

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
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www.cwcb.state.co.us



March 20, 2014

Bellyache Ridge Metropolitan District
C/o Roberson & Marchetti, P.C.
Attn: Mr. Ken Machetti and Cissy Olson
28 Second Street, Suite 213
Edwards, CO 81632

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

RE: Well Replacement Project
CWCB Contract No. C150356

Dear Mr. Machetti and Ms. Olson:

I am pleased to inform you that on March 19, 2014 your request that the loan be made to the Bellyache Ridge Water Enterprise rather than the District itself has been approved. The Board has also approved a change in collateral from mill levy revenues to user fees. I have attached a copy of the updated Board memo dated March 19, 2014, that includes the Board's approval.

As you are aware, an executed contract must be in place before funds can be disbursed. Peg Mason has initiated the loan contracting process and when all of the contract conditions are met and the contract is executed the District may request loan funds to cover eligible project expenses. You can contact Peg at (303) 866.3441x3227 regarding the status of the contract.

On behalf of the Board, I would like to thank you for your interest in a loan from the Colorado Water Conservation Board.

Sincerely,

Kirk Russell, P.E., Chief
Finance & Administration Section
Colorado Water Conservation Board

Attachment: Updated Board Memo
E-mail Copy (Including Attachments)

Russ George, CWCB Board Member – Colorado River Basin
CWCB Finance Section Staff

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Colorado Water Conservation Board Department of Natural Resources

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John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Anna Mauss, P.E., Project Manager
Kirk Russell, P.E., Chief
Finance Section

DATE: March 7, 2014 (**Updated March 20, 2014**)

SUBJECT: **Consent Agenda Item 4a, March 18-19, 2014 Board Meeting**
Finance – Change to Existing Loan
Bellyache Ridge Metropolitan District – Well Replacement Project

Introduction

The Bellyache Ridge Metropolitan District (District) is requesting a change in the loan for the Well Replacement Project (Project). In July of 2013, the CWCB approved a loan to the District for \$169,175 CWCB loan (50% of the total Project cost). The District is requesting that the loan be made to the Bellyache Ridge Water Enterprise rather than the District itself. It is also requesting a change in collateral from mill levy revenues to user fees. See attached Project Data Sheet for a location map and a Project summary.

Staff Recommendation (Board approved staff recommendation on March 19, 2014)

Staff recommends amending the recommendation on the loan approved on July 17, 2013 to read:

Staff recommends the Board approve a loan not to exceed \$169,175 (\$167,500 for Project costs and \$1,675 for the 1% Loan Service Fee) to the Bellyache Ridge Water Enterprise, for the Well Replacement Project from the Construction Fund. The loan terms shall be 30 years at the municipal high income rate of 3.0% per annum. Security for the loan shall be a pledge of the Water Enterprise user fees and rates, which is in compliance with CWCB Financial Policy #5.

cc: Larry Berkowitz, Bond Counsel, Spencer Fane & Grimshaw, LLP
Susan Schneider/Jennifer Mele, Colorado Attorney General's Office

Attachment: Water Project Loan Program – Project Data Sheet

CWCB Water Project Loan Program Project Data Sheet

Borrower: Bellyache Ridge Water Enterprise**County:** Eagle**Project Name:** Well Replacement Project**Project Type:** Well Drilling**Drainage Basin/ District:** Colorado / 37**Water Source:** Groundwater**Total Project Cost:** \$355,000**Funding Source:** Construction Fund/
DOLA Energy and Mineral Impact
Assistance Fund**Type of Borrower:** Municipal (High)**Average Annual Diversion:** 11 AF**CWCB Loan:** \$169,175
(with 1% Service Fee)**Interest Rate:** 3.0% **Term:** 30 years

The District is located in Eagle County approximately six miles west of Edwards, Colorado. The District's water system includes three wells that fill two storage tanks. From January through March of 2013, the District had to haul in water because declining well production was not able to keep up with demands. Spring storms recharged the groundwater supply such that the District has not hauled water since March, but unless a new well is drilled hauling water will likely be required in the future. A new replacement well will be drilled as soon as funding is available.

