

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., Project Manager
Finance and Administration Section

DATE: January 18, 2013

SUBJECT: **Agenda Item 7, January 28 – 29, 2013 Board Meeting**
Finance – Recommended Prequalified Projects

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

The CWCB Staff 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 Prequalified 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 from the CWCB, borrowers must 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 January 1, 2013 for this Board meeting were:

1. South Metro Water Supply Authority – WISE Partnership
 - a. Cottonwood Water and Sanitation District
 - b. Castle Pines North Metropolitan District
 - c. Dominion Water and Sanitation District
 - d. Pinery Water and Sanitation District
 - e. Rangeview Metropolitan District
 - f. Stonegate Village Metropolitan District

2. Rio Grande Water Conservation District – Atkins Ranch Water Right Purchase
3. Rio Grande Water Conservation District – Treasure Pass Transmountain Diversion Water Rights Purchase
4. San Luis Valley Water Conservancy District – Anaconda Water Rights Purchase

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

Staff Recommendation

Staff recommends that the Board approve the projects, as listed on pages 3 and 4, 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						
Cottonwood Water and Sanitation District	WISE Partnership	January 1, 2013	Metro	The Water Infrastructure and Supply Efficiency Partnership is a regional water supply project between Aurora, Denver Water, and South Metro to combine excess water supplies and system capacities to create a more sustainable water supply.	\$120,000,000	\$4,600,000
Castle Pines North Metropolitan District	WISE Partnership	January 1, 2013	Metro	The Water Infrastructure and Supply Efficiency Partnership is a regional water supply project between Aurora, Denver Water, and South Metro to combine excess water supplies and system capacities to create a more sustainable water supply.	\$120,000,000	\$8,400,000
Dominion Water and Sanitation District	WISE Partnership	January 1, 2013	Metro	The Water Infrastructure and Supply Efficiency Partnership is a regional water supply project between Aurora, Denver Water, and South Metro to combine excess water supplies and system capacities to create a more sustainable water supply.	\$120,000,000	\$32,400,000
Pinery Water and Sanitation District	WISE Partnership	January 1, 2013	Metro	The Water Infrastructure and Supply Efficiency Partnership is a regional water supply project between Aurora, Denver Water, and South Metro to combine excess water supplies and system capacities to create a more sustainable water supply.	\$120,000,000	\$11,400,000

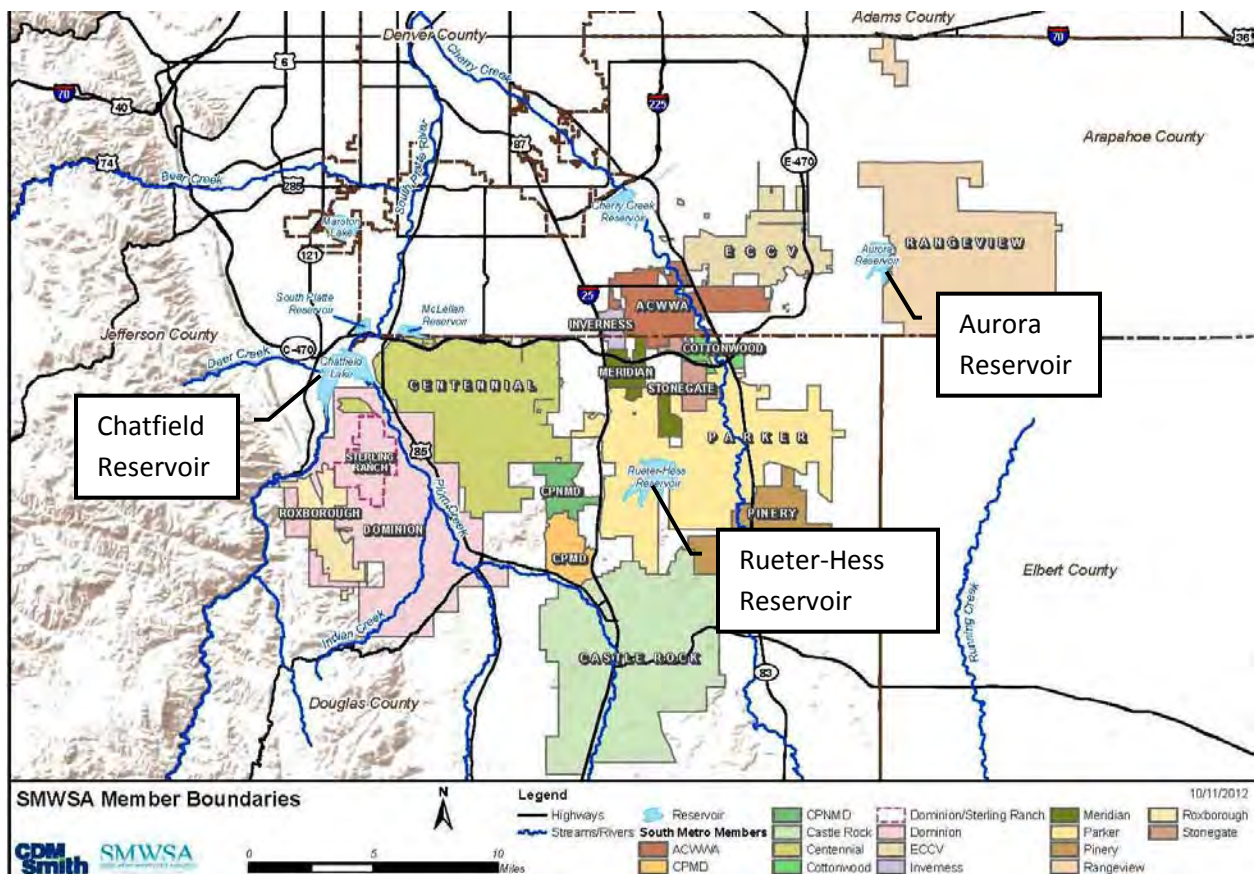
Rangeview Metropolitan District	WISE Partnership	January 1, 2013	Metro	The Water Infrastructure and Supply Efficiency Partnership is a regional water supply project between Aurora, Denver Water, and South Metro to combine excess water supplies and system capacities to create a more sustainable water supply.	\$120,000,000	\$6,300,000
Stonegate Village Metropolitan District	WISE Partnership	January 1, 2013	Metro	The Water Infrastructure and Supply Efficiency Partnership is a regional water supply project between Aurora, Denver Water, and South Metro to combine excess water supplies and system capacities to create a more sustainable water supply.	\$120,000,000	\$7,600,000
Rio Grande Water Conservation District	Atkins Ranch Water Right Purchase	January 1, 2013	Rio Grande	This project is the purchase of a water right that was historically used for irrigation and changing the water right to provide replacement water for well depletions.	\$1,800,000	\$1,500,000
Rio Grande Water Conservation District	Treasure Pass Transmountain Diversion Water Rights Purchase	January 1, 2013	Rio Grande	This project is the purchase of a privately held transmountain diversion to provide water to replace injurious well depletions to the Rio Grande River.	\$2,335,000	\$2,100,000
San Luis Valley Water Conservancy District	Anaconda Water Rights Purchase	January 1, 2013	Rio Grande	This project is the purchase of water rights to add to the District's blanket augmentation plan for domestic, commercial, and industrial wells in the San Luis Valley.	\$935,000	\$831,000
Total					\$125,070,000	\$75,131,000

Water Project Loan Program Prequalified Project Data Sheet

Borrower:	South Metro Water Supply Authority- WISE Participants	County:	Douglas & Arapahoe
Project Name:	Water Infrastructure and Supply Efficiency Partnership	Project Type:	New water supply
Drainage Basin:	South Platte/Metro / District 8	Water Source:	South Platte
Total Project Cost:	\$120,700,000	Funding Source:	TBD
Type of Borrower:	Municipal	Avg. Annual Diversion:	-
CWCB Loan:	\$70,700,000 (multiple borrowers)	Interest Rate:	TBD
		Term:	TBD

The Water Infrastructure and Supply Efficiency (WISE) Partnership is a regional water supply project between Aurora Water, Denver Water and the South Metro Water Supply Authority (South Metro) to combine available water supplies and system capacities to create a sustainable water supply. Through WISE, Aurora Water and Denver Water will provide treated water to South Metro for distribution to its members on a permanent basis. Aurora's Prairie Waters system will provide the backbone for delivering water from the South Platte when Aurora and Denver Water have available water supplies and capacity. South Metro will develop infrastructure within its area for distribution to members.

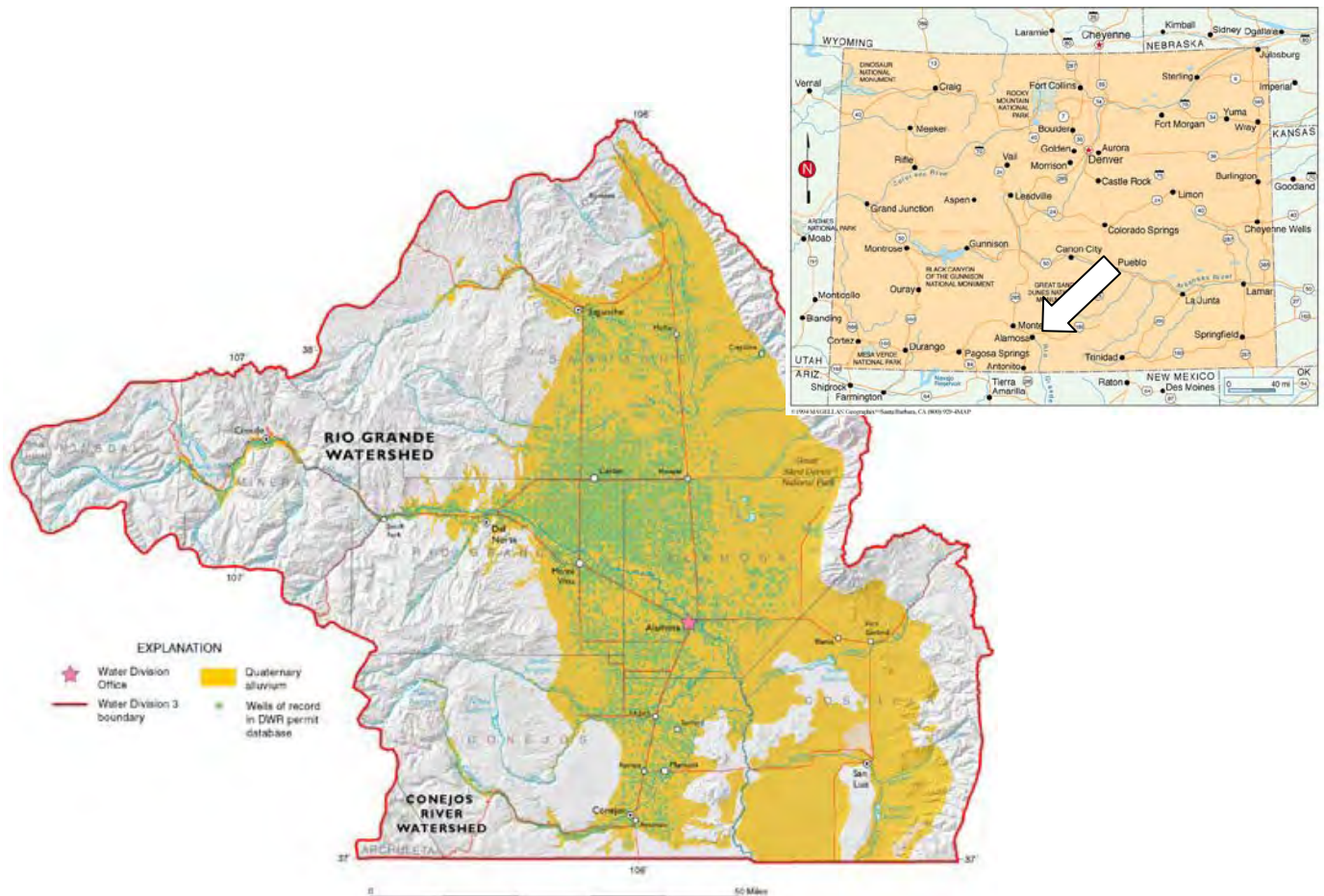
Of the 11 WISE participants, 6 are potentially interested in CWCB loans to help fund their share of the WISE infrastructure. These include: Cottonwood Water and Sanitation District (\$4.6M), Castle Pines North Metropolitan District (\$8.4M), Dominion Water and Sanitation District (\$32.4M*), Pinery Water and Sanitation District (\$11.4M*), Rangeview Metropolitan District (\$6.3M), and Stonegate Village Metropolitan District (\$7.6M). (*Note: these would be required to be in a future Projects Bill.) Funding is expected to be needed in late 2013 for final design with construction funds needed in 2014.



Water Project Loan Program Prequalified Project Data Sheet

Borrower:	Rio Grande Water Conservation District	County:	Alamosa, Rio Grande, Conejos, Saguache and Mineral
Project Name:	Atkins Ranch Water Right Purchase	Project Type:	Water Rights Purchase
Drainage Basin:	Rio Grande / District 20	Water Source:	Rio Grande River
Total Project Cost:	\$1,800,000	Funding Source:	TBD
Type of Borrower:	Agricultural	Avg. Annual Diversion:	26,000 AF
CWCB Loan:	\$1,500,000	Interest Rate:	TBD
		Term:	TBD

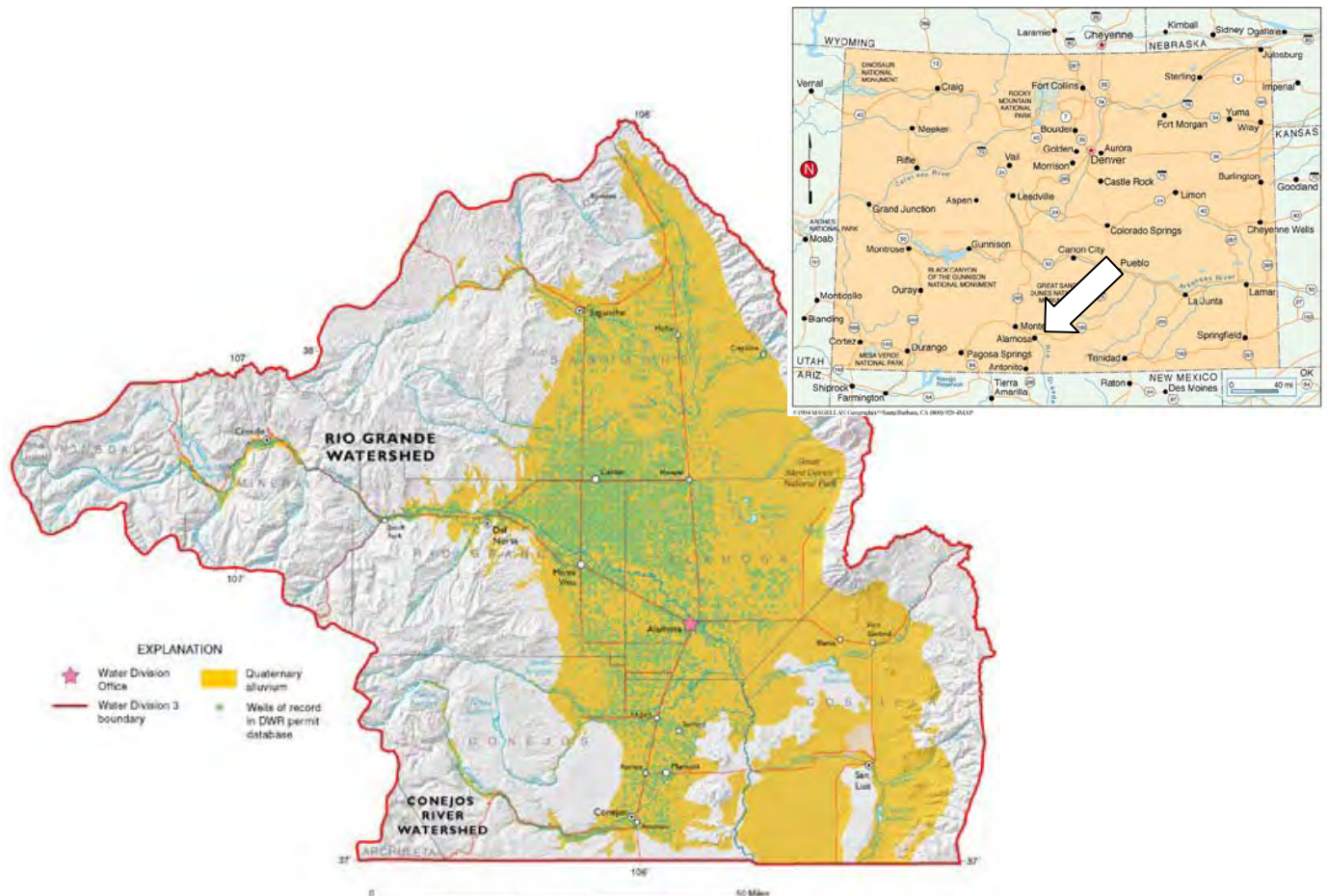
The Rio Grande Water Conservation District is a statutorily Special District formed in 1967. The District was created to protect, enhance and develop water resources in the Rio Grande River basin. Within the Rio Grande River Basin, levels of the aquifer are declining and exceeding the total amount of recharge from natural sources. In order to address this issue, Subdistricts were created within the basin to help restore a balance between available water supplies and current levels of water use so that the San Luis Valley can continue to remain a sustainable agricultural community. Through this potential loan, the District is planning to continue the development of a water rights portfolio to provide replacement water for injurious well depletions from wells within multiple Subdistricts.



Water Project Loan Program Prequalified Project Data Sheet

Borrower:	Rio Grande Water Conservation District	County:	Alamosa, Rio Grande, Conejos, Saguache and Mineral
Project Name:	Treasure Pass Transmountain Diversion Water Rights Purchase	Project Type:	Water Rights Purchase
Drainage Basin:	Rio Grande / District 20	Water Source:	San Juan River
Total Project Cost:	\$2,350,000	Funding Source:	TBD
Type of Borrower:	Agricultural	Avg. Annual Diversion:	26,000 AF
CWCB Loan:	\$2,100,000	Interest Rate:	TBD
		Term:	TBD

The Rio Grande Water Conservation District is a statutorily Special District formed in 1967. The District was created to protect, enhance and develop water resources in the Rio Grande River basin. Within the Rio Grande River Basin, levels of the aquifer are declining and exceeding the total amount of recharge from natural sources. In order to address this issue, Subdistricts were created within the basin to help restore a balance between available water supplies and current levels of water use so that the San Luis Valley can continue to remain a sustainable agricultural community. Through this potential loan, the District is planning to continue the development of a water rights portfolio to provide replacement water for injurious well depletions from wells within multiple Subdistricts.



Water Project Loan Program Prequalified Project Data Sheet

Borrower:	San Luis Valley Water Conservancy District	County:	Rio Grande, Alamosa, Saguache, Hinsdale, and Mineral
Project Name:	Anaconda Water Rights Purchase	Project Type:	Water Rights Purchase
Drainage Basin:	Rio Grande / District 20	Water Source:	Rio Grande River
Total Project Cost:	\$935,000	Funding Source:	TBD
Type of Borrower:	Low-income Municipal	Avg. Annual Diversion:	
CWCB Loan:	\$831,000	Interest Rate:	TBD
		Term:	TBD

The San Luis Valley Water Conservancy District operates an augmentation program servicing portions of Rio Grande, Alamosa, Saguache, Hinsdale and Mineral Counties. The augmentation program was developed to offset river depletions from wells serving residential and commercial uses in the area. Through this potential loan, the District intends on acquiring additional water rights to add to its existing program.

