



COLORADO
**Colorado Water
Conservation Board**
Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, P.E., Finance Section Chief

DATE: January 22-23, 2018 Board Meeting

AGENDA ITEM: 7c. 2018 Projects Bill
Loan Guarantee Fund Transfer

Introduction

In 2017 the Board requested the General Assembly create a Loan Guarantee Fund (39-29-109) to incentivize water providers to build water supply projects that are regional in nature. The Fund can assist water providers by providing loan repayment guarantees for projects that include pooled financing. CWCB's guarantee will help lower lending rates on the private capital needed for the project. The Board elected to fund it at \$30 million. At this time, the CWCB has not received any inquiries for its use.

As a result of a significant reduction in Severance Tax revenue, staff is recommending the Board transfer the \$30 million from the Loan Guarantee Fund back to the Severance Tax Perpetual Base Fund to help offset the low unrestricted cash balances available in the Severance Tax Perpetual Base Fund for the Board's efforts to fund, loans, programs, projects, and Water Plan Implementation funding.

Staff Recommendation

Staff recommends the Board transfer \$30 million from the Loan Guarantee Fund to the Severance Tax Perpetual Base Fund.

