



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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MEMORANDUM

May 18, 2010

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

FROM: Michael Brod, Executive Director *ymb*

RE: Director's Report

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 funds have been obligated through regular loans or through loans with principal forgiveness. To date 39.2% of the WPCRF funds have been spent and 48.7% of DWRF funds have been spent.

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 put 23 drinking water and wastewater projects, representing \$95 million of construction, on hold. Most of the projects are proceeding at this time. The bond issue for Fruita and Glenwood Springs, originally scheduled for last November, was closed on May 13th. The \$73 million bond issue to fund Fruita and Glenwood also funded a loan to the City of Pueblo.

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

Currently there are no applications expected that would require the issuance of water revenue bonds.

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

The Animas-La Plata Project is nearing completion, and the reservoir has approximately 40,000 ac-ft of water in storage. Pumping will continue until the next hold occurs sometime in late June or July.

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 Bureau of Reclamation will hold a Final Cost Allocation 101 Seminar on July 8th in Durango just prior to a Project Construction Coordination Committee meeting.

In March, 2010, the Authority Board authorized proceeding with the design and, if feasible, construction of Long Hollow Dam and Reservoir. The construction budget was set at \$19 million. GEI Consultants will be finalizing the design by December 1. At that time the design will be submitted to the State Engineers office for its review. We hope to have construction started by summer of 2011.

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 still pending.

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 and confirmed. The appointment of Don Carlson, South Platte drainage basin, was made in February and he was confirmed in March.

Future Board Meetings

June 4 – Denver
August 25 – Vail