

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 Denver Southeast Suburban Water and Sanitation District (dba Pinery Water and Wastewater District)
Mailing Address P.O. Box 1660
Parker, CO 80134
Business Phone (303) 841-2797 Fax (303) 841-2123
Federal ID Number 84-0776528 email www.pinerywater.com

2. Person to contact regarding this application:

Name Charlie Krogh
Position/Title District Manager
Address 5242 Old Schoolhouse Road, Parker, CO 80134
Business Phone (303) 841-2797 ext. 201 Cell (303) 503-0609
Email Charlie@pinerywater.com

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

Date of Annual Meeting N/A - District meets monthly

Is the organization incorporated in the State of Colorado? YES ☐ NO ☒ (If YES, please include a copy of the articles of incorporation, and the bylaws) The District was formed by order and decree of the Douglas County District Court on June 21, 1965, a copy of which is attached.

CWCB Water Project Loan Application

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 District provides water and sewer service to a growing community of 4,100 homes, 4 schools, 2 churches, and 3 golf courses. The water supply facilities consist of 7 alluvial wells

withdrawing water from Cherry Creek and 18 Denver Basin wells. In addition to the wells, the District has water treatment facilities, 8 pump stations, and 9 below-ground storage tanks.

The production of the Denver Basin wells is declining, so replacement water sources are needed to continue to provide service to the community.

For existing facilities indicate:

Number of shareholders N/A or Number of customers served 4,551

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

Number of acres irrigated N/A Water Right: * CFS. *The District owns a mix of Cherry Creek rights and Denver Basin groundwater rights.

Average water diverted per year: 3,000 acre-feet. (Includes all water, not that just delivered from Cherry Creek)

Part B. - Description of the Project

1. Name of the Project Water Infrastructure and Supply Efficiency (WISE) Project

2. Purpose of this loan application. Check one.

☐ New project
☐ Rehabilitation or replacement of existing facility
☐ Enlargement of existing facility
☐ Emergency Repair
☒ Other (describe) Regional water supply project using existing and new infrastructure

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 ☒

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

Southern Arapahoe County and Northern Douglas County. Core infrastructure begins in Aurora and terminates in Highlands Ranch.

Local infrastructure extends east to Parker and Rangeview, south to Castle Rock, and west to Highlands Ranch and Dominion.

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.

Water providers in the South Metro area rely primarily on non-renewable groundwater. The Aurora Water Prairie Waters Project (PWP) provides

a drought-resistant water supply that can be utilized by the WISE Authority members during off-peak or non-drought periods. In drought years, Denver Water

will have access to its unused reusable return flows through the use of the PWP system. The total estimated project cost is \$139.2 million.

6. Will the acquisition of additional water rights be necessary? YES ☐ NO ☒

If YES, please explain. _____

CWCB Water Project Loan Application

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

<u>NAME</u>	<u>ADDRESS and PHONE</u>
<u>Black & Veatch</u>	<u>6300 S. Syracuse Way, #300, Centennial, CO 80111 720-834-4311</u>
<u>Spencer, Fane & Grimshaw</u>	<u>1700 Lincoln Street, #3800, Denver, CO 80203</u>
<u> </u>	<u> </u>

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

Previous and current studies include: 2010 SMWSA Regional Water Supply Master Plan Update, 2007 SMWSA Master Plan, 2008 WISE Project Overview

Memo, Douglas County Rural Water Supply System Feasibility Study, and the 2004 South Metro Water Supply Study. Copies available upon request.

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

Estimated Engineering Costs:\$	<u>\$ 5,900,000</u>	
Estimated Construction Costs:	<u>\$ 98,500,000</u>	
Estimated Other Costs:	<u>\$ 38,100,000</u>	(land, water rights purchase, etc.)
Estimated Total Costs:	<u>\$ 142,500,000</u>	

10. Loan amount and terms you are requesting.

Requested Loan Amount:	<u>\$ 10,000,000 (District's Share)</u>	(Usually 90 % of est. Total Costs)
Term (length) of loan:	<u>30 years</u>	(Usually 10, 20, or 30 years)
Interest Rate:	<u>3.0 %</u>	(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.

CWCB Water Project Loan Application

<u>Lender Name & Address</u>	<u>Remaining Amount</u>	<u>(Average)</u>	
		<u>Annual Payment</u>	<u>Maturity Date</u>
CWRPDA 2002 Loan	\$3,680,000	\$467,949	8/1/2023
CWRPDA 2005 Loan	\$3,320,000	\$342,322	8/2/2026
Wells Fargo - 2010 Refunding Note	\$9,080,034	\$753,649	12/1/2030

1. Colorado Water Resources and Power Development Authority, 1580 Logan St., #620, Denver, CO 80203
2. Wells Fargo Bank, N.A., 1740 Broadway, MAC C7301-02C, Denver, CO 80274

2. Are any of the above liabilities now in default, or been in default at any time in the past?

YES ☐ NO ☒ 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.). N/A

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

Revenue Pledge

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

Signature of Applicant

Charlie Krogh

Printed Name Charlie Krogh

Title District Manager

Date

8/27/13