

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 Inverness Water and Sanitation District
Mailing Address 2 Inverness Drive East, Suite 200
Englewood, CO 80112
Business Phone (303) 649-9857 Fax (303) 414-0671
Federal ID Number 84-0643601 email pat@mulhernmre.com
2. Person to contact regarding this application:
Name Patrick Mulhern
Position/Title General Manager
Address 2 Inverness Drive East, Suite 200, Englewood, CO 80112
Business Phone (303) 649-9857 Cell (720) 291-0968
Email pat@mulhernmre.com
3. Type of organization (Ditch Co., Irrigation District, Municipality, etc.): Title 32 Special District
Date of Annual Meeting 1st Wednesday of even months _____
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)

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

70% of IWSD water supply is through 4 wells from the Denver Basin aquifers. IWSD also receives 193 million gallons annually of potable water from Denver through a permanent lease. The District has a distribution system to convey flow to customers and 2 storage facilities for daily peaking and fire flows.

For existing facilities indicate:

Number of shareholders N/A or Number of customers served 150 Commercial; 1,640 Residential

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

Number of acres irrigated N/A Water Right: N/A CFS.

Average water diverted per year: 1,220 TOTAL acre-feet.

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 \$142.5M.

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>Patrick Mulhern, P.E.</u>	<u>2 Inverness Drive East, Suite 200, Englewood, CO 80112 303-649-9857</u>
<u>Luis Tovar</u>	<u>2 Inverness Drive East, Suite 200, Englewood, CO 80112 303-649-9857</u>
<u>Richard Mehren, Esq</u>	<u>1002 Walnut Street, Suite 300, Boulder, CO 80306 303-443-8782</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: \$ 5.9M

Estimated Construction Costs: \$ 98.5M

Estimated Other Costs: \$ 38.1M (land, water rights purchase, etc.)

Estimated Total Costs: \$ 142.5M

10. Loan amount and terms you are requesting.

Requested Loan Amount: \$ 5M (Usually 90 % of est. Total Costs)

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

Interest Rate: 3.0 % (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>Annual Payment</u>	<u>Maturity Date</u>
Series 2006A	\$11,315,000	\$1.711M	12/1/2019
Series 2012	\$10,000,000	\$.6-1.3M	12/1/2022

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.). Colorado Water Resources and Power Development Authority, Investment Banks
The project has been discussed with these entities, including terms and collateral requirements.

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

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

Signature of Applicant



Printed Name Patrick F. Mulhern

Title District Manager

Date August 27, 2013

/// Sanitation Svcs ONLY

