



## COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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### MEMORANDUM

January 26, 2010

**TO: Members, Colorado Water Conservation Board, and Jennifer Gimbel**

**FROM: Daniel L. Law, Executive Director**

**RE: Director's Report**

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#### **American Recovery and Reinvestment Act of 2009 ("ARRA")**

Colorado received the following funds under ARRA: WPCRF - \$31,350,000; DWRF - \$34,350,000.

All ARRA/DWRF funds have been obligated through regular loans or through loans with principal forgiveness. Approximately 95 percent of the ARRA/WPCRF funds have been committed through loans or through loans with principal forgiveness. The final WPCRF loan is expected to be executed in the next few days.

#### **Water Pollution Control Revolving Fund (WPCRF)**

The 2010 appropriations bill covering the U.S. EPA was signed on October 30, 2009. The bill significantly increased the funding for the WPCRF from \$5.4 million to approximately \$16.3 million. This bill requires that 20 percent of the funds be committed to green infrastructure and that about \$2.5 million be committed to principal forgiveness.

Language in the appropriations bill requires prevailing wage rates on all funds (capitalization grant and re-loan funds) provided by the WPCRF from October 30, 2009 to September 30, 2010. This retroactive requirement has put 23 drinking water and wastewater projects, representing \$95 million of construction, on hold. The bond issue for Fruita and Glenwood Springs, originally scheduled for last November, has been delayed until this spring. Fruita had awarded its construction contract early last fall and now must re-negotiate with the contractor to incorporate the prevailing wage rate requirement. None of the 22 other loans has closed at this time.

The loan capacity for 2010 is estimated at \$40 million.

### **Drinking Water Revolving Fund (DWRF)**

Similar to the WPCRF program, the DWRF appropriation has increased from \$14.3 million to \$24.1 million. In addition the bill requires 20 percent be spent on green infrastructure and about \$7.2 million be committed to principal forgiveness.

The loan capacity for 2010 is estimated at \$38 million.

### **Water Revenue Bonds**

Staff is currently working with representatives from the Donala Water and Sanitation District on a \$7 million loan to acquire water rights. A loan application is expected in the next few weeks.

### **Animas – La Plata Project / La Plata River Future Projects Escrow**

The Animas-La Plata Project is nearing completion, and the reservoir has approximately 25,700 ac-ft of water in storage. Pumping to continue filling the reservoir is expected to start in March or April.

The ALP OM&R Association has been working on a contract with the Western Area Power Administration and various housekeeping activities to get the organization up and running. The new general manager, Russell Howard, started on December 14<sup>th</sup>.

An engineering contract with GEI Consultants, Inc., to review the feasibility study design of Long Hollow Dam and Reservoir, was authorized by the Authority Board on October 23<sup>rd</sup>. The focus is on reviewing the existing feasibility study, conducting some additional geological investigations, developing some alternative configurations and developing an opinion of cost. The results of this work will be presented to the Authority Board on January 29<sup>th</sup>. At that meeting the Authority Board will discuss the results of this investigation and whether to proceed with Phase II Final Design.

The La Plata West Water Authority's ("LWWA") intake tower, built to pump water from Lake Nighthorse, was completed in July. Nearly all of the Authority's \$4.5 million in interim loan funds have been disbursed. To date Tribal Resource Funds from the Southern Utes (\$3.0 million) have been released to the LWWA, and the LWWA immediately transferred those funds to the Authority as payment on the \$4.5 million interim loan. The Tribal Resource Funds from the Ute Mountain Utes (\$1.5 million) is expected in the next few weeks.

### **Board Members**

The Board membership terms for Ann Nichols, Arkansas drainage, and Doug Monger, Yampa-White drainage, expired on October 1, 2009. Both have been re-appointed. The appointment of a Board member for the vacant South Platte drainage position is expected in early February.

### **Future Board Meetings**

March 5 – Denver  
April 23 – Denver