

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 721

Denver, Colorado 80203

Phone: (303) 866-3441

Fax: (303) 866-4474

www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Anna Mauss, P.E., Project Manager
Kirk Russell, P.E., Chief
Finance Section

DATE: November 5, 2012

SUBJECT: **Consent Agenda Item 3e, November 13-14, 2012 Board Meeting**
Finance – Loan Deauthorizations
City of Trinidad – North Lake Dam Rehabilitation Project

Background

The City of Trinidad loan request for the North Lake Dam Rehabilitation Project was originally approved at the March 2012 Board meeting. This project was to improve the spillway, improve the outlet works, and address seepage at North Lake Reservoir. The \$1.8M project was to be financed using 40% CWCB loan funds, 40% Water Supply Reserve Account grant funds, and 20% cash reserves from the City. Upon legal review of the City's charter, it was discovered that the City could not execute a loan contract with the CWCB unless revised its charter. Given the urgency of the project and the City's ability to cash fund up to 60% of the project, the City opted to move forward with construction in the fall of 2012 without a CWCB loan.

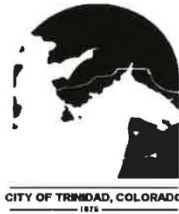
The City did obtain CWCB approval to draw grant funds without the matching CWCB loan component at the July 2012 meeting.

See attached letter from Jim Fernandez, City of Trinidad Utility Superintendent, dated October 19, 2012.

Staff Recommendation

Staff recommends that the Board deauthorize the following loan:

	Borrower	Project	Approval Amount	Approval Date	Account	Contract Number
e)	City of Trinidad, Water Enterprise	North Lake Dam Rehabilitation Project	\$746,627	March 20, 2012	Construction Fund	C150330



City of Trinidad
Office of Utilities Superintendent
P.O. Box 880
Trinidad, Colorado 81082
Telephone (719) 846-9843
Fax (719) 846-4140
www.historictrinidad.com

October 19, 2012

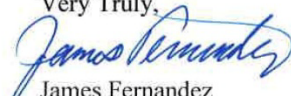
Anna Mauss, P.E.
Water Project Loan Program
Colorado Water Conservation Board
Department of Natural Resources
1580 Logan Street, Suite 600
Denver, CO 80203

Re: CWCB Loan to City of Trinidad

Dear Anna,

Please accept this letter as formal notice that the City of Trinidad will not be accepting the CWCB loan of \$746,627 approved for the City of Trinidad North Lake Rehabilitation Project on March 20, 2012. Unfortunately, the way the City of Trinidad's Charter is written, it prohibited us from accepting the loan. The assistance and cooperation that you and your staff provided in assisting the City of Trinidad with this project is greatly appreciated and could not have been accomplished without your guidance and concern. Thank you!

Very Truly,


James Fernandez
Utility Superintendent