water Act of 1996 under Section 1452(a)(3)(A)(i).

(h) Additional Covenants and Requirements.

Additional covenants and requirements are included on Exhibit F attached hereto and made a part hereof. The Governmental Agency agrees to observe and comply with each such additional covenant and requirement included on Exhibit F.

### ARTICLE III

#### LOAN TO GOVERNMENTAL AGENCY; AMOUNTS PAYABLE; GENERAL AGREEMENTS

**SECTION 3.01. The Loan.** The Authority hereby agrees to loan and disburse to the Governmental Agency in accordance with Section 3.02 hereof, and the Governmental Agency agrees to borrow and accept from the Authority, the Loan in the principal amount equal to the Loan Commitment set forth in Paragraph (4) of Exhibit B attached hereto and made a part hereof as such Loan Commitment may be revised to reflect a reduction in the design and engineering Cost of the Project prior to Project completion; provided, however, that the Authority shall be under no obligation to make the Loan if (i) the Governmental Agency does not deliver its Governmental Agency Bond to the Authority on the Loan Closing, or (ii) an Event of Default has occurred and is continuing under this Loan Agreement. The Governmental Agency shall use the proceeds of the Loan strictly in accordance with Section 2.01(h) hereof.

**SECTION 3.02. Disbursement of the Loan.** The Authority has created in the Drinking Water Revolving Fund a Project Loan Account from which 80% of the design and engineering Costs of the Project shall be paid. Amounts shall be transferred into the Project Loan Account and disbursed to the Governmental Agency upon receipt of a "Request for Reimbursement", as described below, executed by an Authorized Officer, and approved by the Authority and the State Department of Public Health and Environment; provided that the Disbursement of the Loan may be withheld if the Governmental Agency is not complying with any of the covenants and conditions in the Loan Agreement. To receive reimbursement under this agreement, the Governmental Agency shall submit a signed "Request for Reimbursement" and all applicable invoices and receipts for payments made by the Governmental Agency. The acceptable form for a "Request for Reimbursement" is included hereto as **Exhibit G**. Upon receipt of the "Request for Reimbursement" and the required invoices and receipts, the Authority will reimburse the Governmental Agency an amount equal to 80% of the total invoices provided with the "Request for Reimbursement"; the remaining 20% paid by the Governmental Agency and not reimbursed by the Authority shall be the Governmental Agency's matching funds. The 20% matching funds

shall be reimbursed if the Governmental Agency executes a loan under the Drinking Water Revolving Fund to complete the Project for which the design and engineering Costs were paid.

**SECTION 3.03. Governmental Agency Bond.** The Governmental Agency shall execute and issue the Governmental Agency Bond to the Authority to evidence the Loan and its obligations to the Authority pursuant to the Loan.

**SECTION 3.04. Loan Repayment – Principal Forgiveness.** This Loan is issued as a 100% Principal Forgiveness Loan pursuant to the current Capitalization Grant, and the principal amount of the Loan shall be forgiven, as set forth in Paragraph (6) of Exhibit B attached hereto and made a part hereof.

**SECTION 3.05. Disclaimer of Warranties and Indemnification.** The Governmental Agency acknowledges and agrees that (i) the Authority makes no warranty or representation, either express or implied as to the value, design, condition, merchantability, or fitness for particular purpose, or fitness for any use, of the Project or any portions thereof, or any other warranty or representation with respect thereto; (ii) in no event shall the Authority or its agents be liable or responsible for any direct, incidental, indirect, special, or consequential damages in connection with or arising out of this Loan Agreement, or the Project, or the existence, furnishing, functioning, or use of the Project, or any item or products or services provided for in this Loan Agreement; and (iii) to the extent authorized by law, the Governmental Agency shall indemnify, save, and hold harmless the Authority against any and all claims, damages, liability, and court awards, including costs, expenses, and attorney fees incurred as a result of any act or omission by the Governmental Agency, or its employees, agents, or subcontractors pursuant to the terms of this Loan Agreement, provided, however, that the provisions of this clause (iii) are not intended to and shall not be construed as a waiver of any defense or limitation on damages provided for under and pursuant to the Colorado Governmental Immunity Act (Section 24-10-101, et seq. C.R.S.), or under the laws of the United States or the State of Colorado.

**SECTION 3.06. Loan Closing.** The Loan shall be closed and become effective as follows:

- (a) The Governmental Agency will deliver each of the following items to the Authority:
  - (i) executed counterparts of this Loan Agreement;
  - (ii) the executed Governmental Agency Bond in the form attached hereto as Exhibit D.
  - (iii) copies of the resolutions or ordinances of the governing body of the Governmental Agency authorizing the execution and delivery of this Loan Agreement and the Governmental Agency Bond, certified by an Authorized Officer of the Governmental Agency;
  - (iv) an opinion of the Governmental Agency's counsel substantially in the form set forth in Exhibit E-1 hereto (such opinion or portions of such opinion may be given by one or more counsel); provided, however, that the Authority may in its discretion permit variances in such

opinion from the form or substance of such Exhibit E-1 if such variances are not to the material detriment of the interests of the Authority; and

(v) such other certificates, documents, opinions and information as the Authority may require.

(b) Upon receipt of the foregoing documents, the Authority shall obligate the amount of the Loan Commitment set forth in Paragraph (4) of Exhibit B, and make the amount of the Loan available for the Project design and engineering Cost in accordance with the terms of this Loan Agreement.

## ARTICLE IV

### ASSIGNMENT

**SECTION 4.01. Assignment by Governmental Agency.** Neither this Loan Agreement nor the Governmental Agency Bond may be assigned or delegated by the Governmental Agency for any reason, unless the following conditions shall be satisfied: (i) the Authority shall have approved said assignment in writing; (ii) the assignee shall be a governmental agency as defined by the Act, and the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Governmental Agency's duties, covenants, agreements, and obligations under the Loan Agreement; (iii) immediately after such assignment, the assignee shall not be in default in the performance or observance of any duties, covenants, obligations, or agreements of the Governmental Agency under the Loan Agreement; and (iv) the Authority shall receive an opinion of counsel to the effect that such assignment will not violate the provisions of any agreement entered into by the Authority with, or condition of any grant received by the Authority from, the United States of America relating to the Federal Capitalization Agreement or any capitalization grant received by the Authority or the State under the Safe Drinking Water Act.

No assignment or delegation shall relieve the Governmental Agency from primary liability for any of its obligations under this Loan Agreement and in the event of such assignment, the Governmental Agency shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

## ARTICLE V

### DEFAULTS AND REMEDIES

**SECTION 5.01. Event of Default.** If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) failure by the Governmental Agency to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement and the Governmental Agency Bond, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the

Governmental Agency; provided, however, that if the failure stated in such notice is correctable, but cannot be corrected within the applicable period, the Authority may consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until the Event of Default is corrected;

(b) any representation made by or on behalf of the Governmental Agency contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is false or misleading in any material respect; or

(c) (i) a petition is filed by or against the Governmental Agency under any federal or state bankruptcy or insolvency law, or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Governmental Agency such petition shall be dismissed within thirty (30) days after such filing, and such dismissal shall be final and not subject to appeal; or (ii) the Governmental Agency shall become insolvent, or bankrupt or make an assignment for the benefit of its creditors; or (iii) a custodian (including, without limitation, a receiver, liquidator, or trustee of the Governmental Agency or any of its property) shall be appointed by court order, or take possession of the Governmental Agency, or its property or assets, if such order remains in effect, or such possession continues, for more than thirty (30) days.

**SECTION 5.02. Notice of Default.** The Governmental Agency shall give the Authority prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01 at such time as any senior administrative or financial officer of the Governmental Agency becomes aware of the existence thereof. Any telephonic notice pursuant to this Section 5.02 shall be confirmed by the Governmental Agency in writing as soon as practicable.

**SECTION 5.03. Remedies on Default.** Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Authority shall have the right to withhold disbursement of Loan funds remaining, and take such other action at law or in equity as may appear necessary to enforce the performance and observance of any duty, covenant, obligation, or agreement of the Governmental Agency hereunder, including, without limitation, appointment ex parte of a receiver of the System.

**SECTION 5.04. Attorney's Fees and Other Expenses.** In the Event of Default, the Governmental Agency shall on demand pay to the Authority the reasonable fees and expenses of attorneys, and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred by the Authority in the enforcement of the performance or observation of the duties, covenants, obligations, or agreements of the Governmental Agency.

**SECTION 5.05. No Remedy Exclusive; Waiver; Notice.** No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy, or power accruing upon any Event of Default shall impair any such right, remedy, or power, or shall be construed to be a waiver thereof, but any such right, remedy, or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any

remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article V.

**SECTION 5.06. Default by the Authority.** In the event of any default by the Authority under any covenant, agreement, or obligation of this Loan Agreement, the Governmental Agency's remedy for such default shall be limited to injunction, special action, action for specific performance, or any other available equitable remedy, designed to enforce the performance or observance of any duty, covenant, obligation, or agreement of the Authority hereunder, as may be necessary or appropriate. The Authority shall on demand pay to the Governmental Agency the reasonable fees and expenses of attorneys, and other reasonable expenses, in the enforcement of such performance or observation. The Governmental Agency shall hold the Authority harmless for any costs or damages resulting from a change in federal policies, procedures, or funding that results in the requirement that the Authority cancel, delay, rescind, or alter the Loan terms.

## ARTICLE VI

### MISCELLANEOUS

**SECTION 6.01. Notices.** All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when hand-delivered or mailed by registered or certified mail, postage prepaid, to the Governmental Agency at the address specified on Exhibit B attached hereto and made a part hereof, and to the Authority, at the following address:

Colorado Water Resources and Power  
Development Authority  
1580 N. Logan Street, Suite 820  
Denver, Colorado 80203-1939  
Attention: Executive Director

Such address may be changed by notice in writing.

**SECTION 6.02. Binding Effect.** This Loan Agreement shall inure to the benefit of, and shall be binding upon, the Authority and the Governmental Agency, and their respective successors and assigns.

**SECTION 6.03. Severability.** In the event any provision of this Loan Agreement shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect, any other provision hereof.

**SECTION 6.04. Amendments, Supplements and Modifications.** This Loan Agreement may not be amended, supplemented, or modified without the prior written consent of the Authority and the Governmental Agency.

**SECTION 6.05. Execution in Counterparts.** This Loan Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

**SECTION 6.06. Applicable Law and Venue.** This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, including the Act. Venue for any action seeking to interpret or enforce the provisions of this Loan Agreement shall be in the Denver District Court.

**SECTION 6.07. Consents and Approvals.** Whenever the written consent or approval of the Authority shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Authority unless otherwise provided by law, or by rules, regulations or resolutions of the Authority.

**SECTION 6.08. Captions.** The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit, or describe, the scope or intent of any provisions or sections of this Loan Agreement.

**SECTION 6.09. Further Assurances.** The Governmental Agency shall, at the request of the Authority, authorize, execute, acknowledge, and deliver, such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments, as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming, the rights and agreements, granted or intended to be granted, by this Loan Agreement and the Governmental Agency Bond.

**SECTION 6.10. Recitals.** This Loan Agreement is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling. Specifically, but not by way of limitation, this Loan Agreement is authorized by the Governmental Agency pursuant to Title 37, Article 45.1 C.R.S., Title 29, Article 1, Part 2, C.R.S. and Title 11, Article 57, Part 2, C.R.S and shall so recite in the Governmental Agency Bond. Such recitals shall conclusively impart full compliance with all provisions and limitations of such laws and shall be conclusive evidence of the validity and regularity of the issuance of the Governmental Agency Bond, and the Governmental Agency Bond delivered by the Governmental Agency to the Authority containing such recital shall be incontestable for any cause whatsoever after its delivery for value.

**IN WITNESS WHEREOF**, the Authority and the Governmental Agency have caused this Loan Agreement to be executed, sealed and delivered, as of the Commencement Date set forth on Exhibit B hereto.

**COLORADO WATER RESOURCES AND  
POWER DEVELOPMENT AUTHORITY**

**(SEAL)**

By: \_\_\_\_\_  
Executive Director

**ATTEST:**

By: \_\_\_\_\_  
Assistant Secretary

**NORWOOD WATER COMMISSION,  
GOVERNING BODY OF THE WATER  
ACTIVITY ENTERPRISE OF THE TOWN OF  
NORWOOD**

**(SEAL)**

By: \_\_\_\_\_  
Chair

**ATTEST:**

By: \_\_\_\_\_  
Secretary

## EXHIBIT A

### DESCRIPTION OF THE PROJECT

(1) **Description of the Project**

The project consists of the construction of approximately 20,800 linear feet of 10-inch or 12-inch water distribution pipeline and appurtenant facilities from the existing water treatment plant to the west side of the Town of Norwood.

## EXHIBIT B

### DESCRIPTION OF THE LOAN

- (1) Commencement Date:
- (2) Name and Address of Governmental Agency:  
  
Norwood Water Commission, Governing Body of the Water Activity Enterprise of the  
Town of Norwood  
1670 Naturita St. PO Box 528  
Norwood, CO 81423
- (3) Estimated Design and Engineering Cost of the Project: \$411,300.00
- (4) Maximum Principal Amount of Loan Commitment: \$300,000.00
- (5) Loan Term: The Loan Term shall be from the date of Loan Execution until the date when the Water Quality Control Division of the Colorado Department of Health and Environment issues certification that all required documents have been submitted and the Governmental Agency has met all Loan requirements but shall not exceed 18 months from the Execution Date.
- (6) Principal Forgiveness: At Loan Closing, the Authority shall forgive 100% of the principal amount of the Loan.
- (7) Authorized Officers: (please list at least two people who will be authorized to take action on this loan, including requisitioning funds)
- (8) Estimated Project Design and Engineering Completion Date: June 2027
- (9) Execution Date:

**EXHIBIT C**

**LOAN REPAYMENT SCHEDULE – NOT APPLICABLE**

## EXHIBIT D

### GOVERNMENTAL AGENCY BOND

FOR VALUE RECEIVED, the undersigned **NORWOOD WATER COMMISSION, GOVERNING BODY OF THE WATER ACTIVITY ENTERPRISE OF THE TOWN OF NORWOOD** (the "Governmental Agency"), hereby evidences the issuance of a loan from the **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the "Authority") in the principal amount of Three Hundred Thousand and 00/100 Dollars (\$300,000.00), or such lesser amount as shall be loaned to the Governmental Agency pursuant to the Loan Agreement dated as of\_\_\_\_, 2026, by and between the Authority and the Governmental Agency (the "Loan Agreement"), and the obligations of the Governmental Agency under and pursuant to the Loan Agreement.

This Governmental Agency Bond is issued pursuant to the Loan Agreement and is subject to Principal Forgiveness as set forth in the Loan Agreement and issued in consideration of the loan made thereunder (the "Loan"). All of the definitions, terms, conditions, and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as a part of this Governmental Agency Bond.

Pursuant to the Loan Agreement, disbursements to the Governmental Agency shall be made in accordance with written instructions upon the receipt by the Authority of requisitions from the Governmental Agency executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This Governmental Agency Bond is entitled to the benefits, and is subject to the conditions, of the Loan Agreement.

This Governmental Agency Bond does not constitute a debt or an indebtedness of the Governmental Agency within the meaning of any constitutional or statutory limitation or provision, and shall not be considered or held to be a general obligation of the Governmental Agency.

If an "Event of Default" as defined in Section 5.01 of the Loan Agreement occurs, the remedies on default set forth in Section 5.03 of the Loan Agreement shall be available to enforce the obligations of the Governmental Agency that are evidenced by this Governmental Agency Bond.

This Governmental Agency Bond is issued under the authority of and in full conformity with the Constitution and laws of the State of Colorado, including without limitation, Article X, Section 20 of the Constitution, Title 31, Article 35, Part 4, C.R.S.; Title 37, Article 45.1; Title 29, Article 1, Part 2, C.R.S.; certain provisions of Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Public Securities Act”), and pursuant to the Loan Agreement. Pursuant to §11-57-210, of the Supplemental Public Securities Act, this recital is conclusive evidence of the validity and regularity of the issuance of the Governmental Agency Bond after its delivery for value. Pursuant to §31-35-413, C.R.S., this recital conclusively imparts full compliance with all the provisions of said statutes, and this Governmental Agency Bond issued containing such recital is incontestable for any cause whatsoever after its delivery for value.

IN WITNESS WHEREOF, the Governmental Agency has caused this Governmental Agency Bond to be duly executed, sealed and delivered, as of this \_\_\_ day of \_\_\_\_\_ 2026.

(SEAL)

**NORWOOD WATER COMMISSION,  
GOVERNING BODY OF THE WATER  
ACTIVITY ENTERPRISE OF THE TOWN  
OF NORWOOD**

ATTEST:

By: \_\_\_\_\_  
Chair

By: \_\_\_\_\_  
Secretary

**EXHIBIT E-1**

**OPINION OF GOVERNMENTAL AGENCY COUNSEL**

**[LETTERHEAD OF COUNSEL TO GOVERNMENTAL AGENCY]**

**[DATED : Closing Date]**

## **EXHIBIT F**

### **ADDITIONAL COVENANTS AND REQUIREMENTS**

**(1) Cost Overruns.** Any cost overruns associated with the design and engineering for the Project will be the responsibility of the Governmental Agency and any additional costs to defend against contract claims will not be reimbursed through this or any future funding.

**(2) Audit Requirements.** For each year in which the Governmental Agency requests a disbursement from the Project Loan Account, the Governmental Agency shall conduct its annual audit in accordance with the federal Single Audit Act, 31 U.S.C. 7501 et seq.

**(3) Federal and State Law.** The Governmental Agency will comply with the requirements of all federal and state laws applicable to the Loan and the Project.

**EXHIBIT G**  
**DWRF D&E Form of Requisition**

**NORWOOD WATER COMMISSION, GOVERNING BODY OF THE WATER ACTIVITY ENTERPRISE OF THE TOWN OF NORWOOD** (the “Governmental Agency”)

**Please submit to the following addresses:**

Submit Online To:

[https://ceos.colorado.gov/CO/CEOS/Public/Client/CO\\_CIMPLE/Shared/Pages/Main/Login.aspx](https://ceos.colorado.gov/CO/CEOS/Public/Client/CO_CIMPLE/Shared/Pages/Main/Login.aspx)

If there are any questions or technical issues, please submit your backup document via one of the methods below.

Email To: cdphe\_grantsandloans@state.co.us (preferred backup method)

Or Mail To: Colorado Department of Public Health and Environment  
Grants and Loans Unit WQCD-OA-B2  
Attn: Project Manager  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530

Or Fax To: 303-782-0390 (Call CDPHE Project Manager to confirm delivery)

Cc: CDPHE Project Manager

Cc: E-mail requisition form (Exhibit G) to the Colorado Water Resources and Power Development Authority at [requisitions@cwprda.com](mailto:requisitions@cwprda.com)

This requisition is made in accordance with Section 3.02 of the Loan Agreement executed by the Colorado Water Resources and Power Development Authority on \_\_\_\_\_, 2026. Terms defined in the Loan Agreement and not otherwise defined herein shall have the same meanings when used herein.

The Governmental Agency hereby states as follows:

1. This is Requisition No.: \_\_\_\_\_.
2. D&E Loan amount: \_\_\_\_\_.
3. Previous amount paid: \_\_\_\_\_.
4. Total invoice(s) amount: \_\_\_\_\_.
5. 80% of requested invoice amount (Line 4 x 0.8): \_\_\_\_\_.  
(\* Enter full amount if entity has a fully executed SRF loan for project construction.)
6. D&E Loan balance (Line 2 less line 3 and line 5): \_\_\_\_\_.
7. Max project draw before loan execution (Line 2 x 0.8): \_\_\_\_\_.  
(20% of project funds must be withheld until loan execution.)
8. The person, firm or corporation to whom the amount requisitioned is due, or to whom a reimbursable and advance has been made, is \_\_\_\_\_.
9. The payee of the requisitioned amount is \_\_\_\_\_.

10. The manner of payment to the payee is to be wire transferred to:

Bank:  
ABA No.:  
Account No.:  
Account Name:  
Contact:

11. Attached hereto is the appropriate documentation demonstrating that the amount requisitioned hereunder is currently due or has been advanced by the Governmental Agency.

12. The amount hereby requisitioned is a proper Cost of the Project to be paid only from amounts deposited in the Project Account established for the Governmental Agency in the **Drinking Water Revolving Fund**.

13. On the date hereof, there does not exist any Event of Default under the Loan Agreement nor any condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default thereunder.

14. Estimate of total project completion percentage: \_\_\_\_\_ %

**15. The undersigned is an Authorized Officer of the Governmental Agency duly authorized in the Loan Agreement to submit the Requisition.**

16. The Governmental Agency reaffirms that all representations made by it in the Loan Agreement are true and accurate as of the date of this requisition, and that it shall continue to observe and perform all of its duties, covenants, obligations and agreements thereunder, at all times during the entire term of said Loan Agreement.

Dated: \_\_\_\_\_.

**NORWOOD WATER COMMISSION, GOVERNING BODY OF THE WATER  
ACTIVITY ENTERPRISE OF THE TOWN OF NORWOOD**

By: \_\_\_\_\_.

Title: \_\_\_\_\_ & Authorized Officer

Print Name: \_\_\_\_\_

**You should receive all payments no later than 10 working days after receipt of requisition unless otherwise notified.**

The undersigned approves the disbursement of the requisitioned amount from the Project Loan Account established in the **Drinking Water Revolving Fund** Project Account.

**COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Finance Director

Dated: \_\_\_\_\_

**For Colorado Department of Public Health and Environment, Water Quality Control Division purposes only:**

Payment approved by \_\_\_\_\_

Dated: \_\_\_\_\_

Bureau of Reclamation

**Notice of Funding Opportunity**

WaterSMART Drought Response Program

Funding Opportunity Number

R26AS00016

# Table of Contents

BASIC INFORMATION.....	2
ELIGIBILITY .....	3
Cost Sharing Requirement .....	4
GET READY TO APPLY .....	4
Required System Registrations .....	5
PROGRAM OVERVIEW .....	5
Program Goals.....	5
Program Description .....	5
Task A: Infrastructure Projects .....	6
Task B: Water Management and Planning Projects.....	7
Ineligible Projects .....	9
Legislative Authority .....	12
Type of Award .....	12
PREPARE YOUR APPLICATION .....	12
Application Content and Format.....	12
Application Documents.....	13
SUBMISSION REQUIREMENTS AND DEADLINES .....	19
Address to Request Application Package .....	19
Submission Dates and Times .....	19
Submission Instructions .....	19
APPLICATION REVIEW INFORMATION.....	20
Eligibility Review .....	20
Merit Review.....	21
Merit Review Criterion A: Severity of Drought and Impacts (15 points) .....	22
Merit Review Criterion B: Project Benefits (20 points) .....	22
Merit Review Criterion C: Planning and Support (10 points) .....	25
Merit Review Criterion D: Readiness to Proceed and Project Implementation (15 points).....	27
Merit Review Evaluation Criterion E. Nexus to Reclamation (5 points) .....	29
Merit Review Evaluation Criteria F. Presidential and Department of Interior Priorities (20 Points) .....	29
Merit Review Evaluation Criteria G. Construction Priority (10 Points).....	30
Merit Review Evaluation Criteria H. Cost Share Priority (5 Points).....	30
Review and Selection Process.....	30

Risk Review .....	31
AWARD NOTICES .....	32
POST AWARD REQUIREMENTS AND ADMINISTRATION .....	32
Administration and National Policy Requirements .....	32
Reporting.....	35

## BASIC INFORMATION

**Announcement Type:** Initial  
**Funding Opportunity Number:** R26AS00016  
**Assistance Listing Number(s):** 15.514  
**Estimated Total Program Funding:** \$13,500,000  
**Expected Number of Awards:** 20  
**Award Ceiling:** \$1,500,000  
**Award Floor:** \$25,000

Approximately 8-20 awards will be awarded under this Notice of Funding Opportunity (NOFO), depending on the amount requested by each applicant and available Federal appropriations.

Applicants are invited to submit proposals under the following funding groups:

**Funding Group I:** Up to \$500,000 in Federal funds, not to exceed 50% of project costs.  
*Drought Contingency Planning applications are limited to applying under Funding Group*

**Funding Group II:** Up to \$1,500,000 in Federal funds, not to exceed 50% of project costs.

**Construction Start Date Limitation - Proposed projects must not start construction until at least 12 months after the submission deadline. The estimated start date is dependent upon the complexity of the project and degree and significance of environmental impacts associated with the project. Some projects may require more than 12 months to start construction.**

**Cost Sharing Required?**  
Yes

**Closing Date Explanation**  
**July 28, 2026, 4:00 p.m. Mountain Daylight Time (MDT)**

U.S. states and local governments may be required under [Executive Order 12372](#), [Intergovernmental Review of Federal Programs](#) to submit their application to their State Single Point of Contact (SPOC) for review. For more information, see the [Intergovernmental Review SPOC List](#).

**Have Questions?**  
For questions regarding application and submission, contact the NOFO team at [bor-sha-fafoa@usbr.gov](mailto:bor-sha-fafoa@usbr.gov).

For questions regarding applicant and project eligibility or application content, contact the Program Coordinator, Sheri Looper, [slooper@usbr.gov](mailto:slooper@usbr.gov), 916-612-7816.

Please include the NOFO number R26AS00016 in the subject line of any email correspondence.

### **Executive Summary**

Through WaterSMART, the Bureau of Reclamation (Reclamation) leverages Federal and non-Federal funding to work cooperatively with States, Tribes, and other entities as they plan for and implement actions to increase water supply and hydropower reliability. The WaterSMART Drought Response Program NOFO invites eligible applicants to submit proposals for projects designed to improve drought resilience by developing effective water management strategies and drought contingency plans. Funding under the Drought Response Program supports a range of initiatives including infrastructure improvements for increased water storage and distribution capabilities, water source diversification, decision-making tools for water management, and comprehensive planning to prepare for and respond to drought conditions.

WaterSMART Drought Response Program demonstrably advances Trump administration priorities, such as those identified in Presidential Executive Order 14154 (January 20, 2025): Unleashing American Energy (E.O. 14154) and Secretarial Order 3418, and aligns with other priorities and requirements, such as those identified in Presidential Executive Order 14332 (August 7, 2025): Improving Oversight in Federal Grantmaking (E.O. 14332).

## **ELIGIBILITY**

### **Eligible Applicants**

Others (see text field entitled "Additional Information on Eligibility" for clarification)

### **Additional Information on Eligibility**

Applicants eligible to receive an award under this funding opportunity are described below.

#### **Category A Applicants**

- States, Tribes, irrigation districts, and water districts;
- State, regional, or local authorities, the members of which include one or more organizations with water or power delivery authority; and
- Other organizations with water or power delivery authority.

Category A applicants must be located in the Western United States or Territories; specifically: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, American Samoa, Guam, the Northern Mariana Islands, the U.S. Virgin Islands and Puerto Rico.

#### **Category B Applicants:**

Nonprofit conservation organizations that are acting in partnership with, and with the agreement of an entity described in Category A.

Category B applicants should include with their application a letter from the Category A partner stating that the Category A partner:

- Is acting in partnership with the applicant;
- Agrees to the submittal and content of the application; and
- Intends to participate in the project in some way, for example, by providing input, feedback, or other support for the project.

Partners do not necessarily need to contribute cost share funding. All Category B applicants must be located in the United States or the specific Territories identified above.

**Ineligible Applicants** - Those not eligible include, but are not limited to, the following entities:

- Federal Governmental entities
- Individuals
- Institutes of higher education

**PLEASE NOTE:** Applicants in Puerto Rico and Alaska and Category B applicants are not eligible to apply for Drought Contingency Plans as applicant eligibility is defined in the Reclamation States Emergency Drought Relief Act of 1999, as amended.

## Cost Sharing Requirement

### Cost Sharing Required?

Yes

50% of total project costs.

All cost-share contributions must be non-Federal in original source and meet the requirements of 2 CFR 200.306. Total project cost is the sum of all allowable costs, including cost share and third-party contributions. For example, if the total project cost is \$1.5 million, the minimum amount of non-Federal cost share would be \$750,000.

Total Project Costs -	\$1,500,000
<u>Cost Share-</u>	<u>x 50%</u>
Applicant share of project costs	\$750,000
Federal share	\$750,000

Note: This cost-sharing requirement is not applicable to American Samoa, Guam, the Northern Mariana Islands, or the Virgin Islands<sup>1</sup>. Cost-share waivers may be considered for Drought Contingency Plans (see Attachment C for more details).

<sup>1</sup>See Public Law 95-134, Title V, § 501 (1977) (codified at 48 U.S.C. 1469a), as amended by Public Law 96-205, Title V, § 601

**GET READY TO APPLY**

## Required System Registrations

### Unique Entity Identifier and SAM.gov Registration

Before applying, all **applicants** except individuals applying as a natural person **must be registered in SAM.gov**. During the SAM.gov registration the entity will obtain their Unique Entity Identifier (UEI).

**The SAM.gov registration process can take several months. If your organization is not already registered in SAM.gov, begin the registration process as soon as possible.**

**To register in SAM.gov**, go to the [SAM.gov website](#) and use the available resources to complete registration.

- **Financial assistance registrants** must review and certify compliance with the SAM.gov “Financial Assistance General Representations and Certifications”.
- **Already registered?** You already have a Unique Entity ID. Before applying, check that your “Financial Assistance General Representations and Certifications” on SAM.gov is complete. Remember to renew your registration every year to keep it active while you have an award or application in progress. You can update your registration whenever you need, including during renewal.
- **Need help?** For additional information and contact information on the [SAM.gov Help page](#).

### GRANTS.GOV

This program accepts applications through [Grants.gov](#) so once you receive your UEI return to Grants.gov to [register](#) with Grants.gov. Please allow 30 days to register and set up a Workspace in Grants.gov. See [Submission Instructions](#) section below for additional details.

## PROGRAM OVERVIEW

### Program Goals

- Through WaterSMART, Reclamation leverages Federal and non-Federal funding to work cooperatively with States, Tribes, and local entities as they plan for and implement actions to increase water supply reliability through investments in infrastructure and attention to local water needs.

The objective of the WaterSMART Drought Response Program NOFO is to invite eligible applicants to leverage their money and resources by cost sharing with Reclamation on drought resiliency and planning projects designed to increase water management flexibility and reliability, helping entities prepare for and address impacts of drought and water supply shortages. Projects funded under this NOFO are proactive measures to build long-term drought resiliency.

### Program Description

In general, projects under this NOFO will increase water supply reliability and build long-term resilience to drought. Proposed projects should aim to reduce the need for emergency drought response actions, such as water hauling programs and temporary infrastructure, while providing sustained benefits that build long-term resilience. This NOFO provides funding under two task

areas: Task A: Infrastructure Projects and Task B: Water Management and Planning Projects. [Eligible projects](#) under each task area are described below.

Phases of a larger project may be eligible for funding under this program, so long as the phase proposed for funding will generate benefits to address drought resiliency or water supply reliability, independent of completing additional phases.

Certain restrictions apply to water reclamation, reuse, desalination, and water storage projects, including phases of these types of projects. Please see [Water Reclamation, Reuse, and Desalination](#) and [Small Surface and Ground Water Projects](#) below for more information.

Proposed projects will be reviewed by the Program Office to determine eligibility for merit evaluation. Additionally, projects may be prioritized based on project type and task area (Tasks A and B), ensuring a balanced distribution across both task areas and a diverse range of projects within each task area.

Certified Local Governments are encouraged to prioritize projects in support of the celebration of America's 250th birthday (American250). This may include, but is not limited to, preservation planning, interpretation, public engagement, and rehabilitation projects that recognize and honor the nation's founding, history, and cultural heritage.

## **Task A: Infrastructure Projects**

Investments in infrastructure improve drought resiliency by increasing water management flexibility and providing alternative sources of water supply. Infrastructure projects include, but are not limited to the following:

- **System modifications or improvements.** Projects that will increase flexibility of water conveyance and deliveries, facilitating access to water supplies in times of drought. Projects include, but are not limited to:
  - Constructing or modifying surface water intakes to access supplies when water levels are low (e.g., at dead pool), or to allow access at different locations.
  - Constructing new conveyance system components (pipelines, canals, pumping plants, etc.) to increase delivery flexibilities, facilitate voluntary water marketing, or to deliver water from alternative sources.
  - Constructing connections between water delivery systems to provide more options for water conveyance.
  - Installing barriers or other facilities to prevent saltwater intrusion into surface supplies.
  
- **Storing water and/or recharging groundwater supplies.** Projects that enable the capture or storage of additional water supplies that can be made available during drought. Projects include, but are not limited to:
  - Developing or expanding surface water storage facilities such as off-stream storage ponds.
  - Installing water towers and storage tanks to store water for municipal and domestic use.

- Installing recharge ponds or injection wells to increase recharge and storage of surplus, inactive, or reclaimed water for later beneficial use.

**Note: Multiple recharge basins or injection wells in one application will be considered as one project (or a phase of a larger project, if applicable). Storage projects have cost limitations for eligibility under this NOFO. See Small Surface Water and Groundwater Storage Projects below for more details.**

- **Developing Alternative Water Supply Sources Through the Treatment and Reuse of Surface Water and Reclaimed Water.** Projects that develop alternative water supplies to build drought resiliency. Projects include, but are not limited to:
  - Constructing or expanding water treatment facilities to treat impaired surface water, municipal wastewater or stormwater runoff for later beneficial use.
  - Constructing stormwater capture and reuse systems, including stormwater infrastructure solutions such as rain gardens, cisterns, and bioswales.
  - Installing residential grey water and rain catchment systems.

**Note: Water reclamation, reuse, and desalination projects have eligibility limitations under this NOFO. See Water Reclamation, Reuse, and Desalination information below for more details.**

- **Groundwater Recovery and Treatment Projects.** Projects that implement the sustainable use of groundwater or the recovery of recharged water to build drought resiliency. Projects include, but are not limited to:
  - Constructing or rehabilitating a well to provide back-up water supplies during times of drought.
  - Constructing an extraction well at groundwater banks or other recharge areas to improve extraction and return capabilities during dry years.
  - Constructing an aquifer storage and recovery well
  - Treating impaired groundwater for beneficial use.

**Note for applicants applying for groundwater projects:** Applications for groundwater projects (including rehabilitation and the treatment of well water) will be **limited to two wells** per applicant. If two wells are included in the same application the wells must be located within the applicant’s service area. This limitation does not apply to monitoring or injection wells.

## **Task B: Water Management and Planning Projects**

Task B projects are intended to help entities better manage water supplies through decision support tools, modeling, the identification of potential strategies to address drought, and comprehensive drought planning. Projects include but are not limited to the following:

- **Developing water management, water marketing, and modeling tools to help communities evaluate options and implement strategies to address drought.**
  - Developing online decision support tools to help communities identify alternative water supplies or water management options in times of drought.
    - For example, in 2019, Reclamation awarded the Texas Water Development Board with a Drought Resiliency Grant to modify their

existing drought prediction tool to provide more accurate forecasting of average May through July rainfall, reservoir levels, and reservoir storage across the state by county. The project was completed in 2022, and the forecasts are updated bi-weekly and made accessible for water managers through the Water Data for Texas website:

[www.waterdatafortexas.org/reservoirs/statewide](http://www.waterdatafortexas.org/reservoirs/statewide).

- Installation of monitoring equipment to accurately track water supply conditions (e.g., stream flow measurement structures, groundwater monitors, reservoir level monitors) to improve water management practices, optimizing water resources and supporting informed decision-making.
  - Developing new models or improving existing models for analyzing and predicting drought conditions. Such models should be based on proven methods to analyze drought frequency, duration, and intensity, as opposed to research type efforts.
  - Developing water budgets and tiered pricing programs that incentivize decreased consumptive use.
  - Real-time operational modeling to track supply conditions and demands. Modeling can be used to analyze different operational scenarios to optimize pumping capacities, evaluate user restrictions, water delivery needs, etc., and determine how to best meet compliance requirements such as temperature control points, water quality, or other environmental compliance (e.g., Endangered Species Act), and Clean Water Act.
  - Assessing water quality with respect to the level of drought to determine appropriate measures to protect water quality for fish and wildlife, agriculture, and human consumption (e.g., water quality testing or constructing groundwater monitoring wells).
  - Developing tools to facilitate water marketing, connecting willing sellers and willing buyers that want to participate in the buying, selling, leasing, or exchanging of water.
- **Developing or updating Drought Contingency Plans (comprehensive drought plans) that, when implemented, will increase water reliability and improve water management through the use of expanded technologies for drought forecasting, planning mitigation actions, and identifying drought response actions.**
    - Drought contingency planning efforts are to develop and update comprehensive drought plans designed to build resilience to drought in advance of a crisis. Applicants under this NOFO may request funding to develop a new drought plan or to update an existing drought plan (collectively, Drought Contingency Plans). **Drought Contingency Plans funded under this NOFO must include six required project elements:** 1) Drought Monitoring, 2) Vulnerability Assessment, 3) Mitigation Actions, 4) Response Actions, 5) Operational and administrative Framework, and 6) Plan Development and Update Process.

Proposed Drought Contingency Plans should be divided into two phases (Phase I and Phase II):

- **Phase I** includes the establishment of a drought planning task force, development of a detailed work plan, and development of a communication and outreach plan.
- **Phase II begins after the detailed work plan is accepted by Reclamation. In Phase II, the planning lead develops the plan or plan update including the required Drought Contingency Plan elements.**

See Attachment C for detailed information regarding the Drought Contingency Plan's six required elements, Phase 1, and Phase 2.

### **Ineligible Projects**

Projects that are not eligible for funding under this NOFO include, but are not limited to:

- ***Operations, Maintenance, and Replacement:*** In accordance with Section 9504 of Secure Water Act, projects that are considered normal operations, maintenance, and replacement (OM&R) are not eligible for funding under this NOFO. OM&R is described as system improvements that replace or repair existing infrastructure or function without providing increased efficiency or effectiveness of water distribution over the expected life of the improvement. Examples of ineligible OM&R projects include:
  - Replacing malfunctioning components of an existing facility with the same components
  - Improving an existing facility to operate as originally designed
  - Performing an activity on a recurring basis, even if that period is extended (e.g., a 10-year interval)
  - Sealing expansion joints of concrete lining because the original sealer or the water stops have failed
  - Sealing cracks in canals and/or pipes, including those sealant projects intended to improve facilities with inherent design and construction flaws
  - Replacing broken meters with new meters of the same type
  - Replacing leaky pipes with new pipes of the same type
  - Completion of one-time leak detection surveys
- ***Water Conservation Projects:*** Projects primarily focused on water conservation are not eligible under this NOFO, including:
  - Lining or piping canals to conserve water.
  - Installing landscape irrigation measures.
  - Turf replacement.
  - Water metering and measurement projects are ineligible as a standalone project but may be included if it is a necessary subcomponent of an eligible project type.
- ***Water Reclamation, Reuse, and Desalination:*** Projects or project components that are required to comply with the Comprehensive Environmental Response, Compensation, and Liability Act or the Resource Conservation and Recovery Act are not eligible for funding under this program.

Any projects or project elements that are part of a congressionally authorized Title XVI Water Reclamation or Reuse Project are not eligible for funding under this NOFO.

Any projects or project elements that are part of a water desalination or recycling project eligible for funding under Section 4009(a) or 4009(c) of the WIIN Act, P.L. 114-322 are not eligible for funding under this NOFO.

In addition, if a water desalination, reclamation, or recycling project has a total estimated project cost of more than \$20 million, that project is not eligible under this NOFO and should be pursued under the Title XVI Water Reclamation and Reuse Program or the WaterSMART Desalination Planning and Construction Program. Note, this applies to phases or project elements of a desalination, reclamation, or recycling project that are part of a larger project with a total estimated project cost of more than \$20 million.

See the Title XVI-Water Reclamation and Reuse webpage, <https://www.usbr.gov/watersmart/title/titlexvi.html>, for more information.

- ***Small Surface Water and Groundwater Storage Projects:*** An application for funding of a small surface or groundwater storage project (including groundwater recharge, injection wells, and aquifer storage and recovery wells) with a total estimated project cost of more than \$10 million, or that is a phase of a larger project that exceeds \$10 million, is not eligible under this NOFO. Applicants proposing such projects may wish to consider Reclamation's Small Storage Program. See the Small Storage Program webpage, <https://www.usbr.gov/smallstorage/>, for more information.
- ***Water, Land Purchases, and Easements:*** The purchase of water, land, or land with the primary purpose to secure a permanent easement, are not eligible under this NOFO and cannot be included as part of the non-federal cost-share.
- ***Emergency Drought Response Projects:*** Emergency drought response projects that provide temporary benefits, including projects involving temporary facilities (e.g., temporary pipes and pumps), water hauling services, and water purchases. Applicants seeking funding drought emergency relief should request emergency drought assistance under Reclamation's Drought Response Program. See the WaterSMART Drought Response Program webpage, [www.usbr.gov/drought/](http://www.usbr.gov/drought/), for more information.
- ***Building Construction:*** Proposals to construct a building are not eligible for Federal funding under this NOFO (e.g., a building to house administrative staff or a building to house promotion of public awareness for water conservation).
- ***Pilot Projects:*** Proposals to conduct a pilot study to evaluate technical capability, economic feasibility, or viability for full-scale implementation or to test an unproven material or technology are not eligible for Federal funding under this NOFO.

- **On-Farm Improvements:** Projects to conduct on-farm improvements are not eligible under this NOFO. Applicants interested in on-farm improvements should contact the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) to investigate opportunities for Federal assistance. For more information on NRCS programs, including application deadlines and a description of available funding, please contact your local NRCS office or see [www.nrcs.usda.gov](http://www.nrcs.usda.gov) for further contact information in your area.

Applicants interested in projects for water delivery systems improvements that will enable farmers to make additions on-farm improvements in the future should consider Reclamation's Water and Energy Efficiency Grants. See the WaterSMART Water and Energy Efficiency Grants webpage, <https://www.usbr.gov/watersmart/weeg/index.html>, for more information.

- **Projects Receiving Other Federal Financial Assistance:** Proposals for projects or activities that are funded under another Federal Financial Assistance agreement are not eligible for funding under this NOFO.

**Multiple Applications** - Multiple applications for funding may be submitted for consideration under this funding opportunity, provided that the project scopes are not duplicative. No more than \$1,500,000 will be awarded to a Category A applicant under this NOFO. Category B applicants may be awarded up to a total of \$3,000,000 given that the Category A partners are not duplicative on projects selected for award.

In general, if you are seeking funding for multiple project components, and the components are interrelated or closely related (e.g., a project to construct a new storage and conveyance system coupled with a decision support tool for operation of the system), you should combine these in one application. However, if the projects are only loosely related or are independently operated, you should submit them as separate applications.

**Technical Assistance** - Technical assistance should be discussed with Reclamation staff prior to applying. By request, Reclamation can provide technical assistance after award of the project. If you plan to receive Reclamation's assistance, you must account for these costs in your budget. To discuss available assistance and associated costs, contact the Program Coordinator identified in the [Have Questions](#) section above.

For more information regarding WaterSMART Drought Response Program, including previously funded projects and applications, visit <https://www.usbr.gov/drought/>.

### **Buy America Preferences for Infrastructure Projects**

This program has Federal funding for infrastructure projects. Buy America preferences apply to Federal awards for infrastructure projects in the United States. Reference [2 CFR Part 184 - Buy America Preferences for Infrastructure Project](#) for further guidance.

Projects funded under this NOFO are subject to the following Buy America preferences:

- All iron and steel products used in the project must be produced in the U.S., including beams, bars, rods, and tubing.
- All manufactured products must be made in the U.S., requiring substantial transformation and final assembly in the country.
- All construction materials, such as cement and concrete, must be sourced domestically.

Buy America preferences need to be taken into consideration when developing the project budget.

### **Legislative Authority**

Section 9504(a) of the Secure Water Act, Subtitle F of Title IX of the Omnibus Public Land Management Act of 2009, Public Law (P.L.) 111-11 (42 United States Code [U.S.C.] 10364), as amended.

Title I of the Reclamation States Emergency Drought Relief Act of 1999, P.L. 102-250, (43 U.S.C. Section 2201, et seq.), as amended.

### **Type of Award**

Projects will be funded through CA (Cooperative Agreement), G (Grant).

Recipient should expect the Federal agency to have substantial involvement in the project.

Awards will be made through a grant or cooperative agreement, depending on the project. If a cooperative agreement is awarded, the recipient should expect Reclamation to have substantial involvement in the project. This may include collaboration or participation in the management of the project and/or review, input, and approval during implementation of the project.

## **PREPARE YOUR APPLICATION**

### **Application Content and Format**

#### **Pre-Application Requirements**

Prior to applying, applicants should review presidential actions found at: <https://www.whitehouse.gov/presidential-actions/> and DOI Secretary's Orders found at: <https://www.doi.gov/document-library/secretary-order>. By applying in response to this Notice of Funding Opportunity, the applicant certifies awareness and compliance with all currently effective and applicable executive orders and secretary's orders, including, but not limited to the Executive Order titled *Ending Radical and Wasteful Government DEI Programs and Preferencing* as well as the Executive Order and Secretary's order titled *Restoring Truth and Sanity to American History*. Applicants are responsible for ensuring their proposed activities are consistent with the intent and requirements of these directives.

To be eligible under this NOFO for a Drought Contingency Plan, applicants must participate in a technical consultation with the Reclamation Drought Coordinator before submitting an application. During this technical consultation, the Reclamation Drought Coordinator will discuss the six required elements of a drought plan or plan update (as outlined in Attachment C), planning steps, and eligible tasks. Reclamation reserves the right to remove an application from consideration if a technical consultation was not completed. To schedule a technical consultation, contact the program coordinator identified in [Have Questions](#).

## Application Documents

Applicants must submit the following forms with their application as specified below. Instructions for accessing and submitting application forms are provided in the [Submission Instructions](#) section of this document below. For instructions on completing form fields, see the form instructions on the [Grants.gov Forms Repository](#).

Forms/Assurances/Certifications	Submission Requirement
SF-424, Application for Federal Assistance  Note: For applicants requesting more than \$100,000 in Federal funds, the Authorized Representative’s signature (or electronic equivalent) on the Application for Federal Assistance form also represents their certification of the statements in <a href="#">Appendix A to 43 CFR 18-Certification Regarding Lobbying</a>	Required from all applicants
SF-424A, Budget Information – Construction and Non-Construction Programs	Required for construction and non-construction projects
SF-LLL, Disclosure of Lobbying Activities	Required if requesting more than \$100,000 in Federal funds <u>and</u> the applicant has used or plans to use funds other than Federal appropriated funds for lobbying related to the proposed project.
Project Abstract Summary (OMB 4040-0019). Must include, in plain language: <ul style="list-style-type: none"> <li>• Award purpose,</li> <li>• Activities to be performed,</li> <li>• Expected deliverables or outcomes,</li> <li>• Intended beneficiaries,</li> <li>• Subrecipient activities (if known or specified at time of award)</li> </ul>	Required from all applicants

### SF-424A Budget Information

Reclamation uses the SF-424A for both construction and non-construction programs. The SF-424A should be fully filled out, including both the costs that will be paid with Federal funds and those that will be paid with the non-Federal funds. In Section D of the SF-424A – Forecasted Cash Needs, applicants do not have to project cash needs by quarter. Instead, include all costs in the first quarter of the first year and enter “0” in all other fields of Section E – Budget Estimates of Federal Funds Needed for Balance of the Project.

### Project Abstract Summary

Failure to include a Project Abstract Summary will not result in removal of the proposal from consideration by Reclamation.

## **Project Narrative**

The Project Narrative, including responses to the [Merit Review Criteria](#) shall be limited to a maximum of **35** consecutively numbered pages. If this section exceeds **35** pages, only the first **35** pages will be evaluated. **The full application, including all attachments, should not exceed 100 pages. If the application exceeds 100 pages, only the first 100 pages will be considered in the merit review.**

The font should be at least 12 points in size and easily readable. Page size shall be 8½ by 11 inches, including charts, maps, and drawings. Margins should be standard 1-inch margins. Oversize pages will not be accepted.

The Project Narrative should include the components described below. Applicants should only describe the work that is reflected in the budget - do not include activities that are already complete or will be completed in a future phase.

## **Title Page**

Provide a brief, informative, and descriptive title for the proposed work that indicates the nature of the project. Include the name and address of the applicant, and the name and address, e-mail address, and telephone of the Project Manager.

## **Table of Contents**

List all major sections of the proposal in the table of contents.

## **Executive Summary**

The executive summary should include:

- The date, applicant name, city, county, and state.
- The Task Area (Task A or B) under which you are applying.
- Applicant Category: Indicate whether you are a Category A applicant or Category B applicant. If you are a Category B applicant, please briefly explain how you are acting in partnership with a Category A partner. Note: If you are a Category B applicant, you must include a letter from the Category A partner confirming that they are partnering with you and agree to the submittal and content of the application (see the [Eligible Applicants](#) section). See the [Letter of Partnership \(Category B Applicants\)](#) section for additional information.
- Length of time and estimated completion date for the proposed project (month/year).
- Whether or not the proposed project is located on a Federal facility.
- Relevant background information about the applicant and service area such as services provided, population served, irrigated acres served, crops grown in the project area, etc.
- **For Task A projects**, include details regarding the applicant's or applicant's Category A partner's water supplies. This should include water delivered or diverted from all water sources including water supply contracts, water rights, applicant or partner owned wells,

and any other long-term water supplies that are part of the water use portfolio (e.g., drainage from upstream users, reclaimed/recycled water, water transfer agreements). Include the 10-year average annual water supply from 2016 to 2025 (in acre-feet). Utilizing the following chart in your proposal is highly recommended:

Year	Surface Water Total (acre-feet)*	Agency Groundwater (acre-feet)	Recycled M&I Water (acre-feet)	Other (acre-feet)	Total (acre-feet)
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
Total Annual Water Supply for 2016-2025 =					
Average Annual Water Supply = _____ acre-feet (Divide Total Supplies for 2016-2025 by 10)					

\*Include water transfers and exchanges that occur on a long-term basis. Exclude single year transfers.

- A short paragraph project summary that provides the location of the project, a brief description of the work that will be carried out, any partners involved, expected benefits, how those benefits relate to the water management issues you plan to address, and what planning document and objective the project supports. Include a description of drought conditions in the project area and how this project is expected to help alleviate impacts of those conditions or other concerns in the area. This information will be used to create a summary of your project for Reclamation’s website if the project is selected for funding.
  - *Example:* The Southern San Joaquin Municipal Utility District, located in Delano, California, will convert 160 acres into spreading ponds for groundwater recharge. This will provide additional recharge capacity of approximately 5,560 acre-feet per year of water that can be recovered for later beneficial use. The San Joaquin Valley experiences severe drought conditions and reduced water deliveries. Increased recharge capacity can play a crucial role in alleviating impacts drought conditions, helping to ensure a more resilient water supply for the region. The

project is supported by the Poso Creek Integrated Regional Water Management Plan and the regional Drought Contingency Plan.

### **Project Location**

Provide detailed information on the proposed project location or project area including a map showing the geographic location. For example, [project name] is located in [state and county] approximately [distance] miles [direction, e.g., northeast] of [nearest town]. The project latitude is [##°##'N] and longitude is [###°##'W].

### **Technical Project Description**

Provide a comprehensive description of the technical aspects of your project, including the goals and objectives of the project and the approach for the on-the-ground project. This description should provide detailed information about the project materials and equipment including what is currently installed and a description of the upgrade being made. Include in your description the necessary site preparation, removal of materials, motorized and rotating equipment required for installation, site laydown and mobilization areas, and areas impacted by construction. This section provides an opportunity for the applicant to provide a clear description of the technical nature and installation process of the project and to address any aspect of the project that reviewers may need additional information to understand.

*Please do not include your project schedule and milestones here; that information is requested in response to the Merit Review Criterion D—Implementation and Results. In addition, please avoid discussion of the benefits of the project, which are also requested in response to Merit Review Criterion B-Project Benefits. This section is solely intended to provide an understanding of the technical aspects of the project.*

*If the work for which you are requesting funding is a phase of a larger project, please only describe the work that is reflected in the budget and exclude description of other activities or components of the overall project.*

### **Merit Review Criteria**

“[The Merit Review Criteria](#)” section provides a detailed description of each criterion and sub-criterion and points associated with each. The merit review criteria portion of the application should thoroughly address each criterion and sub-criterion in the order presented to assist in the complete and accurate merit review of the proposal.

***Copying and pasting the merit review criteria and sub-criteria in Project Narrative’s [Merit Review Criteria](#) into your applications is suggested to ensure that all necessary information is adequately addressed.***

### **Letters of Support:**

Attach all support letters from stakeholders at the end of your application (see Merit Review Criterion C). Letters of support will not be counted towards page limits.

## **Letter of Partnership (Category B Applicants)**

Category B applicants need to submit a Letter of Partnership from their eligible Category A partner, confirming their collaboration and agreement with the application. Ideally, this letter should be included with the application; however, if selected for an award, it must be received before the financial assistance agreement is finalized.

## **Budget Narrative**

Applicants must describe and justify items and costs listed in their budget. The budget narrative must identify the following cost items: total estimated costs, non-Federal cost share, third-party contributions, and any pre-award costs. Total project cost is the sum of all allowable costs, including required and voluntary cost share and third-party contributions.

Budget items must be:

- Reasonable, allowable, allocable, and necessary
- Compliant with [2 CFR §200 Subpart E](#) cost principles

Indirect Costs: Applicants must indicate in their budget narrative how they will charge indirect costs, including the rate to be applied:

- De Minimis Rate: If eligible, state if your organization is opting to use the de minimis rate of up to 15% of total modified direct costs. Entities that do not have a current Federal negotiated indirect cost rate (including provisional rate) may propose to use the de minimis rate. For more information, refer to [2 CFR 200.414\(f\)](#).
- Negotiated Rate: State if you will negotiate with your cognizant agency. If your organization has previously negotiated a rate, attach a copy of the most recently negotiated rate agreement (active or expired).

The budget narrative provides a written description of the costs included in each budget category on the SF-424A and how they were estimated. While the SF-424A gives the total cost for each category of the budget, the budget narrative gives the item by item breakdown for each category and shows the calculations used to derive the costs. The budget description serves two purposes: 1) it explains how the costs were estimated, and 2) it justifies the need for the cost. See Attachment B for Budget Narrative Guidance. Attachment A is a suggested format for capturing budget details to support the Narrative.

Pre-award costs (defined at [2 CFR 200.458](#)) are allowed, subject to Grant Officer approval. To be eligible, pre-award costs must be incurred after the posting date of this NOFO. Pre-award costs are at the applicant's risk. Successful applicants may submit requests for approval of pre-award costs to the awarding Grant Officer.

## **Program Cost Restrictions**

Proposal costs: The costs for preparing and submitting an application in response to this funding opportunity, including developing data necessary to support the proposal, are not eligible project costs and must not be included in the project budget.

Other project costs: The costs for the purchase of water or land, or to secure an easement other than a construction easement are not eligible project costs under this funding opportunity.

### **Environmental and Regulatory Compliance Costs**

Include costs in the budget for completing compliance activities for Federal environmental and cultural resources laws and regulations. Applicants should contact their [local Reclamation office](#) to discuss the compliance requirements and potential costs. If the project is selected for award, these costs will be reviewed for accuracy and adjusted as needed. See Administration and National Policy Requirements for additional detail.

Some of the projects funded under this NOFO typically incur high compliance costs (e.g., between \$30,000 and \$200,000 per project). In some cases, Reclamation may be able to complete a portion of its compliance activities without additional cost to the recipient. The actual amount of costs to the recipient associated with compliance will be identified while developing a final project budget for inclusion in the financial assistance agreement. If it is determined that the recipient will need to contribute funds for compliance costs, funds will be withheld from the grant agreement to cover such costs or will be incorporated into the budget as a cost-shared line item. If the recipient is responsible for covering a portion of the compliance costs, under no circumstance will the funds awarded exceed the amount allowable under this NOFO and cannot exceed what was requested in the application. If a portion of the amount budgeted in your application for compliance is not needed for compliance activities, that amount may be reallocated to other project costs during the process of developing a financial assistance agreement, so long as the non-Federal cost share contribution is maintained.

### **Conflict of Interest and Unresolved Matters Disclosures:**

If any actual or potential conflict of interest exists related to this project at the time of application, the applicant must provide sufficient information to support a program determination of significance per [2 CFR 1402.112](#). Refer to [2 CFR 200.112](#) Conflict of Interest and [2 CFR 200.113](#).

### **Overlap or Duplication of Effort Statement:**

Applicants must state in their application if the activities, costs, or time commitment of key personnel proposed in this application overlap with those in any other Federal proposal or award or not. If no overlap exists, include a statement to that effect. If any overlap exists, provide:

- Activities: Description any overlapping activities.
- Costs: Description of any overlapping costs.
- Time: Description of any overlapping key personnel time.
- A copy of any overlapping or duplicative proposal submitted to any other potential funding entity.
- Details on when any overlapping proposal was submitted, to whom, and the expected date of the funding decision.

### **Other Required Information**

### Letters of Commitment

Applicants should include letters of commitment from third-party cost share sources. Letters of commitment should identify the amount of funding committed, the date the funds are available, time constraints on the availability of funds, and any other funding contingencies.

## SUBMISSION REQUIREMENTS AND DEADLINES

### Address to Request Application Package

Grants.gov contains a complete application kit to submit a full application in response to this NOFO. Instructions for the Grants.gov application process are [available here](#). Contact Alisha James at bor-sha-fafoa@usbr.gov if you are unable to access the application materials electronically.

Proposals received after the application deadline will not be considered unless it can be determined that the delay was caused by Reclamation or there were technical issues with [Grants.gov](#). To document a delay due to a technical issue in Grants.gov, you must furnish a Grants.gov helpdesk ticket number to the NOFO team that validates the delay. Difficulties related to an applicant's Grants.gov profile (e.g., incorrect organizational representative), uploading documents to Grants.gov, or an applicant's SAM.gov registration are not considered technical issues with the Grants.gov system.

### Submission Dates and Times

**Closing Date for Applications:** 07/28/2026

#### Closing Date Explanation

**July 28, 2026, 4:00 p.m. Mountain Daylight Time (MDT)**

### Submission Instructions

#### Apply Through Grants.gov

To apply through [Grants.gov](#), please follow the instructions in the [Quick Start Guide for Applicants](#). Before applying, ensure that at least one person at your organization is registered and has the Authorized Organization Representative (AOR). Only the AOR can submit the application. If you need more users, they must create their own Grants.gov account. Follow these steps below to apply:

- *Create a Workspace:* Creating a workspace allows you to complete it online and route it through your organization for review before submitting.
- *Complete a Workspace:* Invite participants to the workspace so you can collaborate on the application. Required applications forms are included in the Grants.gov Funding Opportunity Package and can be completed in the Workspace, unless noted otherwise in the Required Forms table above. Check for errors before submission.
- *Submit a Workspace:* An application may be submitted through workspace by clicking the Sign and Submit button on the Manage Workspace page, under the Forms tab
- *Track a Workspace Submission:* After successfully submitting a workspace application, a Grants.gov Tracking Number (GRANTXXXXXXXX) is automatically assigned to the application.

The system generates a date and time stamp and sends it to the applicant's AOR via email as proof of submission. Make sure your application passes the Grants.gov validation checks. Do not encrypt, zip, or password-protect any files. Only registered individuals in SAM as both a user and an AOR can submit applications. Please allow 30 days to register in Grants.gov.

**Application System Technical Support:** For Grants.gov technical registration and submission, downloading forms, and application packages, contact Grants.gov Customer Support at 1-800-518-4726 or by email at Support@grants.gov.

Applicants can submit a hard copy application by U.S. Mail or express delivery to the addresses below.

By mail or United States Postal Service overnight services:

Bureau of Reclamation  
Financial Assistance Operations Section  
Attn: NOFO Team  
P.O. Box 25007, MS 84-27133  
Denver, CO 80225

By all other express delivery and courier services:

Bureau of Reclamation mail services  
Attn: NOFO Team  
Denver Federal Center  
Bldg. 67, Rm. 152  
6th Avenue and Kipling Street  
Denver, CO 80225

Please notify the Reclamation Financial Assistance Contact listed in the "Basic Information" section by 2:00 PM MT on the submission date to confirm the hard copy submission.

## APPLICATION REVIEW INFORMATION

### Eligibility Review

During the eligibility review, the application is checked for timely submission, completed packages (see [Application Documents](#) above) and alignment with the requirements of this announcement. The Federal agency may remove an application if it does not pass the eligibility review.

Applications will be removed if they do not include:

- Completed SF-424 and SF-424A forms

- SAM registration, with a valid UEI (unless an exemption at 2 CFR 25.110 applies, see below)
- A project narrative
- A budget narrative

If an applicant selected for funding hasn't finished their SAM.gov registration (see [2 CFR 25.200](#) and [2 CFR 25.110](#)) when the federal agency is ready to make an award, we may decide that the applicant is ineligible for the award and choose to grant it to someone else. Please refer [2 CFR 25.205](#) for more information.

Prior to making an award, the DOI checks the anticipated recipient and their key project personnel against the current list of prohibited or restricted persons or entities in the System for Award Management (SAM.gov) Exclusions database. We are prohibited from making an award if a recipient or any key personnel are found ineligible, prohibited, restricted, or otherwise excluded from receiving or participating in an award, as their ineligibility condition applies to this program.

If removed from consideration for ineligibility, the Federal agency will notify the applicant in writing.

## Merit Review

The merit review criteria should be addressed in the Project Narrative. Applications should thoroughly address each criterion and any sub-criterion in the order presented below. Applications will be evaluated against the merit review criteria listed below. It is recommended that applicants directly copy and paste the criteria in their application, answering applicable questions to their project and removing any irrelevant merit review questions.

<b>Merit Review Criteria Scoring Summary</b>	<b>Points:</b>
A. Severity of Drought Conditions and Impacts	<b>15</b>
B. Project Benefits	<b>20</b>
C. Planning and Support	<b>10</b>
D. Readiness to Proceed and Project Implementation	<b>15</b>
E. Nexus to Reclamation	<b>5</b>
F. Presidential and Department of Interior Priorities	<b>20</b>
G. Construction Priority	<b>10</b>
H. Cost Share Priority	<b>5</b>
<b>Total</b>	<b>100</b>

*Note: Projects may be prioritized to ensure balance among the program task areas and to ensure that the projects address this NOFO's goals and objectives.*

## Merit Review Criterion A: Severity of Drought and Impacts (15 points)

Up to **15 points** may be awarded based upon the severity of actual or potential drought impacts **to be addressed by the project**. Proposals should focus on local drought impacts to water supplies, industries, and users which the project will directly address. Proposals that focus on local conditions versus statewide conditions will be given higher consideration on this criterion. In addition, proposals that address more urgent needs will receive higher priority consideration on this criterion than proposals that address less significant needs and impacts.

- **Describe recent, existing, or potential drought conditions in the project area.**
  - Is the project in an area that is currently suffering from drought or water scarcity, or which has recently suffered from drought or water scarcity? Describe existing conditions, including when and the period of time that the area has experienced drought or water scarcity conditions. Include information to describe the frequency, duration, and severity of current or recent conditions. You may provide information relating to historical conditions. Please provide supporting documentation (e.g., Drought Monitor, [droughtmonitor.unl.edu](http://droughtmonitor.unl.edu)).
  - Describe any projected increases to the severity or duration of drought in the project area. Provide supporting documentation for your response.
- **Describe the local impacts of drought.**
  - What are the ongoing or potential drought impacts to specific sectors in the **project area** (e.g., impacts to agriculture, environment, hydropower, recreation, tourism, forestry), and how severe are those impacts? **Impacts should be quantified and documented to the extent possible.** For example, impacts could include, but are not limited to:
    - Whether there are social concerns (e.g., public health, food security, loss of livelihoods and incomes) associated with current or potential conditions (e.g., water quality concerns, potential shortages of drinking water supplies).
    - Whether there are ongoing or potential environmental impacts affecting vegetation, water quality, wildlife, and ecosystems.
    - Whether there are local or economic losses associated with current water conditions that are ongoing, occurred in the past, or could occur in the future (e.g., business, agriculture, reduced real estate values).
    - Whether there are other water-related impacts not identified above (e.g., tensions over water that could result in a water-related crisis or conflict).

## Merit Review Criterion B: Project Benefits (20 points)

Up to **20 points** may be awarded based on the expected drought resiliency and other benefits of the proposed project. The following criteria will be used to prioritize proposals that demonstrate that project benefits and increased water yield will address the identified impacts in Criterion A. Proposals containing a well-supported and detailed description of both quantifiable and qualitative benefits will receive the most points under this criterion.

**Task A projects will be evaluated under sub-criterion B.1. Task B projects will be evaluated under sub-criterion B.2. Only respond to sub-criterion relevant to the project task area.**

**Task A: Sub-criterion B.1. - Project Benefits**

This section of the criterion is to assess the significance of the project in advancing drought through augmenting and diversifying water supplies, thus improving water supply reliability.

- What is the estimated quantity of additional supply the project will provide, and how was this estimate calculated? Clearly state this quantity in acre-feet per year (AFY) as the average annual benefit over ten years (e.g., if the project captures flood flows in wet years, state this and provide the average benefit over ten years or longer including dry years).
- What percentage of the total water supply does the project’s water yield represent? How was this estimate calculated? Use the 10-year average that was presented in the Executive Summary to calculate this percentage. It is recommended to use the following chart:

<b>Total Project Water Yield in AFY</b>	
<b>Average Annual Water Supply in AFY</b> (From Table in Executive Summary)	
<b>Percentage Yield</b> (Divide Total Project Water Yield by Average Annual Water Supply)	

*Example: The project water yield is 10,000 AFY. The average annual supply is 200,000 AFY. The percentage of the total water supply is  $10,000/200,000 = 5\%$*

- How will the project build long-term resilience to drought? Include factors such as the predictability of supply, variability in availability, and the likelihood of interruptions or failures.
- Describe the water users and/or sectors who will benefit from the project.
  - Are there intentional, direct environmental benefits that are expected to result from project implementation (e.g. fish screens, dedicated instream flows during dry periods, habitat improvements?) If so, quantify the direct benefits and provide reasonable support.
- How many years will the project continue to provide benefits?
  - Provide a qualitative description of the degree/significance of the benefits associated with the additional water supplies as it relates to the impacts discussed in Criterion A.
- How will the project supply help buffer against water shortages, reduce the need for emergency responses, and enhance the resilience of water systems?

**Groundwater recovery projects only:** Failure to address the following bullet points may result in the removal of your application from funding consideration:

- In AFY, what is the estimated capacity of the new well(s)? How was the estimate calculated?
- How much water do you plan to extract through the well(s), and how does this fit within and comply state or local laws, ordinances, or other groundwater governance structures applicable to the area?
- Will the well be used as a primary supply or supplemental supply when there is a lack of surface supplies?
- Does the applicant participate in an active recharge program contributing to groundwater sustainability?
- Provide information documenting that proposed well(s) will not adversely impact the associated aquifer (overdraft or land subsidence). This should include aquifer description, information on existing or planned aquifer recharge facilities, a map of the well location and other nearby surface water supplies, and physical descriptions of the proposed well(s) (depth, diameter, casing description, etc.). If available, information should be provided on nearby wells (sizes, capacities, yields, etc.), aquifer test results, and if the area is currently experiencing aquifer overdraft or land subsidence.
- Describe the groundwater monitoring plan that will be undertaken and the associated monitoring triggers for mitigation actions. Describe how the mitigation actions will respond to or help avoid any significant adverse impacts to third parties that occur due to groundwater pumping.

### **Task B: Sub-Criterion B.2.-Project Benefits**

This section of the criterion is to assess the extent of the benefits expected to occur upon implementation of the project or Drought Contingency Plan (collectively referred to as project) and how effective the project will be in building drought resilience, avoiding crises, or the need for emergency response during drought. Applications that include strong supporting information for the estimated project benefits will score higher.

- Describe the impacted water users and/or sectors who will benefit from the project.
- How will the project improve the management of water supplies? For example, will the project increase efficiency, increase operational flexibility, or facilitate water marketing (e.g., improve the ability to deliver water during drought or access other sources of supply?) If so, how will the project increase efficiency or operational flexibility for drought resiliency?
- How will the project or resulting information be applied, and who will use the project or data developed?
- Will the project make new information available to water managers? If so, what is that information and how will it improve water management? Provide a qualitative description of the degree/significance of the associated benefits.
- How soon following completion of the project will the project or information be able to be used?
- Describe how widespread and significant the project benefits are expected to be.

- Will the project help meet the water supply needs of a large geographic area, region, or watershed? If the project will not address the water supply needs of a large geographic area, why is the area significant and appropriate for the project?
- Are there intentional, direct environmental benefits that are expected to result from project implementation? If so, quantify the direct benefits and provide reasonable support.

### **Merit Review Criterion C: Planning and Support (10 points)**

Up to **10 points** may be awarded based on the extent to which the proposed project is supported by an existing collaborative effort or builds upon prior planning efforts and the extent to which the proposal demonstrates diverse stakeholder support for and/or involvement in the project.

**Task A projects will be evaluated under sub-criterion C.1. Task B projects will be evaluated under sub-criterion C.2. Only respond to sub-criterion relevant to the project task area.**

**Task A: Sub-Criterion C.1- Planning and Support** - Task A projects that are clearly supported by a previous drought planning effort that was inclusive of diverse stakeholder input will be awarded the most points under this criterion. *Note: Diverse stakeholders input includes a mix of entities internal and external to the applicant’s organization (e.g., municipal, agricultural, recreational, environmental non-profits, landowners, Tribes, and state and local water management entities, among others.)*

While the proposed project may be supported by multiple planning efforts, please provide specific details related to only **one** relevant plan. If multiple plans are cited, **the Application Review Committee will only use the information regarding the first plan cited to evaluate this criterion.** Cited plans may include but are not limited to Drought Contingency Plans, Integrated Resource Water Management Plans, Urban or Regional Water Management Plans, Watershed or Basin Management Plans, Adaptation Plans, and Sustainable Water Management Plans.

Attach the sections of the plan referenced in the application as an appendix. These pages will be included in the 100-page maximum for the application. Provide clear citations to the relevant sections when answering the criteria below. Do not include links to external documents or websites, as the Application Review Committee will not review material outside the proposal package.

**Task A Plan Description and Objective:** Is your proposed project supported by a specific planning document? If so, identify the plan by name and describe the plan, including:

- When was the plan developed? How often is it updated?
- What is the purpose and objective of the plan?
- What is the geographic scope of the plan?
- Explain how the applicable plan addresses drought (e.g. contains a system for monitoring drought, drought response actions, drought vulnerability assessments, identification of drought mitigation projects).

**Task A Plan Development Process:** Was the plan developed through a collaborative process? Describe the process including the following:

- Who was involved in developing the plan? Identify specific entities or organization and describe their involvement.
- What stakeholders were involved in preparing the plan and do they represent diverse interests (e.g., agricultural, municipal, tribal, environmental, recreational interests)? Describe the process used for interested stakeholders to provide input during the development of the plan.
- If the plan was prepared by an entity other than the applicant describe whether and how the applicant was involved in the development of the plan or why they were not part of the planning process.
- Tribal Plans: For some Tribal plans, collaboration could include working with entities representing multiple interests within the Tribe (e.g., Tribal water agencies; Tribal fish and wildlife agencies, cities, or towns on Tribal land; Tribal fisheries, industries, or agriculture; and Tribal community members). For Tribal plans that were developed collaboratively with multiple Tribal interests, but did not include collaboration with external entities, provide an explanation as to why collaboration with entities external to the Tribe were not involved in the development of the strategy or plan.

**Task A Project Identification and Prioritization in Plan:** Is the proposed project identified by name and location as a potential drought mitigation or water management action?

- Is the project prioritized within the plan and if so, is it identified as a high, mid, or low priority project? Explain the methodology used to prioritize projects within a plan. Why are you choosing to implement this project over other projects in the plan?
- If the proposed project is not specifically identified in the plan, does the project clearly support a goal or need identified in the plan?

**Task A Stakeholder Support:** Provide specific details regarding any support and/or partners involved in the project. Please attach any relevant supporting documents (e.g., letters of support or memorandum of understanding).

- Does a diverse group of stakeholders support the project? What is the extent of other stakeholder or partner involvement in the project?
- Are any stakeholders providing support for the project through cost-share contributions or through other types of contributions to the project?

**Task B: Sub-Criterion C.2- Planning and Support**

**Task B Previous Planning Efforts:** Identify any previous or on-going planning efforts related to the proposed project.

- Explain how any prior or on-going planning efforts relate to proposed project and how the proposed project adds value and builds on any prior or on-going planning efforts.
- Is the proposed project supported by an existing water planning effort or does it build upon other planning or management tools within the project area? If yes, describe in detail.

**Task B Stakeholder Involvement and Support:** Provide specific details regarding any support and/or partners involved in the project. Please attach any relevant supporting documents (e.g., letters of support or memorandum of understanding).

- Identify stakeholders in the project area who have *committed to be involved* in the project, and describe what sector(s) the participating stakeholders represent and how they will engage in this effort (e.g., will they contribute funding or in-kind services, or otherwise engage in the project development and implementation)?
- Provide documentation of the commitment by stakeholders to participate in the project. This could include letters from stakeholders committing to be involved; such letters should explain what their specific interest is and how they plan to participate.
- Describe stakeholders in the project area who have *expressed their support* for project, whether or not they have committed to participate.
- What will the applicant do during the planning or implementation process to ensure participation by a diverse array of stakeholders?
  - If some sectors are not yet represented, explain how this will be accomplished. Support could include a description of stakeholder interests in the project area, and what you will do to engage them (e.g., workshops, public meetings, or outreach tools such as using local media, outreach to known stakeholder groups, web-based outreach, social media, or other kinds of announcements).

### **Merit Review Criterion D: Readiness to Proceed and Project Implementation (15 points)**

Up to **15 points** may be awarded based upon the extent to which the proposed project is capable of proceeding upon entering into a financial assistance agreement.

Applications that include a detailed project implementation plan (e.g., design (if applicable), estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates), contacted their local Reclamation office, and have initiated applicable environmental and cultural compliance will receive the most points under this criterion.

- Describe the implementation plan of the proposed project. Include an estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates for completing the project within the applicable timeframe. Milestones may include but are not limited to preliminary and/or final design, environmental and cultural resources compliance, permitting, and construction/installation. See [Construction Start Date Limitations](#) when developing the project schedule.

**Example Milestone/Schedule:**

<b>Milestone/Task/Activity</b>	<b>Planned Start Date</b>	<b>Planned Completion Date</b>
Task 1: Environmental Compliance	April 2027	April 2028
Task 2a: 60% Final Design	August 2027	October 2027
Task 2b: 100% Final Design	October 2027	February 2028
Task 3: Bidding	March 2028	April 2028
Task 4: Construction of Recharge Pond	May 2028	September 2028
Task 5: Installation of Conveyance Pipeline	September 2028	December 2028

- Describe any permits or approvals that will be required (e.g., water rights, water quality, stormwater, State Historical Preservation Office, other regulatory clearances). Include information on permits or approvals already obtained. For those permits and approvals that need to be obtained, describe the process, including estimated timelines for obtaining such permits and approvals.
- Identify and describe any engineering or design work performed specifically in support of the proposed project. If design work has commenced, what phase of design is the project current in (e.g., preliminarily or final and percentage-30%, 60%, 90%, or complete). If additional design is required, describe the planned process and timeline for completing the design. Projects that are further in design will receive more points.
- Describe any land purchases that must occur before the project can be implemented, and the status of the purchase. (While land purchases are not allowable costs under this NOFO, this information is still important to assess the readiness to proceed.)
- If the project is completely or partially located on Federal land or at a Federal facility, explain whether the agency supports the project and has granted access to the Federal land or facility, whether the agency will contribute toward the project, and why the Federal agency is not completing the project.
- Describe your approach to ensuring compliance with the National Environmental Policy Act, Endangered Species Act, Clean Water Act, National Historic Preservation Act, and other applicable State and Federal laws for the proposed project. You are highly encouraged to contact your local Reclamation office to discuss the potential compliance requirements for your project and the associated costs.
  - Describe any archeological or culturally significant sites, as well as buildings, structures, and objects within the project area that have historic significance or appear on state or national registers.
  - Describe any threatened or endangered species or designated critical habitat in the project area. Please refer to <https://ipac.ecosphere.fws.gov/> to help you identify.

**Drought Contingency Planning Projects Only - Address the following**

- Describe how each of the six required elements of a Drought Contingency Plan (Attachment C), as applicable, will be addressed within the project timeframe. If the proposal is for a plan update, please explain whether all or only some elements of the existing plan will be updated, and why. Include a preliminary project schedule that shows the stages and duration of the proposed work including major tasks, milestones, and dates. For each task and milestone, indicate who will have the primary responsibility for completion. Proposals that provide a detailed project schedule and budget, broken down by tasks and subtasks (e.g., six required elements) and separated by the responsible parties, will be prioritized.
- Describe the availability and quality of existing data and models applicable to the proposed plan or plan update. Your response to this sub-criterion should demonstrate your understanding of the tasks required to address the required elements of a Drought Contingency Plan under this program.
- Identify staff with appropriate technical expertise and describe their qualifications. Describe any plans to request additional technical assistance from Reclamation or by contract.

### **Merit Review Evaluation Criterion E. Nexus to Reclamation (5 points)**

Up to **5 points** may be awarded if the proposed project is connected to a Reclamation project or Reclamation activity. Previously awarded grants do not constitute as a nexus under this criterion.

Please consider the following:

- Does the applicant have a water service, repayment, or OM&R contract with Reclamation? If so, please provide the contract number(s), or is the applicant a Tribe?
- If the applicant is not a Reclamation contractor, does the applicant receive Reclamation water through a Reclamation contractor or by any other contractual means?
- Will the proposed work benefit a Reclamation project area, activity, or tribal trust responsibility?

### **Merit Review Evaluation Criteria F. Presidential and Department of Interior Priorities (20 Points)**

Up to **20 points** may be awarded based on the extent that the project demonstrably:

- advances the Trump Administration's priorities, including E.O. 14154: Unleashing American Energy, justifies alignment with priorities and requirements in E.O. 14332: Improving Oversight in Federal Grantmaking;
- includes primary project elements that develop, demonstrate, and or implement artificial intelligence (AI) technologies that advance the Trump Administration and Department of Interior's priorities for AI, including OMB M-25-21 Accelerating the Use of AI through Innovation, Governance, and Public Trust; S.O. 3444: Leading Interior's Path to Artificial Intelligence Transformation;
- aligns with Secretary Burgum's strategic objectives, including those identified in S.O.s 3417: Addressing the National Energy Emergency, 3418 Unleashing American Energy,

3419 Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis;

- aligns with goals and objectives in the U.S. Department of the Interior FY 2026-2030 Strategic Plan; and
- supports water management and enhanced operational flexibility in Reclamation States, with priority given to the Colorado River Basin, which is experiencing long-term drought conditions.

**Please address only those priorities that are applicable to your project. All priorities will be given equal consideration.** A project will not necessarily receive more points simply because multiple priorities are addressed. Points will be allocated based on the degree to which the project supports, advances, or otherwise demonstrates an enhancement of one or more of the priorities identified, and whether the connection to the stated priority (or priorities) is (are) well supported.

### **Merit Review Evaluation Criteria G. Construction Priority (10 Points)**

Up to **10 points** may be awarded based on the extent that the proposed project is a construction project that can be completed within the allowable project duration. Projects that focus on construction of hard infrastructure to deliver durable, long-term improvements in water reliability and resilience will be prioritized. Hard infrastructure is tangible or built infrastructure. Please identify the hard infrastructure construction components of the project, if applicable.

### **Merit Review Evaluation Criteria H. Cost Share Priority (5 Points)**

Up to **5 points** may be awarded to proposals that include non-Federal cost share contributions exceeding the minimum by at least 5 percent. Projects with a higher non-Federal cost share may be awarded more points. State the percentage of non-Federal funding provided using the following calculation:

$$\text{Non-Federal Funding} / \text{Total Project Cost} = \%$$

See Cost Sharing Requirement and Budget Narrative for more information on cost-share requirements and eligible costs.

*Note: projects selected for award will have reported cost-share amounts verified. If reported cost share is found to be ineligible, there may be impacts to award. Accordingly, please ensure reported cost share amounts are accurate and eligible.*

### **Review and Selection Process**

This program reviews proposed budgets to ensure:

- figures are correct
- estimated costs are necessary and reasonable and clearly linked to project narratives
- avoid obviously unallowable costs

- identify costs requiring prior approval
- ensure indirect cost rates are applied correctly
- confirm cost sharing requirements are reflected in the budget.

This program reviews applications for potential overlap or duplication between the proposed project and any other funded or proposed project. Depending on the circumstances, DOI may choose to not make an award.

**Initial Review:** Prior to conducting the comprehensive merit review, an initial review will be performed to determine whether: (1) the applicant is eligible for an award; (2) the information required by the NOFO has been submitted; (3) all mandatory requirements of the NOFO are satisfied; (4) the proposed project is responsive to the program objectives of the NOFO (program determination); and (5) the proposed project is in compliance with all applicable executive and secretary orders, including the President’s executive order on *Ending Radical and Wasteful Government DEI Programs and Preferencing* as well as the executive order and Secretary order on *Restoring Truth and Sanity to American History*. If an applicant fails to meet the requirements or objectives of the NOFO, or does not provide sufficient information for review, the applicant will be considered nonresponsive and eliminated from further review.

After the merit review, Reclamation conducts a “red-flag” review of top-ranking applications. During this review, Reclamation identifies any reasons a project would not be feasible or advisable, including environmental or cultural compliance, permitting, legal, financial, performance or other concerns. After the red-flag review, Reclamation conducts a “managerial review” of top-ranking applications. The managerial review prioritizes applications for selection based on the objectives of the NOFO. The review of applications will follow the requirements of E.O. 14332, such as ensuring review by senior appointees, and that selections demonstrably advance the President’s policy priorities consistent with applicable law. Geographic dispersion, project types, applicant types, previous award history, and applicant success in implementing Gold Standard Science (E.O. 14303) may be considered during the review. Selections are finalized once all reviews are complete, and all applicants are notified.

## Risk Review

Prior to making an award, the applicant will be assessed for their level of risk per [2 CFR 200.206](#). This assessment includes the applicant's financial management capabilities, project delivery experience, staffing resources, past award performance, administration and reporting compliance records, and overall project complexity and potential for challenges. If an award will be made, special conditions may be applied to the award corresponding to the assessed risk. For awards over the simplified acquisition threshold (currently \$350,000), a review of the applicant's eligibility and financial integrity information in the applicant's SAM.gov records will also be performed per [2 CFR 200.206](#).

A Reclamation Grants Officer conducts a detailed budget analysis and a business evaluation and responsibility determination. During this evaluation, the Reclamation Grants Officer will consider several factors, such as:

- Allowability, allocability, and reasonableness of proposed costs
- Financial strength and stability of the applicant

- Past performance, including satisfactory compliance with all terms and conditions of previous awards, such as environmental compliance, reporting requirements, and audit compliance
- Adequacy of personnel practices, procurement procedures, and accounting policies and procedures.

## AWARD NOTICES

Notices of Federal Award are sent electronically via GrantSolutions or e-mail. These notices outline the terms, conditions, and payment instructions per [2 CFR 200.211](#). The Notice of Federal Award signed by an authorized Grants Officer is the legal instrument obligating financial assistance to a recipient. Any other prior notice is not an authorization to begin work. If the program allows pre-award costs per [2 CFR 200.458](#), beginning performance before receiving a Notice of Federal Award is at the applicant's own risk.

**Anticipated Project Start Date:** 07/28/2027

**Anticipated Project End Date:** 10/03/2030

Reclamation anticipates contacting potential award recipients and unsuccessful applicants in Winter 2027, subject to the timing and amount of final appropriations. Reclamation will contact award recipients individually to discuss the time frame for the completion of their agreement. A webinar will be held for successful applicants within 30 days following their notice of selection to review next steps and pre-Financial Assistance Agreement procedures.

Reclamation may post successful applications on a Reclamation website, after necessary redactions, in consultation with the successful applicant.

## POST AWARD REQUIREMENTS AND ADMINISTRATION

### Administration and National Policy Requirements

For award administration and national policy requirements, see the [DOI General Terms and Conditions](#). Infrastructure projects require the use of American iron, steel, manufacture products, and construction materials per [2 CFR 184](#).

### Automated Standard Application for Payments Registration

All recipients must be registered with and willing to process all payments through the Department of Treasury Automated Standard Application for Payments (ASAP) system. All recipients with active financial assistance agreements with Reclamation must be enrolled in ASAP under the appropriate Agency Location Code(s) and UEI Number prior to the award of funds. If a recipient has multiple UEI numbers, they must separately enroll within ASAP for each unique UEI Number and/or Agency. If your entity is currently enrolled in the ASAP system with an agency other than Reclamation, you must enroll specifically with Reclamation in order to process payments. All the information on the enrollment process for recipients, will be sent to you by ASAP staff if selected for award.

## **Approvals and Permits**

Recipients shall adhere to Federal, State, Territorial, Tribal, and local laws, regulations, and codes, as applicable, and shall obtain all required approvals and permits. Recipients shall also coordinate and obtain approvals from site owners and operators, as applicable.

## **Environmental and Cultural Resources Compliance**

The recipient must comply with all applicable Federal, State, and local environmental, cultural, and paleontological resource laws and regulations. Data collections supporting compliance efforts must follow separate compliance procedures. **All projects will require compliance with the National Environmental Policy Act, Endangered Species Act, and National Historic Preservation Act before any ground-disturbing activity may begin.**

Recipients are prohibited from any ground-disturbing activities (e.g., biological or water quality surveys, grading, clearing, excavation, and other preliminary or construction activities) on a project before environmental and cultural resources compliance is complete. A recipient that proceeds before environmental and cultural resources compliance is complete risks forfeiting funding. The Grant Officer will issue a Notice to Proceed that explicitly authorizes work to proceed once environmental and cultural resource compliance is complete.

## **Official Resolution**

Prior to award, the recipient must provide an official resolution adopted by the organization's governing body, or, for state government entities, an official authorized to commit the recipient to the financial and legal obligations of the financial assistance award. The official resolution verifies:

- The identity of the official with legal authority to enter into an agreement
- The board of directors, governing body, or appropriate official who has reviewed and supports the application submitted
- That the organization will work with Reclamation to meet established deadlines

## **Intangible Property**

Title to intangible property acquired under this agreement vests upon acquisition with the Recipient, however Reclamation reserves the right to obtain, publish, reproduce, or otherwise use and authorize others to use for Federal purposes in accordance with [2 CFR Part 200.315](#).

## **Real Property**

Real property, equipment, and intangible property that is acquired or improved with a Federal award must be held in trust by the recipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved, per [2 CFR §200.316](#). Title to real property acquired or improved under a Federal award will vest upon acquisition in the recipient. Except as otherwise provided by Federal statutes or by the Federal awarding agency, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the recipient must not dispose of or encumber its title or other interests. When real property is no longer needed for the originally authorized purpose, the recipient must obtain disposition instructions from the Federal awarding agency or pass-through entity.

### **Freedom of Information Act (FOIA)**

Please note that any application submitted for funding under this NOFO may be subjected to a Freedom of Information Act (FOIA) request (5 U.S.C. §552, as amended by P.L. No. 110-175), and as a result, may be made publicly available.

In response to a FOIA request for research data relating to published research findings produced under a Federal award that were used by the Federal Government in developing an agency action that has the force and effect of law, the Federal awarding agency must request, and the recipient must provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA.

### **Requirements for Agricultural Operations under P.L. 111-11, Section 9504(a)(3)(B)**

In accordance with Section 9504(a)(3)(B) of P.L.111-11, financial assistance will not be awarded for an improvement to conserve irrigation water unless the recipient agrees to both of the following conditions:

1. Not to use any associated water savings to increase the total irrigated acreage of the recipient and
2. Not to otherwise increase the consumptive use of water in the operation of the recipient, as determined pursuant to the law of the state in which the operation of the recipient is located.

If the recipient is a Tribe, a financial assistance agreement will not be awarded unless the recipient agrees to not use any associated water savings to increase the total irrigated acreage or otherwise increase the consumptive use of water more than the water right of the Tribe, as determined by a court decree, a settlement, a law, or any combination of these authorities.

### **Title to Improvements P.L.111-11, Section 9504(a)(3)(D)**

If the project results in a modification to a portion of a federally owned facility that is integral to the existing operations of that facility, the Federal government shall continue to hold title to the facility and the improvements thereto. Title to improvements, P.L.111-11, Section 9504(a)(3)(D) that are not integral to existing water delivery operations shall reside with the project sponsor.

### **Operation and Maintenance Costs under P.L.111-11, Section 9504(a)(3)(E)(iv)**

The non-Federal share of the costs for operation and maintenance of any infrastructure improvement funded through an agreement awarded under this NOFO shall be 100 percent.

### **Improvements to Federal Facilities**

Note that improvements to Federal facilities that are implemented through any project awarded funding must comply with additional requirements. Reclamation may also require additional reviews and approvals prior to award to ensure that any necessary easements, land use authorizations, or special permits can be approved and that the development will not impact or impair project operations or efficiency, consistent with the requirements of 43 CFR Section 429.

## **Liability under P.L.111-11, Section 9504(a)(3)(F)**

Except as provided under 28 U.S.C. Chapter 171 (commonly known as the Federal Tort Claims Act), the United States shall not be liable for monetary damages of any kind for any injury arising out of an act, omission, or occurrence that arises in relation to any facility created or improved through an agreement awarded under this NOFO, the title of which is not held by the United States.

## **Geospatial Data**

If you receive financial assistance from the Department of the Interior (DOI), recipient must follow these rules for geospatial data:

**Follow Federal Standards:** All geospatial data you collect or create must meet the standards set by the Federal Geospatial Data Committee (FGDC) or the Department of the Interior. This is required by the Geospatial Data Act of 2018, which is part of Public Law 115-254, specifically in Subtitle F (Geospatial Data), sections 751-759C (codified at [43 U.S.C. §§ 2801–2811](#)).

**Include Metadata:** Your Geographic Information Systems (GIS) files must include complete metadata. Metadata is information that describes the data, such as where it came from, how accurate it is, and how it should be used. This is to ensure that anyone using the data understands its context and quality.

**Check for Existing Data:** Before you start collecting new geospatial data, you need to check GeoPlatform.gov. This is to see if there is already existing geospatial data from federal, state, local, or private sources that can meet your needs and is available for free. If such data is available, you should use it instead of gathering new data.

These rules help ensure that geospatial data is reliable, high-quality, and that resources are used efficiently.

## **Reporting**

The recipient's Notice of Award will detail all reporting requirements, including frequency, due dates, and instructions for requesting extensions. In general, but not limited to, recipients must:

- Submit Federal Financial reports and Program Performance reports.
- Use the [Federal Financial Report \(SF-425\) form](#) for financial reporting,
- Monitor award activities and report on program performance per [2 CFR 200.329](#),
- Promptly notify the awarding program in writing of any issues, delays, or conditions impairing award objectives per [2 CFR 200.329\(e\)](#),
- Disclose any conflicts of interest related to their award that arise during the award period per [2 CFR 1402.112](#),
- Report on the status of real property acquired under the award in which the Federal government retains an interest per [2 CFR 200.330](#), and
- Report all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award per [2 CFR 200.113](#).

- Report any matters related to recipient integrity and performance to SAM.gov per [Appendix XII to 2 CFR 200](#).
- If the Federal share of the award is more than \$100,000 and the recipient makes or agrees to make any payment using non-appropriated funds for lobbying in connection to the award, disclose those activities using the Disclosure of Lobbying (SF-LLL) form per [43 CFR 18.100](#).
- Federal Funding Accountability and Transparency Act of 2006 (FFATA) and 2 CFR 170 requires certain recipients to report information on executive compensation, and information on all sub-awards, subcontracts and consortiums equal to or over \$30,000 to SAM.gov.
- Report any required mitigation to lessen environmental impacts of the project.
- Recipients of Reclamation awards must include the following information in performance reports:
  - a comparison of actual accomplishments to the milestones established by the financial assistance agreement for the period,
  - the reasons why the project did not meet established milestones, if applicable,
  - the status of milestones not met from the previous reporting period, if applicable,
  - whether the project is on schedule and within the original cost estimate,
  - any additional pertinent information or issues related to the status of the project, and
  - photographs documenting the project (appreciated, although not required). Note: Reclamation may print photos with appropriate credit to the recipient.
  - Final reports are public documents and may be made available on Reclamation's website.

**Other Information**

Reclamation will host a webinar to provide general information regarding this NOFO and answer questions. For more information regarding this NOFO, the general information webinar, and WaterSMART Drought Response Program, including previously funded projects and applications, visit <https://www.usbr.gov/drought/>.



## TOWN MANAGER REPORT – MAY 2026

### STAFF

- Weekly staff meetings
- Monthly board meetings

### OPERATIONS

- Reconciliations
- Customer and office support
- LPC grant report
- NPS rezone
- LUC documents uploaded to file share for KLJ
- SLFRF annual report
- Grant reimbursements
- CWRC research and resolution adoption
- Agenda/Supporting Documents
- NSD/TON/NWC Audit follow up
- Process Payroll
- Marshal's closet inventory follow up
- NPS property purchase
- Pocket Park bid approval
- Floating Solar check in meeting
- Resource Central survey NWC
- Bohannon Houston meeting to discuss water funding opportunities
- CDOT Sidewalk project check in meeting
- LPC incentive funds letter and scope submitted
- Pocket park kick off meeting with Ray, Randy, and Andy
- ColoTrust follow up for NSD
- Billing clerk and Deputy Admin job descriptions
- Registered Sidney/Bernice/Sara for CML
- Admin bill NWC/NSD
- IG check in meeting and agenda
- Region 10 outreach for GOCO grant
- Press release HSIP

### TRAINING

- CCCMA Annual Conference
- How to Maintain a Mentally Healthy Workplace Webinar
- EAP Benefits Overview Webinar

### PUBLIC OUTREACH

- LUC Public Engagement Event