

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, P.E., Chief
Finance and Administration Section

DATE: September 13, 2013

SUBJECT: **Consent Agenda Item 2a, September 24-25, 2013 Board Meeting
Finance/Water Supply Planning – CWCB Loan and WSRA Grant
Town of Ridgway – Lake Otonowanda Renovation Project
(CHANGE OF DISBURSEMENT ORDER)**

Introduction

The Town of Ridgway (Town), acting by and through its Water Enterprise, received CWCB approval in September 2012 for a CWCB loan and a WSRA grant to fund the Lake Otonowanda Renovation Project (Project). The purpose of the Project is to rehabilitate Lake Otonowanda (Lake O) and increase the Town's raw water storage capacity and ensure a reliable water supply is available under drought conditions. In March of 2013, the Town requested and received approval of a change to the Scope of Work. The Town is now requesting the CWCB consider a change in the disbursement sequence of loan and grant funds. The funding limits for the CWCB loan and WSRA grant remain as approved in March of 2013.

Staff Recommendation

Staff requests the Board approve a change to the disbursement order of the loan and grant funds. The CWCB loan funds will be disbursed first (up to the approved limits) and followed by disbursements from the WSRA grant funds to the approved limits for Project related costs.

Discussion

Funds were approved for the renovation of Lake O (109AF) in order to increase the reliability and efficiency of it as part of its municipal water supply and storage system. The improvements include repairing the outlet, lining a ditch, and purchasing additional land adjacent to the existing reservoir footprint in order to remove the existing dam and take advantage of the natural topography. The Town has completed the design work for the outlet works portion of the project and hopes to complete the land acquisition by the end of the year.

The Town is requesting the use of CWCB loan funds first and then utilize WSRA grant funds after the loan funds are exhausted. Since the original CWCB approval required a disbursement of grant and loan funds simultaneously, staff is requesting a change to the disbursement order.

This request is due to the Town's Water Enterprise limitations as they relate to accepting grant funds. The Town plans to abandon their enterprise status in 2014 in order to accept the grant and re-establish the enterprise in 2015.

TABLE 1: PROJECT FUNDING SUMMARY
(No Change from previous Approval)

Applicant Contribution (in-house eng. design and construction mgmt.)	\$161,250
Department of Local Affairs (Energy and Mineral Impact Fund grant)	\$600,000
River District	
Design Grant	\$19,600
<u>Construction Grant</u>	<u>\$100,000</u>
TOTAL	\$119,600
WSRA Grant	
Gunnison River Basin	\$60,000
<u>Statewide</u>	<u>\$540,000</u>
TOTAL	\$600,000
CWCB Construction Fund Loan	\$600,000
Total Project Cost	\$2,080,850

Disbursement of Funds: WSRA grant funds will be disbursed after the CWCB loan funds are fully disbursed to the approved limits for Project related costs.