COLORADO WATER CONSERVATION BOARD
WATER PROJECT LOAN APPLICATION

Instructions: This application should be typed or printed neatly with black ink. Attach additional sheets as necessary to fully answer any question or to provide additional information that would be helpful in the evaluation of this application. When finished, please sign and return this application to:

THE COLORADO WATER CONSERVATION BOARD
Finance Section
1580 Logan St., Suite 600
Denver, CO 80203
Attn: Anna Mauss, P.E.
Phone (303) 866-3441 x3224 Fax (303) 894-2578
Email anna.mauss@state.co.us

Part A. - Description of the Applicant (Generally, the applicant is also the prospective owner and sponsor of the proposed project)

1. Name of applicant Colorado Division of Parks and Wildlife

   Mailing Address 1313 Sherman Street 6th floor, Denver CO 80203

   Business Phone (303) 866-3203 Fax (303) 866-3206

   Federal ID Number 84-0644739. email steve.cassin@state.co.us

2. Person to contact regarding this application:

   Name Steve Cassin

   Position/Title Chief Financial Officer

   Address 1313 Sherman Street 6th floor, Denver CO 80203

   Business Phone (303) 866-3203 Ext 4302 Cell (303)870-1616

   Email steve.cassin@state.co.us

3. Type of organization : Colorado State Agency

   Date of Annual Meeting Not Applicable

   Is the organization incorporated in the State of Colorado? YES ____ NO X (If YES, please include a copy of the articles of incorporation, and the bylaws)

4. Please provide a brief description of the owner's existing water supply facilities and describe any existing operational or maintenance problems. Attach a map of the service area

The Beaver Park dam is an embankment dam of rock fill and earthen construction. At normal levels it has a surface area of 94 acres. Its height is 114 feet with a length of 435 feet. Maximum discharge is 357 cubic feet per second, and a spillway capable of passing 30,400. Its capacity is 4,758 acre feet of water. Normal storage is 4,434 acre feet. It drains an area of 47 square miles. Beaver Park dam is currently under an Office of the State Engineer storage restriction based on a sink hole that formed in the downstream slope of the dam in 2010. The storage restriction requires that the water surface elevation be at least 20 feet lower than the spillway crest based on the safety of the dam. This means that only about half of the dam's capacity can be stored, or approximately 2,500 acre-feet.

The Beaver Park dam and reservoir together are a key component in the complex water management and delivery system for the Rio Grande river basin. CPW is partnering with San Luis Valley Irrigation District, agricultural and municipal stakeholders, federal government agencies, and water users through the Rio Grande Cooperative Project to develop operational plans that will allow a more strategic way to store, exchange, and release water in a way that is beneficial to all entities. The Beaver Park dam and reservoir is the key water holding structure at the lower end of the Rio Grande river basin, with the Rio Grande reservoir at the top of the basin. The primary wildlife purpose of the dam is to provide a storage site for native and trans-mountain water rights that are then used to support wildlife, including:

- Wetlands management in the Rio Grande, Higel, and Russell Lake State Wildlife Areas(SWA)
- The Home Lake SWA fisheries east of Monte Vista
- Wetlands and aquatic life in the Rio Grande river, including managing minimum water flows and levels
- Augmenting of well and hatchery water supplies for the Native Aquatic Species Hatchery in Alamosa and the Russell Lake SWA, a premier wetlands undergoing Bureau of Reclamation mitigation.

For existing facilities indicate:

Number of shareholders N/A or Number of customers served N/A

Current Assessment per share $ N/A Number of shares N/A

Number of acres irrigated _____ Water Right: 4,758 CFS.

Average water diverted per year: 4,434 acre-feet.

Part B. - Description of the Project

1. Name of the Project Beaver Park Dam Rehabilitation

2. Purpose of this loan application. Check one.

   _____ New project
   _X_ Rehabilitation or replacement of existing facility
   _____ Enlargement of existing facility
   _____ Emergency Repair
   _____ Other (describe) _____

3. If the project is for rehabilitation of an existing reservoir, is the reservoir currently under a storage restriction order from the State Engineer? YES _X_ NO ___

4. General location of the project. (Please include county, and approximate distance and direction from nearest town, as well as legal description, if known.

   Beaver Park Dam is situated on Beaver Creek, a tributary of the South Fork of the Rio Grande, which in turn is a tributary of the Rio Grande River. Beaver Park Dam is located in Rio Grande County, Colorado and is used for recreation, fish and wildlife protection, irrigation and water rights management, among other things. Beaver Park dam is CPW's primary water storage and water rights management vessel for the San Luis Valley (SLV) due to its location in the basin and its pre-compact status. Beaver Park also provides an important recreational area for SLV residents and tourists. The town of South Fork is located directly downstream from the Beaver Park Dam and reservoir. Further, the town of South Fork is where the South Fork of the Rio Grande river joins the main body of the Rio Grande river at the western edge of the San Luis Valley, one of the largest intermountain valleys in the world.

5. Please provide a brief narrative description of the proposed project including purpose, need, facilities, type of water uses to be served and service area. Attach separate sheet, if needed.

   The purpose of this project is to rehabilitate the Beaver park dam to obtain release of the State Engineer restriction and allow CPW full use of the water storage capacity at the reservoir. The scope of work for this project includes design and installation of a filter to manage seepage, upgrade of the outlet valves and operators, and repairing the principle spillway to meet current engineering standards. The design effort will take approximately 1 year and the construction will be phased over the following two years to accommodate the limited timeframes for work given the high elevation of the dam that does not allow for work to be done during the winter months.

6. Will the acquisition of additional water rights be necessary? YES _____ NO __X____

   If YES, please explain. _____

7. Please list the names, addresses and phone numbers of the Applicants' engineer(s) and attorney(s).

NAME	ADDRESS and PHONE
John Clark (Dam Engineer)	6060 Broadway, Denver CO 80216 Phone: (303) 291-7395
Tim Monahan (AG)	1525 Sherman St. Denver CO 80203 Phone: (303) 866-4500

8. List any feasibility studies or other investigations that have been completed or are now in progress for the proposed project. If so, submit one copy of the study with this application

   An Alternatives Analysis report was completed in March 2012 by URS Corporation, a copy is attached.

9. Estimated cost of the project. Please include estimated engineering costs, and estimated construction costs, if known.

   Estimated Engineering Costs:$ $ 1,840,000

   Estimated Construction Costs: $ 14,150,000

   Estimated Other Costs: $ 0 (land, water rights purchase,etc.)

   Estimated Total Costs: $ 15,990,000

10. Loan amount and terms you are requesting.

Requested Loan Amount:	$ 10,000,000	(Usually 90 % of est. Total Costs)
Term (length) of loan:	30 years	(Usually 10, 20, or 30 years)
Interest Rate:	0 %	(Please call for our current rates)

Part C. - Project Sponsor Financial Information

Because the CWCB's Fund is a revolving fund, it is important that the project sponsor have the financial capacity to repay any loans made by the CWCB. The following information is needed to assist the CWCB in a preliminary assessment of the applicant's financial capacity. The project sponsor will submit the three most recent annual financial statements.

1. List any existing long-term liability (multi-year) or indebtedness that exceeds one thousand dollars. For example, bank loans, government agency loans, bond issues, accounts payable, etc. Include names and addresses of lenders, amounts, due dates and maturity dates.

Lender Name & Address	Remaining Amount	Annual Payment	Maturity Date

The Division of Parks and Wildlife has one outstanding loan, which is from the CWCB for work on Jackson Lake Reservoir. The current loan balance is about $1.1 million. The original loan amount was $1.7 million (FY 2003), annual payments are $56,666.67, zero interest, and the term is 30 years.

2. Are any of the above liabilities now in default, or been in default at any time in the past? YES____ NO _X___. If YES, please give detailed explanation.

3. Please provide a brief narrative description of sources of funding, in addition to the CWCB, which have been explored for this project (Examples would be Banks, USDA Rural Development, NRCS, Colorado Water Resources and Power Development Authority, Colorado Division of Local Government, etc.).

   Wildlife Cash Fund

4. What collateral will you be offering for this loan? Possibilities include a pledge of revenues, the project itself, real estate, water rights. None

The above statements are true, to the best of my knowledge:

Signature of Applicant Rick D. Cables

Printed Name Rick D. Cables

Title Director, Colorado Parks & Wildlife Date Aug. 6, 2012