

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Anna Mauss, P.E.
Tim Feehan, P.E., Chief
Finance Section

DATE: July 9, 2010

SUBJECT: **Agenda Item 9, July 20-21, 2010 Board Meeting**
Finance Section – Prequalification Project List and Loan Prospect Summary

The Finance Section compiles a list of prequalified projects for the Water Project Loan Program. In order to be included on this list, potential borrowers must submit a Loan Application and two years of financial statements to the CWCB staff. In addition, Borrowers requesting to be placed on the Prequalification Project List have a defined project, have performed preliminary engineering, and have a reasonable estimate of the project costs.

Projects on this list fit the initial criteria of the Water Project Loan Program; however, the list does not constitute loan approval. In order to receive a loan, borrowers must additionally submit a completed Loan Feasibility Study for review by CWCB staff. Staff will then prepare a recommendation to the Board for approval at a future CWCB meeting. Projects will remain on this list for one year from the date of the application or until Board approval of a loan.

Applications received by July 1, 2010 for this board meeting were:

- a. Plains Metro District – Water Rights Purchase
- b. Farmers Highline Canal Company – Capital Improvement Projects
- c. Huerfano Cucharas Irrigation Company – Cucharas Reservoir Dam Rehabilitation

Please refer to the preliminary Project Data Sheets for additional information on each project.

Staff Recommendation

Staff recommends that the Board approve the projects as presented on page 2 be placed on the Prequalified Project List.

PREQUALIFIED PROJECT LIST

BORROWER	PROJECT NAME	APPLICATION DATE	BASIN	PROJECT DESCRIPTION	PROJECT COST	LOAN AMOUNT
Plains Metropolitan District	Water Rights Purchase	July 1, 2010	S. Platte/Metro	The purpose of this project is to acquire water rights to provide irrigation to Deer Creek Public Golf Course (which the District is in the process of acquiring).	\$1,250,000	\$1,125,000
Farmers Highline Canal Company	Capital Improvement Projects	July 1, 2010	S. Platte/Metro	This project includes a canal evaluation, replacing and/or repairing & installing: drainage pipes, siphons, headgates, a SCADA control system, & diversion dam rehabilitation through the Farmers Highline Canal.	\$1,551,000	\$1,400,000
Huerfano Cucharas Irrigation Company	Cucharas Reservoir Dam Rehabilitation	July 1, 2010	Arkansas	The purpose of this project is to reconstruct the Cucharas Dam so that the Cucharas Reservoir can fill to its full capacity of 35,395 AF and the SEO restriction can be removed.	\$12,000,000	\$9,900,000
Total					\$14,801,000	\$12,425,000

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The Finance Section also compiles a list of potential borrowers/projects for the Water Project Loan Program. This list represents borrowers that have contacted the CWCB about a potential need for funding but have not submitted a loan application and/or a loan feasibility study.

LOAN PROSPECTS

Basin	Last Contact	BORROWER	PROJECT NAME	PROJECT COST	LOAN AMOUNT
South Platte					
		B.H. Eaton Ditch Co (Windsor)	Pipeline & Diversion Structure	\$1,000,000	\$1,000,000
		Louden Irrigation & Reservoir Co	Ditch Improvements	\$500,000	\$500,000
		Greeley –Loveland Irrigation Co.	Augmentation Structure		\$500,000
		No Poudre Irrigation Co	Pump Station		\$5,000,000
		Town of Byers	Well & Pipeline		\$700,000
		Town of Johnstown	Kauffman Reservoir Purchase		\$5,000,000
	4/10	Boulder Left Hand Irrigation. Co	Ditch Piping (2012)		\$300,000
	2/10	Bergen Ditch Company	Dam Rehabilitation		\$2,000,000
	1/09	East Larimer County Water District	Rigdon Storage Project		\$3,000,000
		NISP Participants	NISP		\$30,000,000
	11/09	Chatfield Reallocation Participants	Chatfield Reallocation Participants		\$40,000,000
	4/10	Bergen Ditch & Res. Co	Dam Rehabilitation (Late 2010)		\$1,000,000
	5/10	Big Elk Meadows Assoc. (Estes Park)	Meadow Lake Outlet Rehab.		\$150,000
		Boulder Left Hand Irrigation. Co	Ditch Piping		\$300,000
				TOTAL	\$89,950,000
Arkansas					
	1/10	Upper Arkansas WCD	Trout Creek Reservoir	\$3,000,000	\$3,000,000
		Cherokee Metro District	Wells and Pipelines	\$800,000	\$800,000
	5/10	City of Trinidad	North Lake Reservoir Rehabilitation	\$1,600,000	\$1,600,000
	9/09	Ditch and Reservoir company	Big Johnson Reservoir		\$8,000,000
	9/09	Town of Ordway	Reservoir Rehab		\$2,000,000
				TOTAL	\$15,400,000
San Miguel/Juan					
		Farmers Water Development Co	Gurley Reservoir Enlargement	\$5,000,000	\$5,000,000
	2/09	Florida Mesa Canal Company	Canal Rehabilitation		\$900,000
	2/10	City of Ouray	Red Mountain Ditch Rehabilitation	\$200,000	\$200,000
				TOTAL	\$6,100,000
Colorado					
		Lateral MC070 Inc.	NRCS Ditch Rehabilitation	\$200,000	\$140,000
		Highland Ditch Co	Ditch Rehabilitation Project	\$200,000	\$200,000
		Ian Carney - Felix Tornare	Polaris Reservoir Rehabilitation	\$500,000	\$500,000
				TOTAL	\$990,000
Gunnison					
	7/09	Fire Mountain Canal & Reservoir Co.	New Reservoir		\$500,000
	10/09	Hinsdale County/Lake City	Lake San Cristobal Dam/Spillway		\$500,000
				TOTAL	\$1,000,000

Rio Grande					
				TOTAL	\$0
Yampa					
	4/09	Catamount Reservoir Company	Reservoir Rehabilitation		\$500,000
				TOTAL	\$500,000

Information shown is based on current staff knowledge and will likely change as Loan Prospects develop

Recent inquires:

Tinmath Meadows HOA - New Cache La Poudre Ditch Work

Denio-Taylor Mill Ditch Company and Runyan Ditch Company – Ditch Rehabilitation

Private Dam Owner - Dam outlet work improvements

cc: Susan Schneider, AGO
 Patricia DeChristopher, AGO

**CWCB Water Project Loan Program
Prequalification Project Data Sheet**

Borrower: Plains Metropolitan District

County: Jefferson

Project Name: Water Acquisition Project

Project Type: Water Rights Purchase

Drainage Basin: South Platte

Water Source: Deer Creek

Total Project Cost: \$1,250,000

Funding Source: To Be Determined (TBD)

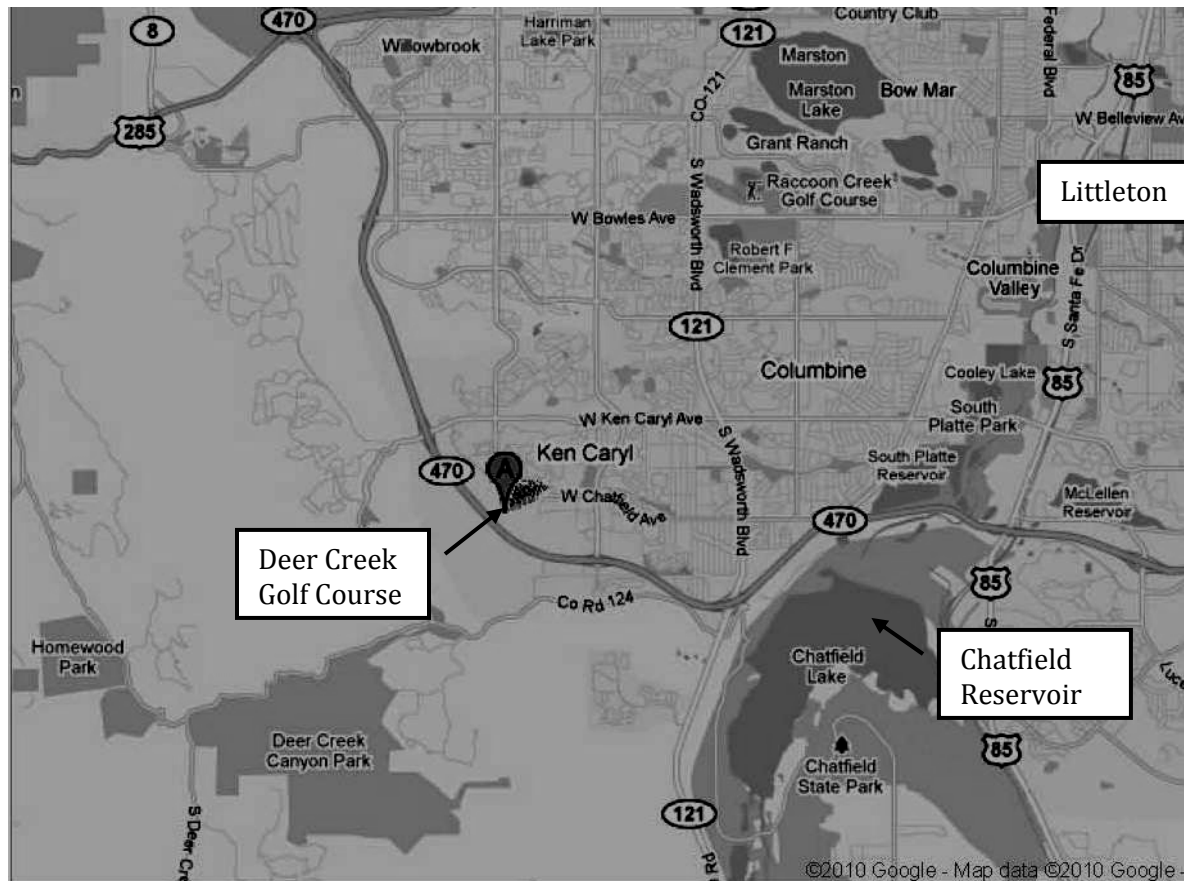
Type of Borrower: High Income Municipal

Average Diversion: 205 AF

CWCB Loan: \$1,136,250 (incl. 1% loan fee)

Interest Rate: TBD **Term:** 30 years

Plains Metropolitan District (District) is located in the Dakota Hogbak/Ken Caryl Ranch area of the Denver Metro area. The District was established to provide for the construction of streets, storm sewer, landscape improvements, and parks and recreation facilities within the District. It is made up of primarily commercial customers and less than 10% residential customers. District revenues are generated from property taxes. The District has no existing debt service. This project involves acquiring water rights to provide irrigation water to Deer Creek Public Golf Course, which the District is in the process of acquiring. The water rights purchase is expected to occur by the end of 2010.



**CWCB Water Project Loan Program
Prequalification Project Data Sheet**

Borrower: Farmers Highline Canal Company

County: Adams/Jefferson

Project Name: Capital Improvement Projects

Project Type: Ditch Repair

Drainage Basin: South Platte

Water Source: Clear Creek

Total Project Cost: \$1,551,000

Funding Source: To Be Determined (TBD)

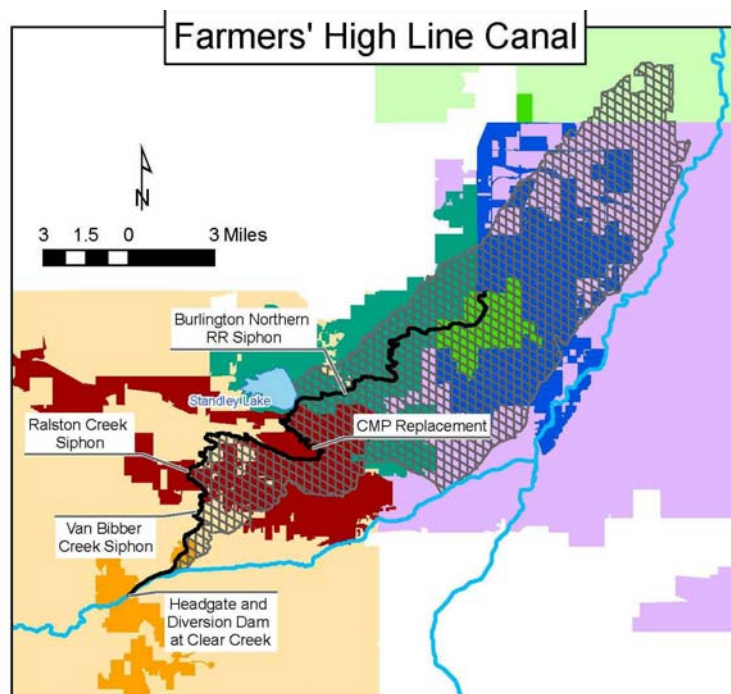
Type of Borrower: High Income Municipal

Water Right: 773 cfs

CWCB Loan: \$1,414,000 (incl. 1% loan fee)

Interest Rate: TBD **Term:** 30 years

The Farmers High Line Canal and Reservoir Company (Company) is a ditch company that was established in 1885. It diverts water off of clear creek and it delivers water through a 31.5 mile canal running from Golden to Northglenn, through Arvada and Westminster. The Company has completed a master plan and canal evaluation and has identified a list of improvements it intends to do with the CWCB loan proceeds. These items include: replacement of corroded drain pipes, replacement of three siphons, headgate rehabilitation, SCADA control system installation at the headgate, diversion dam rehabilitation, and tree removal along the ditch. This work is expected to be completed over the next three years.



**CWCB Water Project Loan Program
Prequalification Project Data Sheet**

Borrower: Huerfano-Cucharas Irrigation Co. **County:** Pueblo/ Huerfano

Project Name: Cucharas Reservoir Rehabilitation **Project Type:** Reservoir Rehabilitation

Drainage Basin: Arkansas **Water Source:** Cucharas River

Total Project Cost: \$15,000,000 **Funding Source:** To Be Determined (TBD)
Dam Repair Total: \$12,000,000

Type of Borrower: Agricultural **Average Delivery:** 3,000 acre-feet
New Storage: 31,956 AF (Restricted)
Loan: \$9,999,000 (Including 1% fee) **Interest Rate:** TBD **Term:** 30 years

The Huerfano-Cucharas Irrigation Company (Irrigation Company) owns and operates the Cucharas Reservoir and provides irrigation water to farmers in the Arkansas valley. The Irrigation Company was organized in 1944; however, 74% of the shares were recently purchased by Two Rivers Water Company (TRWC). TRWC intends to purchase up to 95% of shares in the Irrigation Company and plans on reintroducing agricultural production to the area. In order to do this, the Cucharas dam must be repaired. The dam is a 145-foot high rock fill dam that has been under storage restriction since 1988. The SEO is requiring the dam to be repaired by October 1, 2010 or a breach order may be imposed. The Irrigation Company plans on rehabilitating the dam, to restore the full storage capacity of the reservoir. The total project investment to repair the dam and reintroduce agricultural production to the area (including land purchased for farming, ditch system repairs, and equipment) is estimated at \$15M. The additional \$5.1M needed for the dam rehabilitation will be paid by Irrigation Company special assessments or additional funding sources. Increases assessments were approved by the Irrigation Company board in April 2010. TRWC is in the process of having an appraisal of the assets of the Irrigation Company (with pre and post- reconstruction values estimated) to support the collateral value if a CWCB loan is approved in the future.

