

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: September 2, 2011

SUBJECT: **Consent Agenda Item 2, September 13-14, 2011 Board Meeting
Finance Section – Prequalification Project List Update**

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 September 1, 2011 for this board meeting were:

- a. Twenty Two Road Lateral Company – Ditch Replacement
- b. City of Trinidad – North Lake Dam Rehabilitation
- c. Rio Grande Canal Water Users Association – Hydroelectric Project
- d. Eckhardt Farms Inc. – Water Rights Purchase

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

Staff Recommendation

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

PREQUALIFIED PROJECT LIST

| BORROWER | PROJECT NAME | APPLICATION DATE | BASIN | PROJECT DESCRIPTION | PROJECT COST | LOAN AMOUNT |
|--|-------------------------------|-------------------|--------------|--|--------------|-------------|
| New Applications | | | | | | |
| City of Trinidad | North Lake Dam Rehabilitation | September 1, 2011 | Arkansas | North Lake Dam is currently restricted by the SEO. The City intends to address dam safety concerns through this loan with additional funding likely coming from a WSRA statewide grant. | \$1,850,000 | \$740,000 |
| Twenty Two Road Lateral Company | Ditch Replacement | September 1, 2011 | Colorado | The Twenty Two Road Lateral Company is planning on replacing its aging concrete lined ditch with a buried pipeline. It expects to get additional funding through the NRCS Salinity Control Program. | \$500,000 | \$500,000 |
| Rio Grande Canal Water Users Association | Hydroelectric Project | September 1, 2011 | Rio Grande | The Association is planning on developing a low head hydropower facility at its existing diversion dam on the Rio Grande River. | \$600,000 | \$300,000 |
| Eckhardt Farms Inc. | Water Rights Purchase | September 1, 2011 | South Platte | Eckhardt Farms intends to purchase water from two ditch companies so that it can continue to farm. The farm land is in an area where wells have been shut off and the ditch rights will help ensure the continuation of agricultural production. | \$1,500,000 | \$1,350,000 |
| New Applications Subtotal | | | | | \$4,450,000 | \$2,890,000 |

PREQUALIFIED PROJECT LIST – PREVIOUSLY APPROVED APPLICATION

| | | | | | | |
|--|---|-----------------|------------------|---|--------------|-------------|
| Paradise Acres Home Owners Association | Pipeline Project | July 1, 2011 | Arkansas | The association needs to construct a new raw water pipeline to its storage tank as mandated by Colorado Department of Public Health and Environment. | \$60,000 | \$54,000 |
| Missouri Heights Mountain Meadows Irrigation Company | Ditch Lining Project | July 1, 2011 | Colorado | This project involves lining one mile of ditch to prevent seepage losses. | \$450,000 | \$405,000 |
| Town of La Veta | North Lake Dam Repair Project | May 1, 2011 | Arkansas | The purpose of this project is to repair the outlet works and address seepage problems at North Lake dam in La Veta. | \$750,000 | \$675,000 |
| Crystal Lakes Water and Sewer Association | Lone Pine Reservoir Enlargement | March 1, 2011 | S. Platte | The purpose of this project is to enlarge Lone Pine Reservoir from 10.5 AF to 100 AF for augmentation purposes. | \$2,197,250 | \$1,977,525 |
| Montezuma Valley Irrigation Company | West Lateral and Upper Arickaree Pipeline Project | October 1, 2010 | San Juan/Dolores | The purpose of this project is to replace sections of open canals with buried pipelines in order to maintain & improve the 80-year-old irrigation system. | \$3,830,000 | \$3,100,000 |
| Totals | | | | | \$11,737,250 | \$9,101,525 |

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 |
| | 10/10 | NISP Participants | NISP | | \$30,000,000 |
| | 10/10 | 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 |
| | 12/10 | Pinehurst Country Club | Harriman Reservoir | \$5,000,000 | \$500,000 |
| | | | | 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 |
| | 9/09 | Ditch and Reservoir company | Big Johnson Reservoir | | \$8,000,000 |
| | 9/09 | Town of Ordway | Reservoir Rehab | | \$2,000,000 |
| | 10/10 | Lower Arkansas Water Mgmt Association | Water Rights Purchase | | \$7,500,000 |
| | 10/10 | Highline Canal Company | Water Rights Purchase | \$4,500,000 | \$4,100,000 |
| | | | | TOTAL | \$25,400,000 |
| San Miguel/Juan | | | | | |
| | | Farmers Water Development Co | Gurley Reservoir Enlargement | \$5,000,000 | \$5,000,000 |
| | 2/10 | City of Ouray | Red Mountain Ditch Rehabilitation | \$200,000 | \$200,000 |
| | | | | TOTAL | \$5,200,000 |
| 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 | \$840,000 |

| | | | | | |
|------------|-------|-------------------------------------|---------------------------------|--------------|--------------------|
| 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 inquiries:

Town of Ordway – Raw water line replacement

CWCB Water Project Loan Program Prequalified Project Data Sheet

Borrower: Twenty Two Road Lateral Company

County: Mesa

Project Name: 22 Road Lateral Ditch Replacement

Project Type: Pipeline

Drainage Basin: Colorado

Water Source: Colorado River

Total Project Cost: \$500,000

Funding Source: TBD

Type of Borrower: Blended (Municipal & Ag)

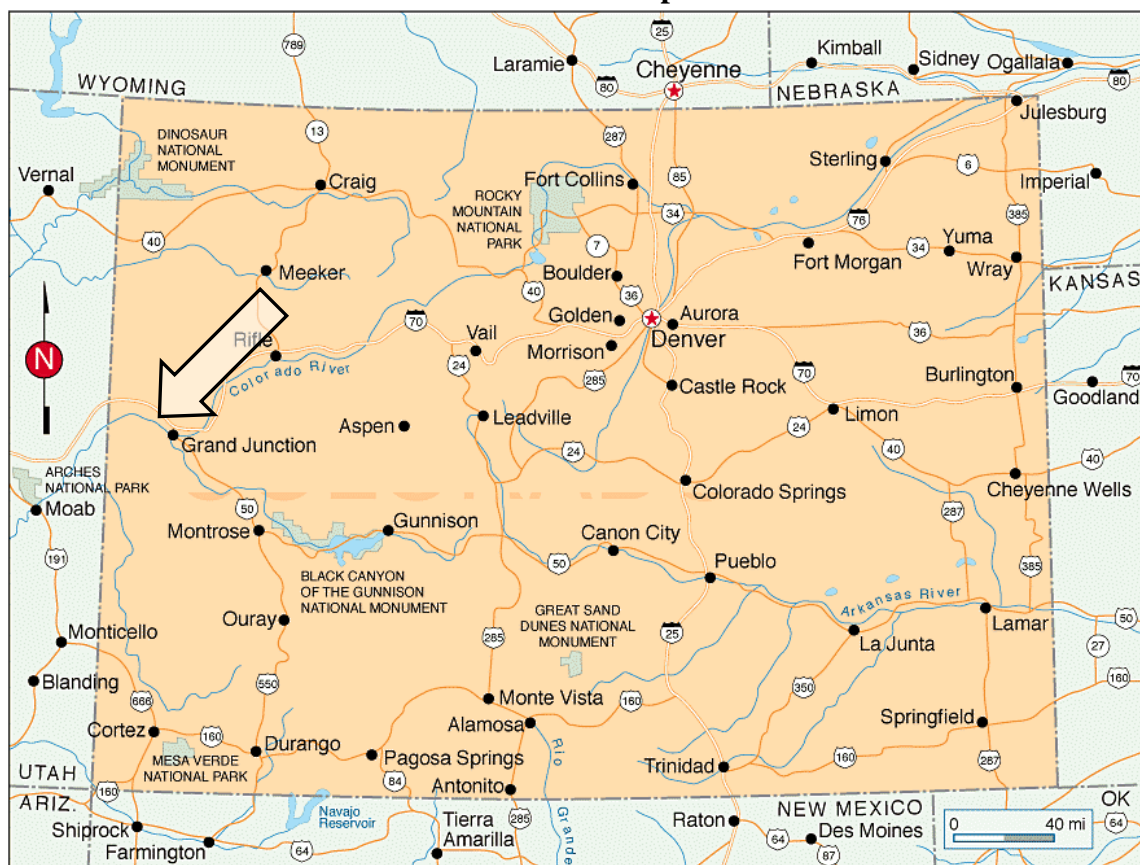
Avg. Annual Diversion: 1,265 AF

CWCB Loan: \$500,000

Interest Rate: TBD **Term:** TBD

The Twenty Two Road Lateral Company is located in Mesa County on the east side of Grand Junction. It uses the 22 Road Lateral to deliver water to its 32 shareholders for the purpose of irrigating pastures, residential landscapes and gardens. The lateral is a weathered concrete lined open channel. Cracks and gaps in the concrete lining have resulted in ever growing maintenance costs while reducing the efficiency of the lateral. The Company is requesting a CWCB loan in conjunction with a \$338,660 NRCS grant, through the Colorado River Basin Salinity Control Program, to replace 13,600 LF open channel with plastic irrigation pipe ranging from 4 to 15 inches in diameter. By piping the Lateral the District will reduce its annual maintenance expenses while increasing the reliability and efficiency of its deliveries.

Location Map



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

Borrower: City of Trinidad

County: Las Animas

Project Name: North Lake Dam Rehabilitation

Project Type: Dam Rehabilitation

Drainage Basin: Arkansas

Water Source: North Fork of the Purgatoire

Total Project Cost: \$1,850,000

Funding Source: TBD

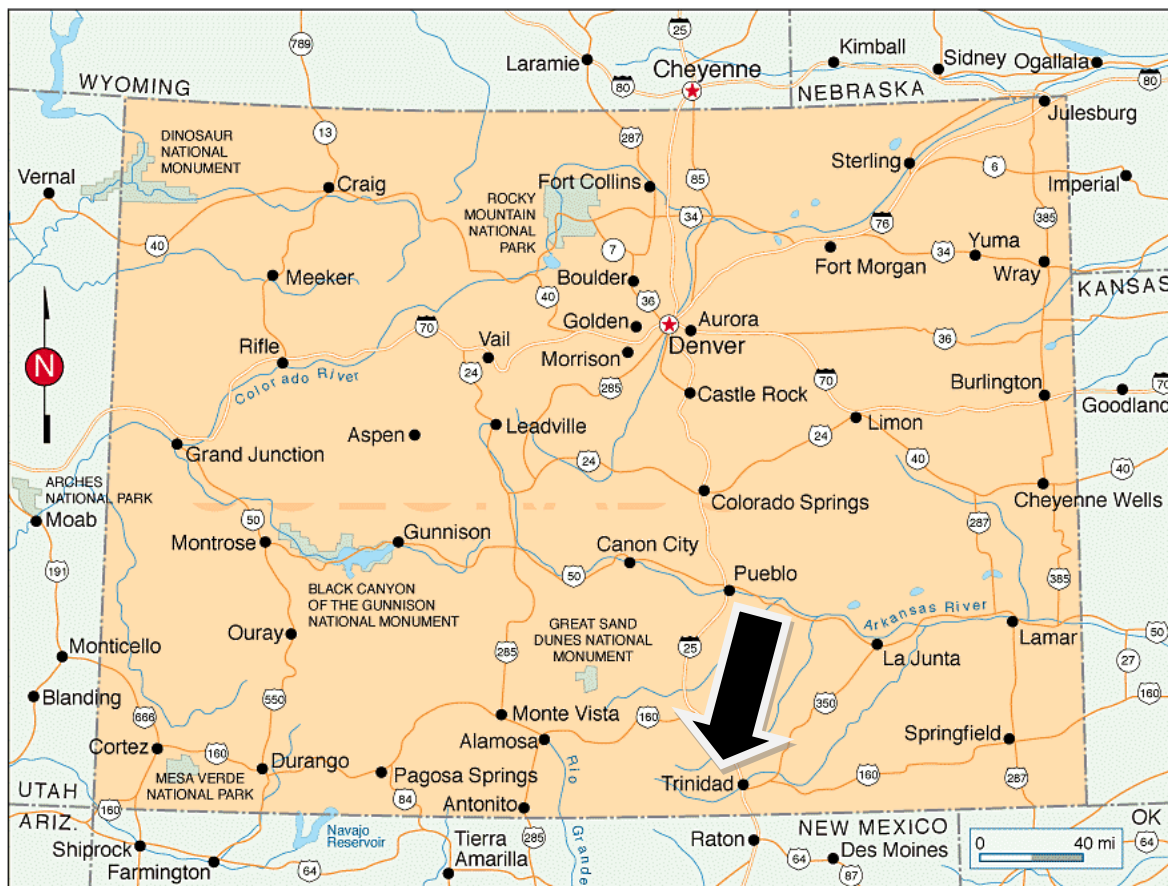
Type of Borrower: Low-income municipal

Average Annual Diversion: 3,495 AF

CWCB Loan: \$740,000

Interest Rate: TBD **Term:** TBD

The City of Trinidad plans on rehabilitating North Lake Dam. North Lake Reservoir is located approximately 40 miles west of Trinidad and is the primary source of municipal water for the City. Because of safety concerns, the Office of the State Engineer imposed a restriction on the dam. To avoid further restrictions, the City intends to address the dam safety concerns by constructing a new stability berm and replacing the spillway. The total project cost is estimated to be \$1,850,000. The City is currently requesting a grant for 40% of the total project cost from the Statewide Water Supply Reserve Account. It plans on using cash reserves to fund 20% of the total project. The remaining 40% of the estimated total project cost will be financed through a CWCB loan.



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

Borrower: Rio Grande Water Users Assoc.

County: Rio Grande

Project Name: Hydroelectric Project

Project Type: Hydroelectric

Drainage Basin: Rio Grande

Water Source: Rio Grande River

Total Project Cost: \$600,000

Funding Source: TBD

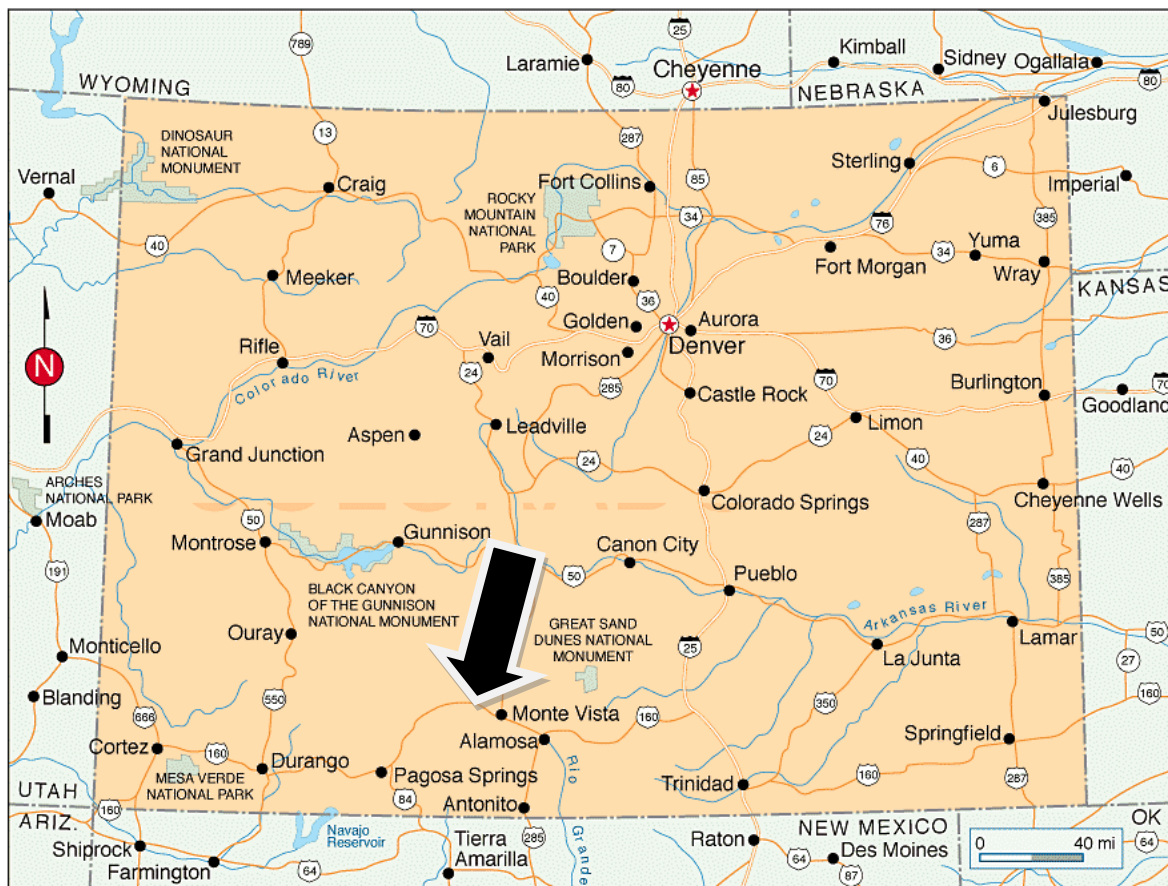
Type of Borrower: TBD

Average Annual Diversion: 154,000 AF

CWCB Loan: \$300,000

Interest Rate: TBD **Term:** TBD

The Rio Grande Water Users Association is proposing to develop a low head hydropower facility at its existing diversion dam to the Rio Grande Canal on the Rio Grande River. Revenues from this project are expected to help offset operation and maintenance costs for the entire canal system. A CWCB loan feasibility study is currently underway. The Association is also applying to the Department of Energy and Interior for a grant to fund up to 50% of the project costs.



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

Borrower: Eckhardt Farms Inc.

County: Weld

Project Name: Water Rights Purchase

Project Type: Water Rights Purchase

Drainage Basin: South Platte

Water Source: Western Mutual Ditch and
Farmers Independent Ditch

Total Project Cost: \$1,500,000

Funding Source: TBD

Type of Borrower: Agricultural

Average Annual Diversion: 635 AF

CWCB Loan: \$1,350,000

Interest Rate: TBD **Term:** TBD

Eckhardt Farms is located Weld County near LaSalle, Colorado. The farming corporation has been incorporated since 1993. Revenues are generated from crops of hay, wheat, corn, sugar beets, onions, and pinto beans. The corporation has been renting shares in the Western Mutual Ditch Company and the Farmers Independent Ditch Company since 2005 and intends to purchase the shares it has been using to continue agricultural production.

