

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

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TO: Colorado Water Conservation Board Members

John W. Hickenlooper
Governor

FROM: Kirk Russell, PE, Chief
Finance & Administration Section

Mike King
DNR Executive Director

DATE: January 17, 2014

James Eklund
CWCB Director

SUBJECT: **Agenda Item 14a, January 27-28, 2014 Board Meeting**
Finance – Construction Fund and Severance Tax Perpetual Base Fund
Projections and Cash Balance Reports

Introduction (This is for information only and no action is necessary)

This agenda item provides updated financial information for the Board's use in evaluating the availability of funds from the Construction Fund and the Severance Tax Perpetual Base Fund for non-reimbursable project investments, new loans and increases to existing loan authorizations. A Cash Balance Report will be distributed at the Board meeting in order to provide the most current fund balance information available. The Report utilizes information prepared by Clifton Larson Allen, LLP, Severance Tax and Federal Mineral Lease projections prepared by the Legislative Council, interest earnings/repayment schedules prepared by CWCB staff.

Finance Staff Statement

As of the date of this memo, sufficient cash is available to fund the staff recommendations for the new loans and any changes to existing loans that will follow this agenda item.

Description

The Cash Balance Report is used by the Finance Section staff to assure the Board that unreserved cash is available for the funding of the Water Project Loans recommended by staff. If the Report indicates that there are insufficient funds available for all applications the Board will prioritize project funding based on Financial Policy #12.

The Projections used in this report are based on the best information available and past experience. They include: CWCB operating expenses; non-reimbursable project investments; estimates of new project loans and loan increases; Severance Tax revenue; Federal Mineral Lease revenue; repayment of existing loans and interest generated from the Treasury.