

Since November 13, 2023, USCDWUA has been under State of Colorado enforcement to install Granular Activated Carbon (GAC) filters by December 2027 to reduce elevated Haloacetic Acids (HAA5). If the filters are not installed by the deadline, CDPHE will begin issuing fines. These penalties would place a severe financial burden on both the company and its members. In addition to this upgrade, we have two distribution lines that need replacement.

GAC filters use porous carbon as a final treatment step to remove contaminants. They effectively eliminate HAA5, a disinfection byproduct formed when chlorine reacts with organic matter in raw water. USCDWUA cannot control the organic matter in the raw water it receives, GAC filters are the most efficient and cost-effective way to reduce disinfection byproducts before water reaches customers.

- The GAC treatment project is estimated to cost \$600,000. USCDWUA began looking for funds and pursued a USDA grant/loan, but the terms required raising the base water rate to \$125 with annual increases for 40 years. The grant/loan offered limited funding and imposed long-term rate increases the board found fiscally imprudent, USCDWUA declined it and will instead seek traditional bank financing, plan “B” as was agreed at the December 9, 2025 Annual Meeting.
- USCDWUA must upgrade two distribution lines this year: Q25–2600 Road, an aging galvanized line in the middle of the road, and P25 Road on Redlands Mesa, which frequently breaks because of excessive pressure and undersized piping. Because the county plans to repave both roads soon, the replacements should be completed before paving begins. USCDWUA is requesting an additional \$200,000 to fund these two-line replacements.
- USCDWUA applied to several banks, and Bank of Colorado is the only lender willing to approve a loan with repayment secured by a special assessment. The loan would be \$800,000 for three years.
 - Monthly option: \$23 per month for 36 months
 - One-time option: \$720 per tap
 - Interest savings: Paying upfront saves \$108 per tap