



CENTRAL COLORADO WATER CONSERVANCY DISTRICT
3209 W 28 STREET | GREELEY, CO 80634 | WWW.CCWCD.ORG
LOCAL: 970-330-4540 | METRO: 303-825-0174 | FAX: 970-330-4546

August 6, 2018

Jonathan Hernandez, P.E.
Colorado Water Conservation Board
1313 Sherman St, Rm. 718
Denver, CO 80203

Re: Chatfield Reservoir Reallocation Project Cost Increase

Dear Mr. Hernandez,

We request payment for grant CTGG1 2019-108 in the amount of \$511,894.20 to assist the Central Colorado Water Conservancy District with addressing the Chatfield Reservoir Reallocation Project Cost Increase. The December 13, 2017 letter from the Colorado Department of Natural Resources requires Central to deposit an amount equal to the Project cost increase from \$6,504.85 to \$8,300.97 per acre foot (AF) into Central's Chatfield Reallocation Project's escrow account. For Central's 4,274 AF, the Chatfield Reservoir Reallocation Project Cost increase totals \$7,676,616.88. Central has cash and CWCB loan funds equaling \$7,164,722.68 as match funding to this grant in escrow. Please send the grant payment to Central's Chatfield Reallocation Project escrow account (owned by Central and held at US Bank), which is the same account use for our CWCB Loan disbursements.

Sincerely,

Danyelle McCannon,
Financial Analyst

OK to Pay \$511,894.20
Contract/PO# CT661 2019-108

Jonathan Hernandez Date 8/6/18

PROJECT BALL HB 18-218 §11
1ST & FINAL PAYMENT

Kirk Russell Date 8/8/18

[View All](#) 1 of 1 | 1 Document validated successfully

Invoice(IN) Dept: PDAA ID: 20190000000000000192 Ver.: 1 Function: New Phase: Draft

Modified by j.halvorsen , 08/09/2018

Header

General Information Extended Description Document Information

Document Name:

CMS111445-PROJECT BILL
GRANT-ASSIST W/CHATFIELD

Origination Date:

08/09/2018

Invoiced Date:

08/06/2018

Tracking Date:

Invoiced Location:

Invoiced by:

j.halvorsen
Jessica Halvorsen
3038663441

Phone Ext:

3247

jessica.halvorsen@state.co.us

Description:

CMS111445-PROJECT BILL
GRANT-ASSIST W/CHATFIELD

Allow Partial Payment:



Vendor:

VC00000000069777

Vendor Invoice Number:

FIRST & FINAL PAY REI

Total Document Amount:

\$511,894.20

Closed Amount:

\$0.00

Closed Date:

Open Amount:

\$511,894.20

Referenced Amount:

\$0.00

CCWCD - Projects Bill Grant
CTGG1 2019-106 First+Final
IN 2019-0192

CN001

EFT
JH
AUG 09 2018
Jessica Halvorsen



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

Memorandum

To: Central Colorado Water Conservation District
From: Jonathan Hernandez, CWCB
Date: October 23, 2017
Subject: Chatfield Loan Increase Options

The following is provided for your information in relation to the recent DNR notice of increased Chatfield Reservoir Reallocation project costs.

The original project was estimated to be \$133,900,000 (\$6,500/share).

The District's CWCB loan was approved for \$28,170,000. In combination with a CWCB grant for \$1,853,882 the District's total initial investment is \$30,023,882 (\$7,025/share for the districts 4,274 shares).

The new Project cost is estimated to be \$170,980,000 (\$8,300/share). The District's share of this cost is \$35,474,200 (4,274 shares x \$8,300/share). This leaves a funding deficit of \$5,450,318 (\$35,474,200 - \$30,023,882). Without additional funding the District can afford 3,617 shares (\$30,024,000 divided by \$8,300/share), which results in a reduction of 657 shares.

CWCB can increase your loan to cover up to 100% of your funding deficit. A loan increase will have to receive Board approval at the January 2018 CWCB Board meeting. Therefore, a loan increase request will have to be submitted to my attention by December 1, 2017.

I understand the District has until December 15, 2017 to provide DNR official notice of its intention regarding the cost increase. If the District's final decision is not made by December 1, please include that information in the request so I know the loan increase amount is subject to change.

Items needed to submit for a loan increase:

- Signed request letter on District letterhead
- Summary of amount being requested (this memo can suffice if amount requested is \$5,451,000)
- Financial analysis to discuss how the District plans to afford the higher project costs
- Copy of past three years of audited financial statements





CENTRAL COLORADO WATER CONSERVANCY DISTRICT
3209 W 28 STREET | GREELEY, CO 80634 | WWW.CCWCD.ORG
LOCAL: 970-330-4540 | METRO: 303-825-0474 | FAX: 970-330-4546

December 8, 2017

Colorado Department of Natural Resources
Ms. Lauren Ris
1313 Sherman St, Ste 718
Denver, CO 80203

Re: Chatfield Reservoir

Dear Ms. Ris,

This letter is to inform you that CCWCD has made the decision to fully fund the 4,274 shares in the Chatfield Reallocation Project.

Partial payment for the deficit will be made by an increase of the existing loan with the Colorado Water Conservation Board in the amount of \$1,548,300. This will be under the same terms as the existing loan, and repayment will be by ad valorem taxes collected by CCWCD pursuant to the District's 2012 voter approved debt.

The remainder of the deficit will be paid in cash to escrow before June 1, 2018.

Sincerely,

A handwritten signature in black ink, appearing to read 'Randy Ray', is written over a horizontal line.

Randy Ray,
Executive Director
Central Colorado Water Conservancy District



COLORADO

Department of Natural Resources

Executive Director's Office
1313 Sherman Street, Room 718
Denver, CO 80203

December 13, 2017

Mr. Randy Ray
Central Colorado Water Conservancy District
3209 W 28th Street
Greeley, Colorado 80634

RE: Water Provider Agreement for Use of Storage Space at Chatfield Reservoir - Adjusted
Total Project Costs Funding

Dear Mr. Ray,

Thank you for your letter dated December 8, 2017 to Ms. Ris wherein you indicated that Central Colorado Water Conservancy District declines to terminate its Water Provider Agreement with the Colorado Department of Natural Resources. This letter acknowledges your commitment to the Chatfield Reservoir Reallocation Project and provides further details relevant to your election pursuant to Paragraph VI.J of the Water Provider Agreement.

Pursuant to the notice provided to you, the updated Total Project Costs estimate for the Chatfield Reallocation Project have increased from \$134,000,000 to \$171,000,000. This increase results in a per unit increase from \$6504.85 to \$8,300.97 (\$171,000,000/20,600). Central's pro rata share is approximately 20.7476% of the 20,600 acre-feet in the Chatfield Reallocation Project which is equal to 4,274 acre-feet, or units in the Chatfield Reservoir Mitigation Company ("CRMC"). At the time of the Water Provider Agreement, this pro rata share required that Central provide \$27,801,728.90 to fully fund its ownership as explained in Paragraph IV.D. Central's total pro rata share has now increased to \$32,478,345.78. This amount was calculated by multiplying the number of units Central owns by the updated estimated cost per unit (4,274*\$8,300.97).

As you acknowledged in your letter, Central has 180 days to fully fund the difference of \$7,676,616.88. This full funding must be provided to the escrow company no later than June 11, 2018. CDNR understands that you are working with the Colorado Water Conservation Board to increase your loans from the CWCB to address this requirement. Thank you for your commitment to the Chatfield Reallocation Project.

Sincerely,

Amy Moyer
Assistant Director for Water





COLORADO

Department of Natural Resources

Executive Director's Office
1313 Sherman Street, Room 718
Denver, CO 80203

May 21, 2018

Mr. Randy Ray
Central Colorado Water Conservancy District
3209 W 28th Street
Greeley, Colorado 80634

RE: Water Provider Agreement for Use of Storage Space at Chatfield Reservoir - Loan Increase in Senate Bill 18-218

Dear Mr. Ray,

Pursuant to the letter provided to you on December 13, 2017, Central Colorado Water Conservancy District (District) has until June 11, 2018 to provide funding to the escrow company for the new Total Project Costs estimate for the Chatfield Reallocation Project. The District's pro rata share is 20.7476% (4,274 acre-feet of the 20,600 acre-feet) of the reallocated space. Based on the updated Total Project Costs estimate for the project of \$8,300.97 per unit, the District's total pro rata share has now increased to \$35,478,345.78.

The Colorado Department of Natural Resources (CDNR) understands that the District will be covering part of its share of the cost increase through a loan and grant with the Colorado Water Conservation Board (CWCB). Central will be required to deposit \$3,409,669.33 in cash into their escrow account. The CWCB will be providing the District with \$2,044,794.20 in combined loan and grant funds to cover the remaining cost increase.

As with the original closing, CDNR is willing to accept a promissory note reflecting the CWCB loan obligation as satisfying the escrow funding requirements of the Water Provider Agreement. The grant and loan increase for the District was included in this year's Water Projects Bill (Senate Bill 18-218). The bill passed out of the General Assembly and it is anticipated that the Governor will sign it shortly. However, it may not be possible to process and fully execute the loan documents to have the promissory note available by the June 11, 2018 deadline. CDNR will honor the passage of Senate Bill 18-218 authorizing the grant and loan increase as having met the escrow funding requirement in the Water Provider Agreement with the expectation that the District continues to act in good faith with CWCB in executing the grant and loan increase as expeditiously as possible.

If you have any questions regarding the status of the CWCB grant and loan process, please contact Lauren Ris or Jonathan Hernandez at CWCB. Thank you for your continued commitment to the Chatfield Reservoir Reallocation Project.

Sincerely,

Amy Moyer
Assistant Director for Water

