



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

1313 Sherman Street
Denver, CO 80203

P (303) 866-3441
F (303) 866-4474

John Hickenlooper, Governor

Robert Randall, DNR Executive
Director

James Eklund, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Anna Mauss, P.E., Marketing

DATE: July 20-21, Board Meeting

CONSENT AGENDA: Item 3 - New Prequalification Projects

The Finance Section compiles a list of prequalified projects for the Water Project Loan Program. In order to be included on this list, potential borrowers must submit a Loan Application and three years of financial statements to the CWCB staff. In addition, Borrowers must have a defined project, performed preliminary engineering, and have a reasonable estimate of the project costs before being placed on the Prequalification Project List.

Projects on this list fit the initial criteria of the Water Project Loan Program; however, the list does not constitute loan approval. In order to receive a loan, borrowers must additionally submit a completed Loan Feasibility Study for review by CWCB staff. Staff will then prepare a recommendation to the Board for approval at a future CWCB meeting. Projects will remain on this list for one year from the date of the application or until Board approval of a loan.

The application received by July 1, 2016 for this Board meeting was:

- a. Town of Aguilar - Augmentation Project
- b. Orchard Mesa Irrigation District - Grand Valley Power Plant Rehabilitation

Please refer to the preliminary Project Data Sheet for additional project information.

Staff Recommendation

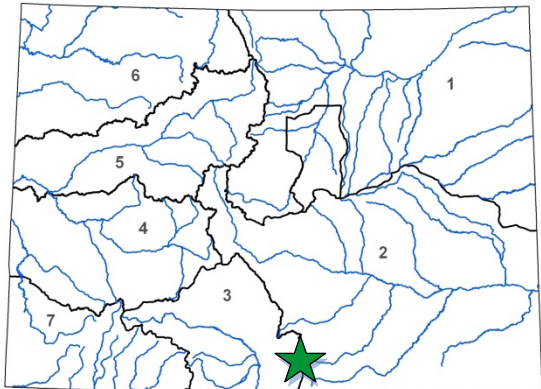
Staff recommends that the Board approve the projects, as listed on page 2, to be placed on the Prequalified Project List.



| BORROWER | PROJECT NAME | APPLICATION DATE | BASIN | PROJECT DESCRIPTION | PROJECT COST | LOAN AMOUNT |
|----------------------------------|---|------------------|----------|---|--------------|-------------|
| New Applications | | | | | | |
| Town of Aguilar | Augmentation Project | July 1, 2016 | Arkansas | The Town is proposing construction of a 99 AF augmentation reservoir to replace out-of-priority depletions as a result of the Town's overuse of alluvial wells. | \$2,800,000 | \$2,520,000 |
| Orchard Mesa Irrigation District | Grand Valley Power Plant Rehabilitation | July 1, 2016 | Colorado | The Orchard Mesa Irrigation District and Grand Valley Water Users Association are planning to rebuild the Grand Valley Power Plant. | \$5,200,000 | \$4,680,000 |
| | | | | New Applications Subtotal | \$8,000,000 | \$7,200,000 |



| L O A N D E T A I L S | |
|-------------------------------|-------------------------------------|
| Project Cost: | \$2,800,000 |
| CWCB Loan: | \$2,520,000 |
| Loan Term and Interest Rate: | TBD Years @ XXX% |
| Funding Source: | TBD |
| B O R R O W E R T Y P E | |
| Agriculture | Municipal Commercial |
| 0% | 100% Low - 0% Mid - 0% High 0% |
| P R O J E C T D E T A I L S | |
| Project Type: | Augmentation |
| Average Annual Delivery: | TBD AF |



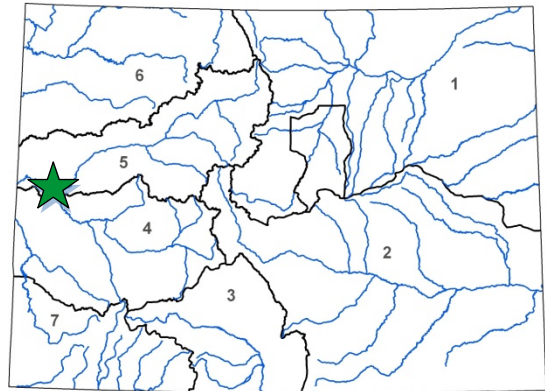
| L O C A T I O N | |
|-----------------|---------------------|
| County: | Las Animas |
| Water Source: | Gonzales Ditch |
| Drainage Basin: | Arkansas River |
| Division: | 2 District: 18 |

The Town of Aguilar is proposing construction of a 99 acre-foot augmentation reservoir. The purpose of this reservoir is to allow for the storage and release of water into the Apishapa River to replace out-of-priority depletions as a result of the Town's overuse of alluvial wells. Per pending case 2005CW103, the Town must secure funding for this project by March 1, 2018. The Town also has an application for funding submitted to USDA Rural Development for this project.





| L O A N D E T A I L S | |
|-------------------------------|----------------------------------|
| Project Cost: | \$5,200,000 |
| CWCB Loan (with Service Fee): | \$4,680,000 |
| Loan Term and Interest Rate: | TBD |
| Funding Source: | TBD |
| B O R R O W E R T Y P E | |
| Agriculture | Municipal |
| | Commercial |
| | TBD |
| P R O J E C T D E T A I L S | |
| Project Type: | Hydropower |
| Average Annual Delivery: | 9,182 AF (OMID)+ 250K AF (GVWUA) |



| L O C A T I O N | |
|-----------------|----------------------|
| County: | Mesa |
| Water Source: | Colorado River |
| Drainage Basin: | Lower Colorado River |
| Division: | 5 |
| District: | 72 |

The Grand Valley Hydroelectric Power Plant is owned by the Orchard Mesa Irrigation District (OMID) and the Grand Valley Water Users Association (GVWUA). The plant was built in 1933 and is currently operating in an inefficient and deteriorating state. The District and Association plan to restore the facility to an operationally sustainable condition. The rebuild/upgrade recommendation is to increase the maximum generation output from 2.75 MW to 4.1 MW. This will not require additional flows. The increased generation is due to increased turbine and generator efficiencies. The District also expects to receive a grant from the Species Conservation Trust Fund for the project.

