

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, PE
Water Supply Planning & Finance Section

DATE: September 9, 2009

SUBJECT: **Agenda Item 6, September 15-16, 2009 Board Meeting**
Water Supply Planning and Finance Section – Financial Matters
Construction Fund Cash Balance Report

Bill Ritter, Jr.
Governor

Harris D. Sherman
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Dan McAuliffe
CWCB Deputy Director

Introduction

This agenda item provides financial information for the Board's use in evaluating the availability of funds from the Construction Fund to finance water projects. A Financial Projections Report and a Cash Balance Report will be distributed at the Board meeting. The information is based on the preliminary closing reports by Clifton Gunderson for the fiscal year ending June 30, 2009.

Discussion

The Financial Projections Report remains in the same form as it has been in previous years and shows the annual projections of money available for the CWCB operating expenses, non-reimbursable investments, modifications to previous loan authorizations and new construction project loans. The Financial Projections Report provides an estimate of the CWCB revenues during the fiscal year and the anticipated expenditures. As the year progresses, the Finance Section will maintain the Projections Report and routinely submit it to the Board for review.

The Cash Balance Report is used by the Finance Section staff in order to be assured that cash is available for new loans and revisions to existing loans which are presented to the Board. Historically, the report has shown ample cash available for loans recommended for approval; however, since the cash transfers from the CWCB's two funds to the General Fund the Cash Balance Report has become extremely important. If at any time, the CWCB does not have the cash available the Board will provide direction as to which projects will receive priority when cash becomes available.

As of the date of this memo, sufficient cash is available to fund the staff recommendations for new loans and revisions to existing loan which follow this agenda item. This is for information only and no action is necessary for this agenda item.

Colorado Water Conservation Board
 September 15-16, 2009 Meeting
 Construction Fund
 FY 09/10 Cash Balance Report

Cash Available for New Project Loan Recommendations

Current Revenues

Unreserved Cash at Beginning of Year	\$ 19,305,372	Unreserved Balance on 7-1-2009
FY10 Revenue Received to Date (as of Sept 1)	\$ 2,600,000	Loan Principal/Interest + Treasury Interest + Mineral Lease
Total Current Unreserved Cash Available for Expenses	\$ 21,905,372	

Current Expenses

Operations - Administrative and Special Purpose (Long Bill) \$ 7,200,000 Long Bill - SB 09-259

Approved Project Loans \$ 3,535,000

July 2009 Loans \$3,535,000
 September 2009 Loans
 November 2009 Loans
 January 2010 Loans
 March 2010 Loans
 May 2010 Loans

Revisions to Previous Project Authorizations

July 2009 Revision \$0
 September 2009 Revision
 November 2009 Revision
 January 2010 Revision
 March 2010 Revision
 May 2010 Revision

Total Current Loans Approved

\$ 3,535,000

Total Current Expenses to Construction Fund

\$ 10,735,000

Construction Fund Balance (8/1/09)

\$ 11,170,372 Projected Unreserved Balance Avail.

**Colorado Water Conservation Board
 September 15-16, 2009 Meeting
 Construction Fund
 Financial Projections**

Projected Cash for New Projects

Unreserved Cash at Beginning of Year		
Construction Fund Revenue Projected From Cash Sources	\$ 19,305,372	Unreserved Balance on 7-1-2009
Recommended Project De-Authorizations in 2010	\$ 23,000,000	Loan Principal/Interest + Treasury Interest + Mineral Lease
	\$ -	Loan Principal
Total Projected Cash from Construction Fund	\$ 42,305,372	Loan Interest
		Treasury Interest
Total Unreserved Cash Available for New Projects and Other Expenses	\$ 42,305,372	Mineral Lease

Loan Principal	\$5.0 million
Loan Interest	\$5.5 million
Treasury Interest	\$2.0 million
Mineral Lease	\$10.5 million
	<u>\$23.0 million</u>

Projected Expenses

Operations - Administrative and Special Purpose (Long Bill)	\$ 7,200,000	Long Bill - SB 09-259
Previously Approved Project Loans in FY 09/10	\$ 3,535,000	
FY09/10 Loans	\$ 3,535,000	
Recommended Modifications to Previous Project Authorizations	\$ 1,000,000	
Recommended New Construction Project Loans	\$ 19,000,000	
Recommended Non-Reimbursable Expenditures (Nov 09)	\$ 1,525,000	
Annual Construction Fund Non-Reimbursable Investments (Nov 09)	\$ 1,800,000	
Total Projected Expenses to Construction Fund	\$ 34,060,000	
Projected Construction Fund Balance	\$ 8,245,372	Projected Unreserved Balance on 7-1-2010*

* CWCB must maintain \$8 million in the fund to cover operating expenses on 7/1/2010