

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

**Presentation to the
WATER RESOURCES REVIEW COMMITTEE**



**by
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July 20, 2009

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WATER RESOURCE PROJECTS

Animas-La Plata Project – The dam and pumping plant are nearly complete, and Lake Nighthorse is filling. (Assuming adequate river flows, Lake Nighthorse (120,000 ac-ft) is expected to fill by June 2011.) County Road 211 is currently being re-routed around the reservoir. The Authority has provided the upfront funding (\$7.2 million) for the Animas-La Plata Water Conservancy District's ("ALPWCD") share in exchange for its 2,600 ac-ft of average annual depletion and 2,919 ac-ft of storage in Lake Nighthorse. This represents a 3.07% interest in the project. The Authority has an option agreement with the City of Durango to sell 1,900 ac-ft of depletion and a contract with the ALPWCD to sell 700 ac-ft of depletion.

Long Hollow Dam and Reservoir – The La Plata Water Conservancy District ("LPWCD") received a "404" permit from the Army Corps earlier this year to build this 5,400 ac-ft reservoir. The LPWCD has submitted a project proposal to the Authority Board to engage a consulting engineer to conduct final design and other project activities. Funds would come from the Future Projects Escrow, an escrow of \$15 million established by the Authority to assist with the water resources development of the La Plata River basin. On June 5th, the Board authorized staff to proceed with the RFP process to select an engineering firm.

La Plata West Water Authority – In November of 2008, the Authority entered into an interim loan agreement with the La Plata West Water Authority ("LPWWA") to assist with the construction of an intake tower within Lake Nighthorse. The intake tower is the first phase of a multi-phase project to create a rural water system to serve areas in the La Plata River basin. The \$4.5 million interim loan was secured by the pledge of Southern Ute's (\$3.0 million) and the Ute Mountain Ute's (\$1.5 million) share of the \$40 million Tribal Resource Fund. The intake tower is essentially complete. Release of the Resource Funds is expected in the next few weeks.

City of Fountain – In January of this year, an \$8.1 million loan was executed to purchase land for a reservoir and a building. This 30-year loan had a true interest cost, after the Authority's subsidy, of 5.32%.

North Weld County Water District – Later this year the District will be seeking \$7-9 million for additional transmission lines.

City of Cortez – In January of this year, the Authority Board approved a \$1,456,891 loan (20 yrs, 2.0%) to the City for the installation of a small (240kW) hydropower generating unit.

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Revolving Funds

Water Pollution Control Revolving Fund

Base Program Funding

Capitalization grants	\$ 5,200,000
Re-loan funds	\$41,000,000
TOTAL	\$46,500,000

ARRA

Capitalization grant	\$31,300,000
Less admin set-aside	\$ 1,200,000
TOTAL	\$32,500,000

Loan Capacity with leveraging \$90,000,000

Drinking Water Revolving Fund

Base Program Funding

Capitalization grants	\$24,000,000
Re-loan funds	\$11,300,000
TOTAL	\$35,300,000

ARRA

Capitalization grant	\$34,350,000
Less set-asides	\$ 2,060,000
TOTAL	\$32,290,000

Loan Capacity with leveraging \$70,000,000

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ARRA Loan Terms Approved by CWRPDA Board

Principal Forgiveness:

- Principal forgiveness of up to \$2,000,000 per project
- Provided to the highest prioritized projects
- 50% of the total ARRA funds

Loan Term:

- Direct Loans
- Up to 20 years plus the construction period
- DWRF loans that would qualify as disadvantaged up to 30 years

Interest Rate ARRA Loans:

- 0%

Administrative Fees on ARRA Loans:

- No administrative fees

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Additional Federal Requirements

- **Davis Bacon Wage Rates**
- **American Iron, Steel and Manufactured Goods**
- **Green Infrastructure**
- **Weekly Reporting Requirements**

The American Recovery and Reinvestment Act of 2009 provides the EPA Office of Inspector General \$20 million for oversight activities, available through September 30, 2012. The Office of Inspector General will conduct audits, investigations and other reviews to ensure economy and efficiency and to prevent and detect fraud, waste and abuse in how grant recipients use the funds received under the Act.

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WPCRF and DWRF Terms for loans issued in 2009 from non-ARRA funds

Loan Term:

- Up to 20 years plus the construction
- DWRF Disadvantaged Communities loans up to 30 years

Interest Rates:

- Leveraged loans will be issued at an interest rate of 2.5%.
- Direct loans (up to \$2,000,000) will be issued at an interest rate of 2%.
- Direct loans in excess of \$2,000,000 may be approved on a case-by-case basis by the Authority Board
- Disadvantaged Communities loans would be issued at an interest rate of:
 - 1% for the 61% to 80% MHI entities
 - 0% for those entities that are less than 61% MHI

Administrative Fees Loans:

- No administrative fees on WPCRF leveraged loans
- 1.25% administrative fee on DWRF leveraged loans
- Direct loans will be charged an administrative fee if there is interest component on the loan
 - 0.8% of the loan principal for WPCRF loans
 - up to 1.25% on DWRF loans
 - Loan administrative fees are included in the stated interest rates and shall not be added to the interest rate

DRINKING WATER REVOLVING FUND
FUNDING APPROVED
(As of July 17, 2009)

ARRA PRINCIPAL FORGIVENESS					
	Entity	Amount	Interest Rate	Term	Approval Date
1	Hi-Land Acres WSD	\$1,200,000	N/A	9 Months	6/5/2009
2	Colorado City Metro District	\$1,780,000	N/A	9 Months	6/5/2009
3	City of Brighton	\$1,044,000	N/A	9 Months	6/5/2009
4	Town of Kit Carson	\$392,000	N/A	9 Months	4/24/2009
5	Town of Norwood	\$540,150	N/A	9 Months	6/5/2009
6	City of Rocky Ford	\$945,337	N/A	9 Months	6/5/2009
7	Town of Seibert	\$1,719,500	N/A	9 Months	4/24/2009
8	Town of Cheyenne Wells	\$1,732,517	N/A	9 Months	6/5/2009
9	Town of Kremmling	\$2,000,000	N/A	9 Months	6/5/2009
10	Arabian Acres Metro District	\$287,440	N/A	9 Months	6/5/2009
11	Town of Blanca	\$50,000	N/A	9 Months	4/24/2009
12	Town of Fraser	\$751,060	N/A	9 Months	6/5/2009
	TOTAL:	\$12,442,004			

ARRA DIRECT LOANS					
	Entity	Amount	Interest Rate	Term	Approval Date
13	City of La Junta	\$1,830,000	0.00%	20 Yrs	6/5/2009
14	City of Florence	\$3,025,930	0.00%	20 Yrs	6/5/2009
15	City of Salida	\$325,000	0.00%	20 Yrs	4/24/2009
16	Divide MPC Metro District No. 1	\$145,930	0.00%	20 Yrs	6/5/2009
17	*Baca Grande WSD	\$135,536	0.00%	20 Yrs	6/5/2009
	TOTAL:	\$5,462,396			

ARRA PRINCIPAL FORGIVENESS/0% LOAN COMBINATION					
	Entity	Est. Principal Forgiveness Amount	Est. 0% Loan Amount	Term	Approval Date
18	Town of Hot Sulphur Springs	\$2,000,000	\$1,300,000	20 Yrs	6/5/2009
19	Town of Georgetown	\$2,000,000	\$1,340,000	20 Yrs	6/5/2009
20	City of Manitou Springs	\$733,996	\$7,012,484	20 Yrs	6/5/2009
	TOTAL:	\$4,733,996	\$9,652,484		

TOTAL ARRA: \$32,290,880

BASE PROGRAM DIRECT LOANS					
	Entity	Amount	Interest Rate	Term	Approval Date
1	Bow Mar WSD	\$1,150,000	2.00%	20 Yrs	6/5/2009
**	**City of Lamar	\$5,020,000	2.00%	20 Yrs	6/5/2009
2	Crested Butte South Metro District	\$1,000,000	2.00%	20 Yrs	6/5/2009
3	Town of Palmer Lake	\$1,862,552	2.00%	20 Yrs	6/5/2009
4	*Baca Grande WSD	\$1,348,214	2.00%	20 Yrs	6/5/2009
5	Town of Ridgway	\$975,000	2.00%	20 Yrs	6/5/2009
	TOTAL:	\$11,355,766			

DWRF Reloan Balance: \$3,294,762
(as of July 17, 2009)

BASE PROGRAM LEVERAGED LOANS					
	Entity	Amount	Interest Rate	Term	Approval Date
6	**City of Lamar	\$5,020,000	2.50%	20 Yrs	3/6/2009
	TOTAL:	\$5,020,000			

TOTAL BASE: \$11,355,766

*Baca Grande Water & Sanitation District's total project amount is \$1,483,750 and at this time, \$135,536 is eligible for ARRA funding. The remaining \$1,348,214 is below the line for ARRA funding.

**If the City of Lamar is the only DWRF leveraged loan application received by the June 15th deadline, the loan will be a direct loan.

**DRINKING WATER REVOLVING FUND
LOANS CLOSED IN 2009
(As of July 17, 2009)**

DIRECT LOANS					
	Entity	Amount	Interest Rate	Term	Execution Date
1	Town of Arriba	\$505,000	0.00%	30 Yrs	5/29/2009
2	City of Creede	\$1,250,000	1.75%	30 Yrs	4/15/2009
3	Town of Nederland	\$2,500,000	2.00%	20 Yrs	6/15/2009
4	Town of Rye	\$1,040,000	1.75%	30 Yrs	3/27/2009
5	Lake Durango Water Authority	\$2,000,000	2.00%	20 Yrs	7/15/2009
6	Town of Rockvale	\$295,000	1.00%	30 Yrs	7/8/2009
	TOTAL:	\$7,590,000			

**WATER POLLUTION CONTROL REVOLVING FUND
FUNDING APPROVED
(As of July 17, 2009)**

ARRA PRINCIPAL FORGIVENESS					
	Entity	Amount	Interest Rate	Term	Approval Date
1	Gunnison County	\$474,019	N/A	9 Months	3/6/2009
2	Fremont Sanitation District	\$2,000,000	N/A	9 Months	1/30/2009
3	Town of Red Cliff	\$2,000,000	N/A	9 Months	6/5/2009
4	Town of Rye	\$1,968,000	N/A	9 Months	6/5/2009
5	Widefield WSD	\$1,728,593	N/A	9 Months	6/5/2009
6	Town of Bayfield	\$193,956	N/A	9 Months	6/5/2009
	TOTAL:	\$8,364,568			

ARRA PRINCIPAL FORGIVENESS/0% LOAN COMBINATION					
	Entity	Est. Principal Forgiveness Amount	Est. 0% Loan Amount	Term	Approval Date
7	City of Manitou Springs	\$2,000,000	\$1,900,000	20 yrs	6/5/2009
8	Monument Sanitation District	\$2,000,000	\$418,000	20 yrs	6/5/2009
9	Town of Georgetown	\$2,000,000	\$3,800,000	20 Yrs	6/5/2009
10	*Pagosa Area WSD	\$463,727	\$8,301,942	20 Yrs	6/5/2009
	TOTAL:	\$6,463,727	\$14,419,942		

TOTAL ARRA: \$29,248,237

BASE PROGRAM DIRECT LOANS					
	Entity	Amount	Interest Rate	Term	Approval Date
1	Town of Mancos	\$2,000,000	0.00%	20 Yrs	6/6/2008
2	Evergreen Metro District	\$2,000,000	2.00%	20 Yrs	3/6/2009
3	Town of Kit Carson	\$259,000	0.00%	20 Yrs	4/24/2009
4	Town of Seibert	\$150,000	0.00%	20 Yrs	4/24/2009
5	City of Burlington	\$1,974,000	1.00%	20 Yrs	6/5/2009
6	Town of Boone	\$315,000	0.00%	20 Yrs	6/5/2009
7	Larimer County LID-Hidden View Estates	\$300,000	2.00%	20 Yrs	6/5/2009
8	*Pagosa Area WSD	\$556,684	2.00%	20 Yrs	6/5/2009
9	Mesa County Lower Valley PID	\$2,000,000	2.00%	20 Yrs	6/5/2009
10	City of Woodland Park	\$705,000	2.00%	20 Yrs	6/5/2009
	TOTAL:	\$10,259,684			

WPCRF Reloan Balance: \$20,593,514
(as of July 17, 2009)

BASE PROGRAM LEVERAGED LOANS					
	Entity	Amount	Interest Rate	Term	Approval Date
11	City of Fruita	\$30,994,472	2.50%	20 Yrs	3/6/2009
12	City of Pueblo	\$26,500,000	2.50%	20 Yrs	4/24/2009
13	City of Glenwood Springs	\$34,600,000	2.50%	20 Yrs	6/5/2009
14	Town of Crested Butte	\$2,300,000	2.50%	20 Yrs	6/5/2009
	TOTAL:	\$94,394,472			

BASE PROGRAM INTERIM LOANS					
	Entity	Amount	Interest Rate	Term	Approval Date
1	City of Fruita	\$4,570,000	3.50%	2 Yrs	6/5/2009
2	City of Glenwood Springs	\$5,000,000	3.50%	2 Yrs	6/5/2009
	TOTAL:	\$9,570,000			

TOTAL BASE: \$104,654,156
(Excluding Interim Loans)

*Pagosa Area Water & Sanitation District's total project amount is \$9,322,353 and at this time, \$556,684 is below the line for ARRA funding.

**WATER POLLUTION CONTROL REVOLVING FUND
LOANS CLOSED IN 2009
(As of July 17, 2009)**

DIRECT LOANS					
	Entity	Amount	Interest Rate	Term	Execution Date
1	Mountain View Villages WSD	\$1,500,000	0.00%	20 Yrs	1/6/2009
2	Town of Sugar City	\$65,000	0.00%	20 Yrs	2/19/2009
3	Town of Hudson	\$1,636,000	2.00%	20 Yrs	6/17/2009
4	Crested Butte South MD	\$2,300,000	2.00%	20 Yrs	7/16/2009
	TOTAL:	\$5,501,000			

WATER REVENUE BOND PROGRAM
APPROVED LOANS
(As of July 17, 2009)

Entity	Amount	Interest Rate	Term	Approval Date
North Weld County Water District	\$9,000,000	TBD	30 Yrs	12/5/2008
TOTAL:	\$9,000,000			

LOANS CLOSED IN 2009

Entity	Amount	Interest Rate	Term	Execution Date
City of Fountain	\$8,795,000	5.32%	30 Yrs	1/21/2009
TOTAL:	\$8,795,000			

SMALL HYDROPOWER LOAN PROGRAM
APPROVED LOANS
(As of July 17, 2009)

Entity	Amount	Interest Rate	Term	Approval Date
City of Cortez	\$1,456,891	2.00%	20 Yrs	1/30/2009
TOTAL:	\$1,456,891			