

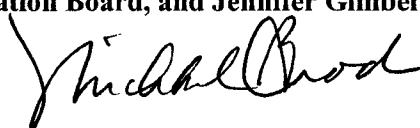


COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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MEMORANDUM

July 20, 2010

TO: Members, Colorado Water Conservation Board, and Jennifer Gimbel
FROM: Michael Brod, Executive Director 
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 53% of the WPCRF funds have been spent and 61% of DWRF funds have been spent.

Water Pollution Control Revolving Fund (WPCRF)

We received 17 loan applications totaling \$58 million by the June 15th deadline for funding from the WPCRF. Due to loan capacity constraints, 13 loan applications in the amount of \$34.4 million have prioritized and will be considered by the Authority Board on August 25th.

Drinking Water Revolving Fund (DWRF)

We received five loan applications totaling \$4.1 million by the June 15th deadline for funding from the DWRF. It is anticipated that a previously approved loan to the City of Sterling will be funded this fall up to \$29 million. The five new applications will be considered by the Authority Board on August 25th.

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 62,000 ac-ft of water in storage. There is currently a 30 day hold on pumping.

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 held 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. The 50% design and updated costs were presented to the La Plata Water Conservancy District Board at the Board's meeting on July 19th. GEI Consultants will be finalizing the design by December 1. At that time the design will be submitted to the State Engineer's 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 2009. Nearly all of the Authority's \$4.5 million in interim loan funds were disbursed. To date all Tribal Resource Funds from the Southern Utes (\$3.0 million) and the Ute Mountain Utes (\$1.5 million) have been released to the LWWA, and the LWWA immediately transferred funds to the Authority to retire the principal drawn on the loan.

Future Board Meetings

August 25 – Vail
October 1 - Denver