

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND 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 return this application to:

THE COLORADO WATER CONSERVATION BOARD
Water Supply Planning and Finance Section
1580 Logan St., Suite 750
Denver, CO 80203
Attn: Kirk Russell, P.E. or Anna Mauss, P.E.
Phone Number 303/866-3449 - Fax Number 303/894-2578
e-mail: kirk.russell@state.co.us or 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. If this is not the case, please contact the CWCB staff before completing this application.)

1. Name of applicant

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT,
WATER ACTIVITY ENTERPRISE

Mailing Address **623 Fourth Street**
Alamosa, CO 81101
Business Phone Number (719) 589-2230 Fax Phone Number (719) 589-2270
Federal ID Number 84-6027307 e-mail Address slvwcdco1@qwestoffice.net

2. Person to contact regarding this application:

Name **Mike Gibson**
Position/Title **Manager**
Address **As Above**
Business Phone Number () **As Above** Home Phone Number (719) 587-1999
e-mail Address **As Above**

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2. Type of organization (Ditch Co., Irrigation District, Municipality, etc.):

Conservancy District, Water Activity Enterprise

Date of Annual Meeting: **January Board Meeting; Board Meets on a Monthly Basis**

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 with this application form.)

Copy of Bylaws Attached

The San Luis Valley Water Conservancy District is organized and operated pursuant to the Water Conservancy Act, Colorado Revised Statutes §§ 37-45-101, et seq. The District's Water Activity Enterprise is organized and operated pursuant to the Water Activity-Enterprise Status Act, C.R.S. §§ 37-45.1-101 et seq.

4. Please provide a brief description of the owner's existing water supply facilities and describe any existing operational or maintenance problems. Attach separate sheets if needed, and a map of the service area. **See Feasibility Study Attached**

For existing facilities indicate:

Number of shareholders **Not Applicable** or Number of customers served **890**

Current Assessment per share \$ **Not Applicable** Number of shares **Not Applicable**

Number of acres irrigated **Not Applicable** Water Right: **See Feasibility Study**

Average water diverted per year: **See Attached Feasibility Study**

Part B. - Description of the Project

1. Name of the project or facility: **Acquisition of 58% of the Anaconda**

Water Rights -- a total of or 27.37 cfs.

2. Purpose of this loan application. Check one.

_____ New project

_____ Rehabilitation or replacement of existing facility

_____ Enlargement of existing facility

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Emergency Repair

Other (describe) **Acquisition by the District's Water Activity Enterprise of**

Water Rights for Use in Conservancy District's Augmentation Program

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 NO Not Applicable
4. General location of the project. (Please include county, and approximate distance and direction from nearest town, as well as legal description, if known. The Anaconda Water Rights are on the Rio Grande in Rio Grande County, Colorado. The closest community is South Fork, Colorado. The District's service area to provide augmentation water for domestic, commercial and industrial wells includes lands in Alamosa, Rio Grande, Saguache, Hinsdale and Mineral Counties as depicted on the attached map.
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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 Conservancy District, through its Augmentation Water Activity Enterprise, has previously purchased water rights for its augmentation program. These have been surface irrigation water rights which after acquisition by the District are taken by the District through a Change Case in Water Court to change the beneficial use to the District's Augmentation Program. There is a long term demand for augmentation water to replace depletions cause by new domestic and related commercial and industrial development in the Rio Grande Basin. The District meets that demand through operation of a single augmentation plan throughout its service area. If the District is unable to provide augmentation water for new wells serving domestic, commercial and industrial uses there is a possibility that economic growth will be in jeopardy in the District's service area. If the District is not in a position to provide augmentation water, prospective well owners will have to acquire surface water rights for their own augmentation plan. This would place an undue burden and expense on the prospective well owners and in many cases it would not be possible for them to acquire the necessary water rights and subsequently obtain an augmentation plan. Moreover, it would cause a proliferation of small augmentation plans which the Division Engineer would be required to administer in lieu of its administration of the District's single plan. The District's Water Activity Enterprise has

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Estimated Total Costs: **\$935,000.00**

10. Loan amount and terms you are requesting.

Requested Loan Amount: **\$831,000.00** (Usually 75-90 % of Est. Total Costs)

Term (length) of loan: **30 years** (Usually 10, 20, or 30 years)

Interest Rate: **2.5 %** (Please call for our current rates)

Part C. - Project Sponsor Financial Information

Because the CWCB Construction 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. It is also requested that the project sponsor submit with this application, copies of the three most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations.

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. Attach a separate schedule, if needed.

<u>Lender Name & Address</u>	<u>Remaining Amount</u>	<u>Annual Payment</u>	<u>Maturity Date</u>
<u>Colorado Water Conservation Board</u>	<u>\$667,824.82</u>	<u>\$39,538.83</u>	<u>May 1, 2039</u>
<u>Water Supply Planning and Finance Section</u>			
<u>1580 Logan St., Suite 750</u>			
<u>Denver, CO 80203</u>			

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.
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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.).
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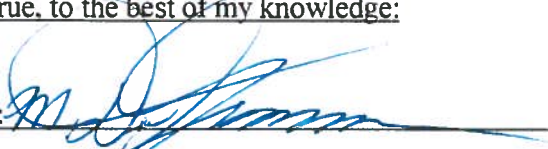
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Colorado Water Resources & Power Authority, Colorado

4. What collateral will you be offering for this loan? Possibilities include a pledge of revenues, the project itself, real estate, water rights.

The obligation created by this loan will be payable from the District's pledge of revenues from the contracts entered into by the its Augmentation Water Activity Enterprise to provide augmentation for domestic, commercial and industrial wells, ponds, and other facilities, as permitted under the Augmentation Program, from the water rights currently in the District's Augmentation Program and purchased with this loan.

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

Signature of Applicant: 

Printed Name: **M. DEE GREENMAN**

Title: **President**

Date: **January 8, 2013**