

# STATE OF COLORADO

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## 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 *KLR*  
Finance Section

Mike King  
DNR Executive Director

DATE: May 9, 2014

James Eklund  
CWCB Director

SUBJECT: **Agenda Item 28a, May 21-22, 2014 Board Meeting**  
**Financial Matters of the Construction Fund and Severance Tax Perpetual Base Fund**  
**Projections and Cash Balance Reports**

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#### **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**

The staff will present a plan to the Board to cover the \$131 million of the loans recommended for funding during the May 2014 Board Meeting. Using a phased contracting approach the CWCB will be able to fund all requests and still have approximately \$40 million available for future projects in fiscal year 2014/2015. Full funding of the Chatfield Reallocation Project borrowers will be available by September 2014 and the WISE Project borrowers by January 2015.

#### **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.