



COLORADO
Colorado Water Conservation Board
 Department of Natural Resources

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Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

TO: Colorado Water Conservation Board Members

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

DATE: November 18-19, 2020 Board Meeting

CONSENT

AGENDA ITEM: 3. Water Project Loan Deauthorizations

Staff Recommendation:

Staff recommends the Board approve the deauthorization of the loans listed in Table 1.

Table 1

Borrower/Projects	Details	Board Approval Date	Project Loan Amount
Center of Colorado Water Conservancy District Chatfield Res. Reallocation - First Cost of Storage CT2016-2047 Severance Tax PBF	Contracted but funds no longer needed	May 2014	\$93,700
Center of Colorado Water Conservancy District Chatfield Res. Reallocation - Phase 1 Mitigation CT2016-2048 Severance Tax PBF	Contracted but funds no longer needed	May 2014	\$506,300
Castle Pines North Metropolitan District Chatfield Res. Reallocation - First Cost of Storage CT2018-1617 Severance Tax PBF	Contracted but funds no longer needed	May 2014	\$716,000
Castle Pines Metropolitan District Chatfield Res. Reallocation Project Severance Tax PBF	Funds no longer needed	May 2014	\$5,000,000
Grand Valley Water Users Association Grand Valley Power Plant Rehabilitation CT2017-2875 Construction Fund	Contract Project Expired WUA may re-apply	Nov 2016	\$1,700,000
Orchard Mesa Irrigation District Grand Valley Power Plant Rehabilitation CT2017-2878 Construction Fund	Contract Project Expired Dist. may re-apply	Nov 2016	\$1,700,000
Larimer & Weld Irrigation Company Headgate Structure Replacement CT2017-2253 Construction Fund	Contract Project Expired Funds not needed	Sept 2016	\$675,000
San Juan Water Conservancy District Dry Gulch Reservoir Land Acquisition Construction Fund	District did not secure voter approval	May 2017	\$1,980,000
Highland Meadow Estates at Castle Peak Ranch Inc. Noecker Reservoir Repair Construction Fund	Funds no longer needed	Jan 2020	\$649,000
			\$13,020,000



Introduction/Background:

Financial Policy #1 - Construction Fund and Severance Tax Trust Fund Perpetual Base Account Project Time Limits, provides the following direction:

The policy requires staff to review the status of all loan projects that do not have a fully executed CWCB funding contract within three years of the project's authorization. These projects may be recommended for deauthorization or the Board may approve a time extension.

In addition, several loan contracts have either expired or the borrower has elected to close out the loan without accessing any loan project funding. In each case staff has reached out to the Borrowers and received an email confirmation that the loan is no longer needed.

Deauthorizations:

In total, there are nine projects listed that will no longer require the authorized CWCB funding. There are two loans authorized for funding that are three years past the date of authorization and one loan that the project sponsor is no longer interested in moving forward with a loan contract. The remaining loans have been contracted but notified the CWCB that they were not planning to use the funds.

This deauthorization approval will result in an additional \$6.3M available in the Severance Tax PBF available for new loans and \$6.7M available in the Construction Fund for new loans.

Attachment: Project Data Sheets

**CWCB Water Project Loan Program
Project Data Sheet**

C150406

Borrower: Center of Colorado Water
Conservancy District

County: Park

Project Name: Chatfield Reallocation Project

Project Type: Reservoir Storage

Drainage Basin: South Platte

Water Source: South Platte River
Plum Creek

Total Project Cost: \$931,000

Funding Source: Severance Tax Perpetual
Base Fund

Type of Borrower: Middle-income Municipal

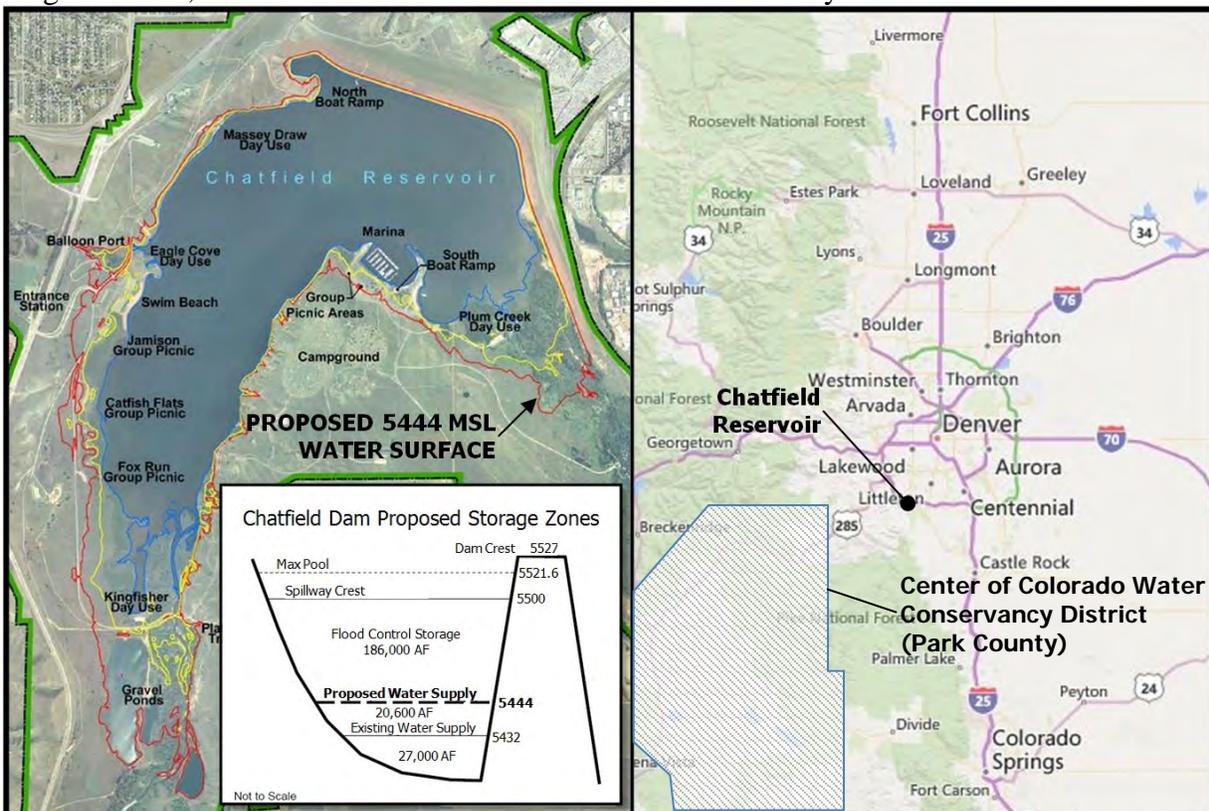
Average Annual Diversion: 700 AF

Added Water Supply Storage: 131.3 AF

CWCB Loan: \$606,000 (with 1% service fee) **Interest Rate:** 2.5% **Term:** 15-years

The Center of Colorado Water Conservancy District co-owns and manages a blanket augmentation plan with the Upper South Platte Water Conservancy District through the Headwater Authority of the South Platte. The District is participating in the Chatfield Reallocation Project in order to improve its augmentation operations by needed storage space at the lower reaches of its augmentation plan. Of the 20,600 acre-feet proposed to be reallocated, the District would receive 131.3 acre-feet of storage, or 0.64% of the total reallocation. The District will use Chatfield storage to store senior and junior rights as authorized in water court Case Nos. 12CW50 and 13CW3148.

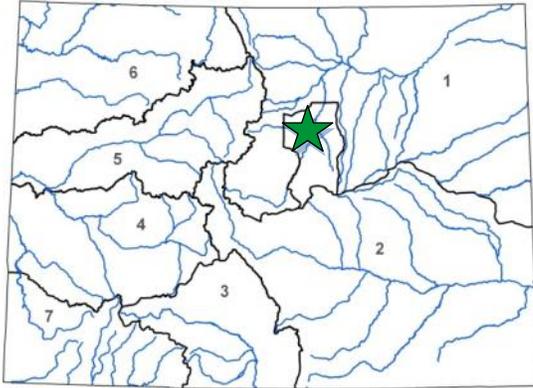
The US Army Corps of Engineers issued the Project's Feasibility Report and Environmental Impact Statement (FR/EIS) in July 2013 and a Record of Decision is expected in 2014. The Selected Alternative recommended in the Final FR/EIS will provide 20,600 acre-feet of storage in Chatfield between the elevations 5432 and 5444 msl for M&I water supply and other purposes including agriculture, environmental restoration, and recreation and fishery habitat protection and enhancement. Project participants completed the Project's Fish, Wildlife and Recreation Mitigation Plan, in accordance with C.R.S. 37-60-122.2 in January 2014.





(Loan Increase)

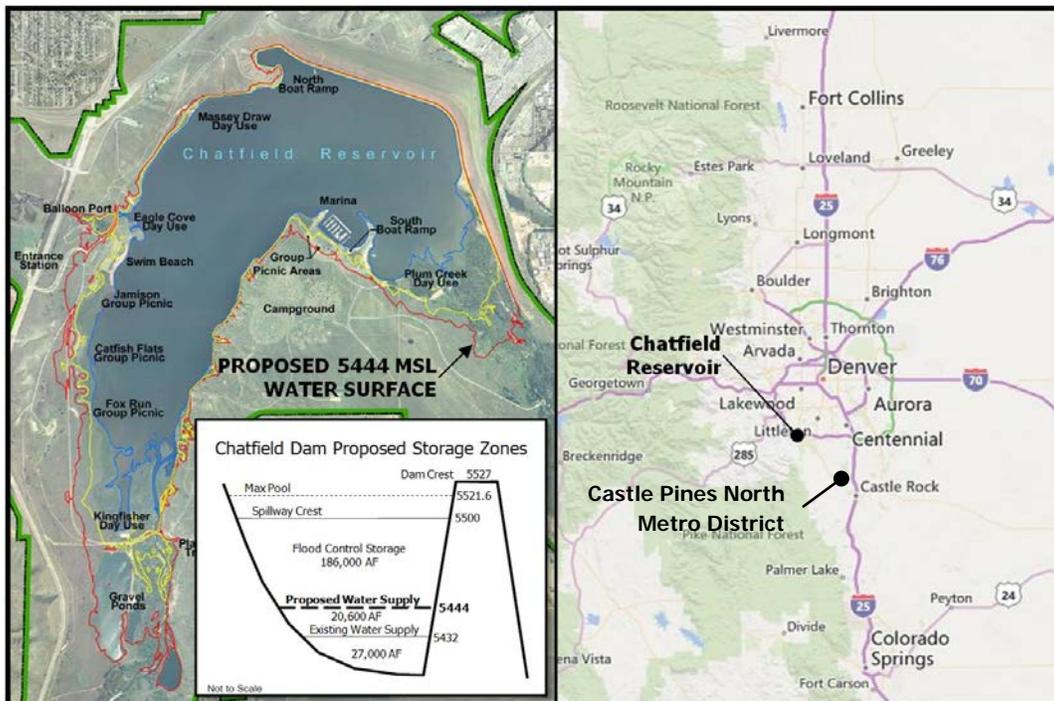
LOAN DETAILS	
Project Cost:	\$8,350,776
CWCB Loan (with Service Fee):	\$7,773,364
Loan Term and Interest Rate:	30 years @ 3%
Funding Source:	Severance Tax Perpetual Base Fund
BORROWER TYPE	
Agriculture	Municipal
0%	0% Low - 0% Mid - 100% High
Commercial	0%
PROJECT DETAILS	
Project Type:	Reservoir Storage
New Storage:	1,006 AF



LOCATION	
County:	Douglas
Water Source:	S. Platte River & Plum Creek
Drainage Basin:	South Platte
Division:	1 District: 2

The Castle Pines North Metropolitan District provides water and wastewater services to the residents and businesses in the City of Castle Pines, Douglas County. The District is participating in the Chatfield Reallocation Project in order to increase the permanence and reliability of its water supply. Successful completion of the Project would result in the District securing renewable water rights that on average would supply 32% of its average annual water demand. Of the 20,600 acre-feet proposed to be reallocated, the District would receive 1006 AF of storage, or 4.88% of the total reallocation. The District will use Chatfield storage through exchanges as authorized in water court Case Nos. 04CW308 and 09CW279.

The US Army Corps of Engineers issued the Project's final Feasibility Report and Environmental Impact Statement (FR/EIS) and the Record of Decision on May 29, 2014. The Selected Alternative recommended in the FR/EIS will provide 20,600 acre-feet of storage in Chatfield between the elevations 5432 and 5444 msl for M&I water supply and other purposes including agriculture, environmental restoration, and recreation and fishery habitat protection and enhancement. Construction cost in October 2015 estimated the overall Reallocation Project to cost to \$134 million. An October 2017 cost estimate revised this cost to be \$171 million. The District is seeking an increase to its Chatfield loan to cover its share of the cost difference.



**CWCB Water Project Loan Program
Project Data Sheet**

C150403

Borrower: Castle Pines Metropolitan District

County: Douglas

Project Name: Chatfield Reallocation Project

Project Type: Reservoir Storage

Drainage Basin: South Platte

Water Source: South Platte River
Plum Creek

Total Project Cost: \$5,550,000

Funding Source: Severance Tax Perpetual
Base Fund

Type of Borrower: High-income Municipal

Average Annual Delivery: 1,056 AF

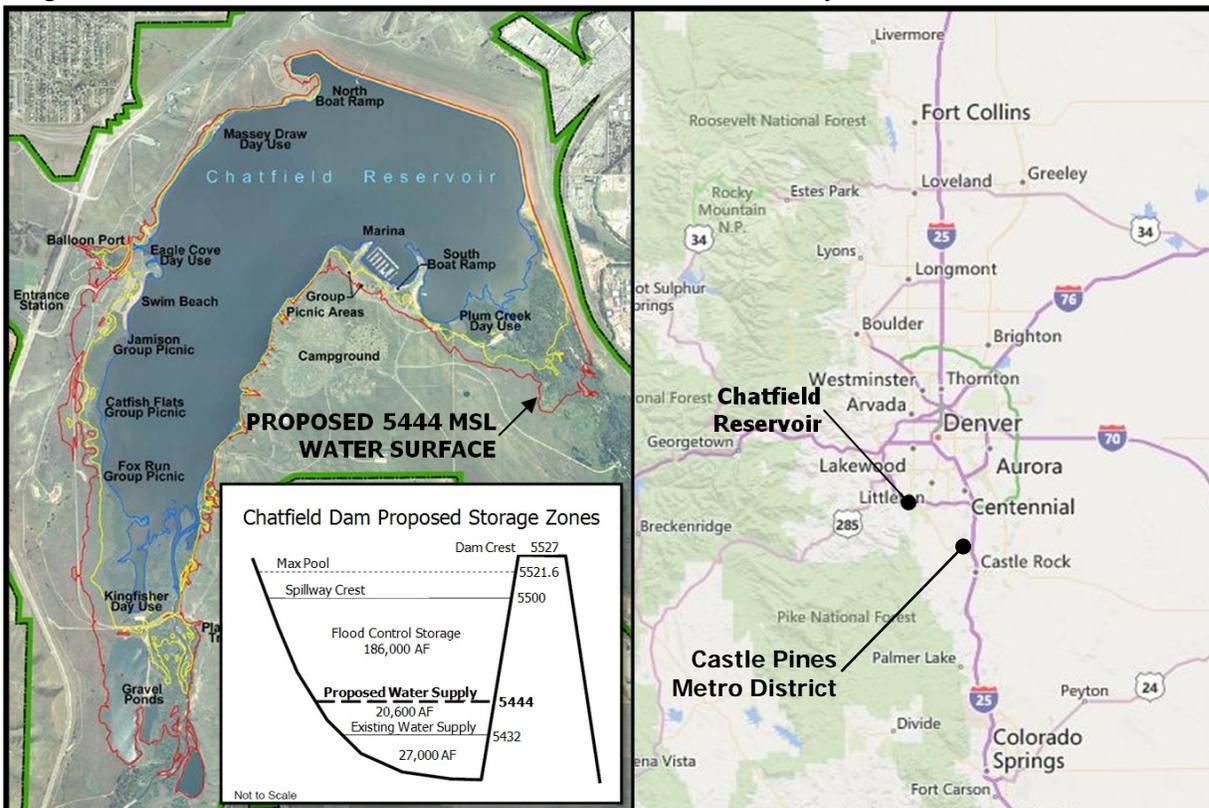
Added Water Supply Storage: 786.7 AF

CWCB Loan: \$5,050,000 (with 1% service fee)

Interest Rate: 3.0% **Term:** 30-years

The Castle Pines Metropolitan District provides water and wastewater services to the residents and businesses of Castle Pines Village in Douglas County. The District is participating in the Chatfield Reallocation Project in order to increase the permanence and reliability of its water supply. Successful completion of the Project would result in the District securing renewable water rights that on average would supply 32% of its average annual water demand. Of the 20,600 acre-feet proposed to be reallocated, the District would receive 786.7 acre-feet of storage, or 3.82% of the total reallocation. The District will use Chatfield storage through an exchange on east Plum Creek as authorized in water court Case No 04CW308.

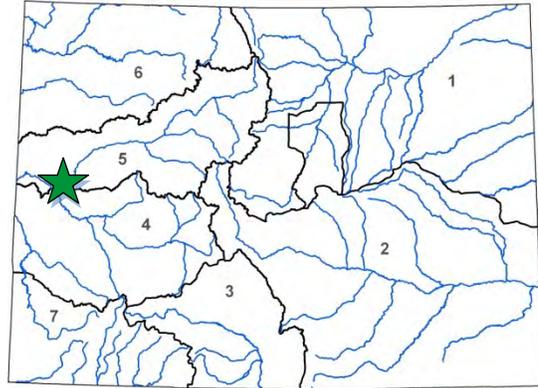
The US Army Corps of Engineers issued the Project's Feasibility Report and Environmental Impact Statement (FR/EIS) in July 2013 and a Record of Decision is expected in 2014. The Selected Alternative recommended in the Final FR/EIS will provide 20,600 acre-feet of storage in Chatfield between the elevations 5432 and 5444 msl for M&I water supply and other purposes including agriculture, environmental restoration, and recreation and fishery habitat protection and enhancement. Project participants completed the Project's Fish, Wildlife and Recreation Mitigation Plan, in accordance with C.R.S. 37-60-122.2 in January 2014.





Grand Valley Power Plant Rehabilitation
Grand Valley Water Users Association
November 2016 Board Meeting

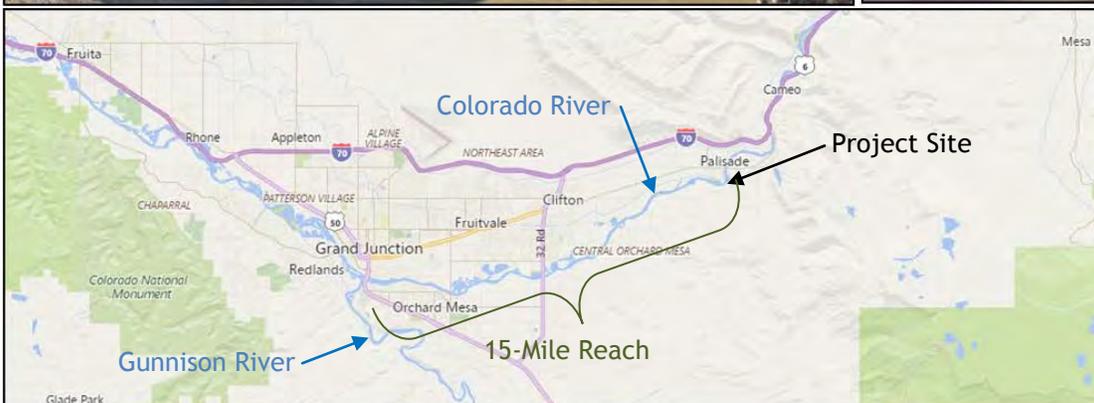
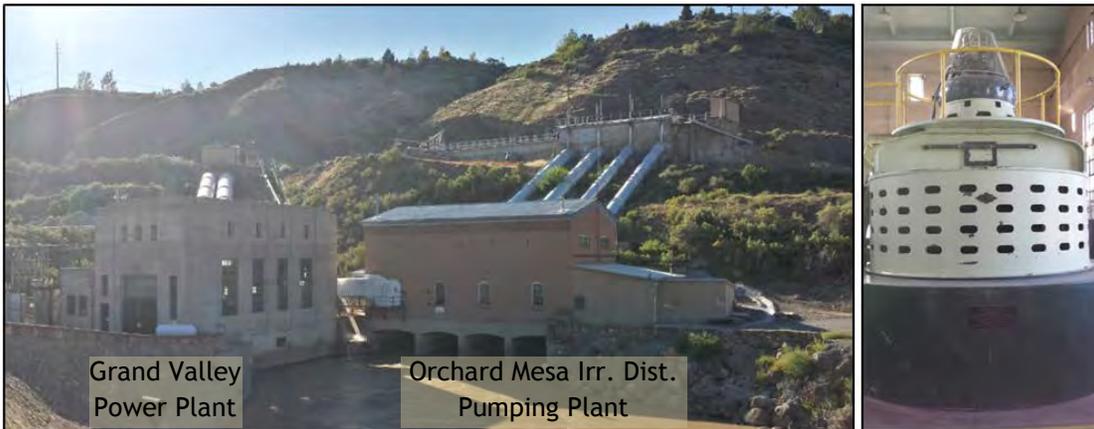
L O A N D E T A I L S	
Project Cost:	\$5,200,000
CWCB Loan (with Service Fee):	\$1,717,000
Loan Term and Interest Rate:	30 Years @ 2.0%
Funding Source:	Construction Fund
B O R R O W E R T Y P E	
Hydropower	
P R O J E C T D E T A I L S	
Project Type:	Hydroelectric
Average Annual Power Production:	17M kWh



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

The Grand Valley Water Users Association (Association) and Orchard Mesa Irrigation District (District) are each seeking a loan to cover its cost share for the Grand Valley Power Plant (GVPP) Rehabilitation Project. The GVPP is owned by the Bureau of Reclamation and originally operated by Public Service Company of Colorado (Xcel Energy) in conjunction with the Cameo coal fired power plant. The Association and District took operational control of the plant when Xcel decided to cease its operations. The Association and District equally split costs and revenues from the GVPP under a Lease of Power Privilege with Reclamation and a Power Purchase Agreement with Xcel. In addition to being a revenue source, the GVPP serves an important role in providing water to the “15-Mile Reach” which has been designated by the Upper Colorado River Endangered Fish Recovery Program as critical habitat. The non-consumptive hydropower water right ensures continued flows for this important stretch of river.

The goal of the Project is to bring the GVPP up to a sustainable operating condition and meet current electric and safety standards. The GVPP was built in the early 1930s and has seen no major upgrades or modernization to date. Under current operations, the “water-to-wire” efficiency is approximately 54% with a maximum generation output of 2.5 MW. Calculations show as much as 4.1MW production should be feasible based on flow rate and available head.



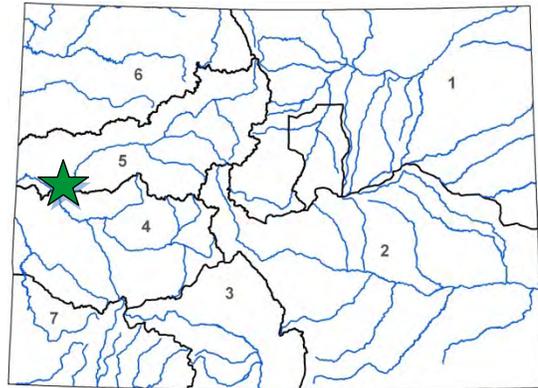


Grand Valley Power Plant Rehabilitation

Orchard Mesa Irrigation District

November 2016 Board Meeting

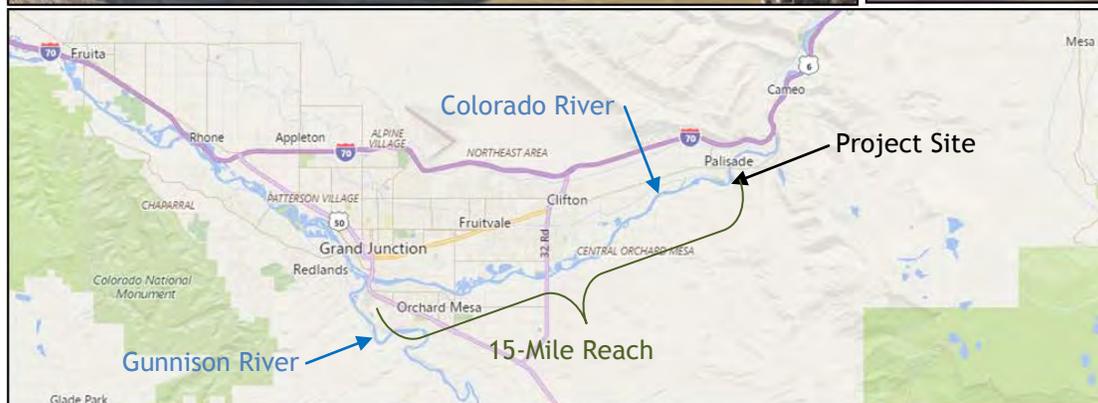
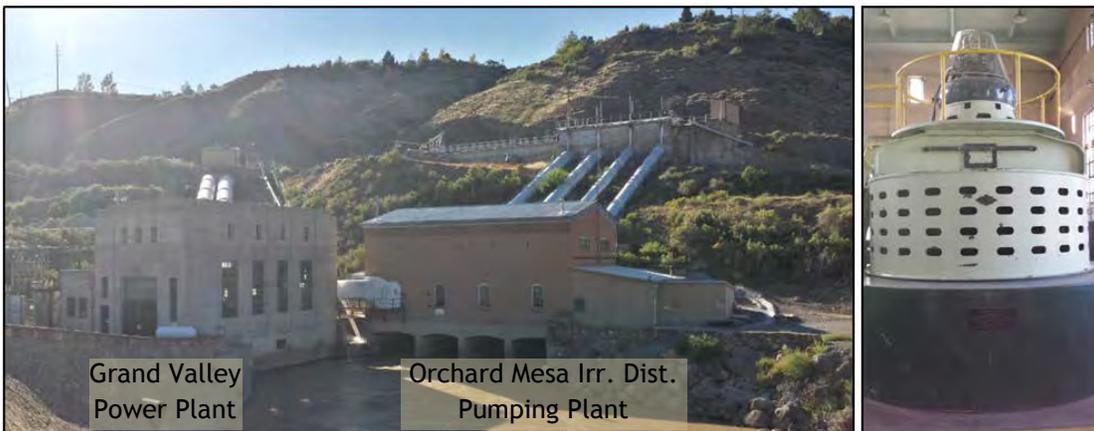
L O A N D E T A I L S	
Project Cost:	\$5,200,000
CWCB Loan (with Service Fee):	\$1,717,000
Loan Term and Interest Rate:	30 Years @ 2.0%
Funding Source:	Construction Fund
B O R R O W E R T Y P E	
Hydropower	
P R O J E C T D E T A I L S	
Project Type:	Hydroelectric
Average Annual Power Production:	17M kWh



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

The Orchard Mesa Irrigation District (District) and Grand Valley Water Users Association (Association) are each seeking a loan to cover its cost share for the Grand Valley Power Plant (GVPP) Rehabilitation Project. The GVPP is owned by the Bureau of Reclamation and originally operated by Public Service Company of Colorado (Xcel Energy) in conjunction with the Cameo coal fired power plant. The District and Association took operational control of the plant when Xcel decided to cease its operations. The District and Association equally split costs and revenues from the GVPP under a Lease of Power Privilage with Reclamation and a Power Purchase Agreement with Xcel. In addition to being a revenue source, the GVPP serves an important role in providing water to the "15-Mile Reach" which has been designated by the Upper Colorado River Endangered Fish Recovery Program as critical habitat. The non-consumptive hydropower water right ensures continued flows for this important stretch of river.

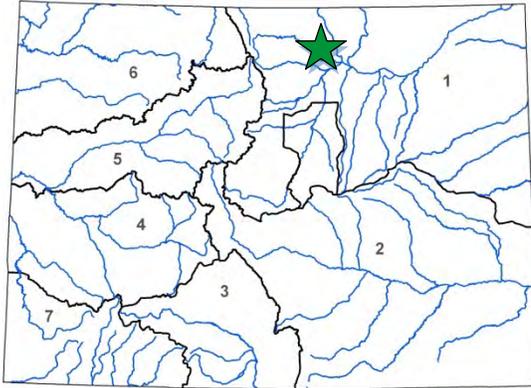
The goal of the Project is to bring the GVPP up to a sustainable operating condition and meet current electric and safety standards. The GVPP was built in the early 1930s and has seen no major upgrades or modernization to date. Under current operations, the "water-to-wire" efficiency is approximately 54% with a maximum generation output of 2.5 MW. Calculations show as much as 4.1MW production should be feasible based on flow rate and available head.





Headgate Structure Replacement
 Larimer and Weld Irrigation Company
 September 2016 Board Meeting

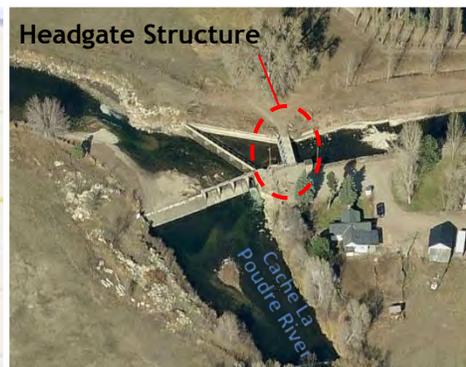
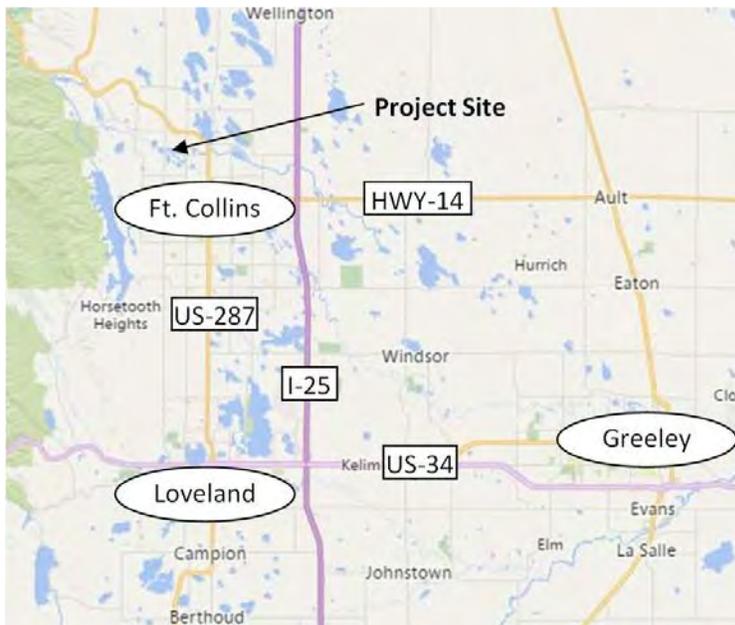
L O A N D E T A I L S	
Project Cost:	\$750,000
CWCB Loan (with Service Fee):	\$681,750
Loan Term and Interest Rate:	30 Years @ 1.5%
Funding Source:	Construction Fund
B O R R O W E R T Y P E	
Agriculture	Municipal
96%	0% Low - 4% Mid - <1% High
Commercial	0%
P R O J E C T D E T A I L S	
Project Type:	Ditch Rehabilitation
Average Annual Delivery:	85,000 AF



L O C A T I O N	
County:	Larimer & Weld
Water Source:	Cache la Poudre River
Drainage Basin:	South Platte
Division:	1 District: 3

The Larimer and Weld Irrigation Company is a Colorado Mutual Ditch Company and a nonprofit corporation. The Company's service area extends from the Cache la Poudre River diversion north of Fort Collins, east to near the town of Galeton, encompassing approximately 61,000 acres of irrigated land in Larimer and Weld Counties. The Company's diversion off the Cache la Poudre River is aging and in need of repair. This Project will focus on replacing the headgate structure, including the concrete structure, gates, and gate operators. The replacement of the trash rack and forebay structure, and repairs to the diversion structure, are planned to take place within the next few years and are not a part of this Project.

The City of Fort Collins has developed a flood control plan for the Dry Creek Basin, which in part uses the Larimer & Weld Ditch as a conveyance for flood flows in Dry Creek. Therefore, should a flood occur in the Dry Creek Basin, it is of great importance for life, safety, and prevention of property damage, that the ditch's upstream headgate off the Poudre River be able to close so there is capacity available in the ditch to handle flood flows. Construction activities will include the replacement of the concrete structure, new gates and operators, and a new control building. Construction is expected to occur between the 2016 and 2017 irrigation seasons.



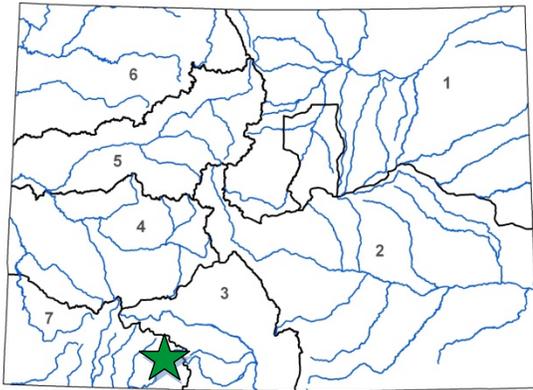


Dry Gulch Reservoir Land Acquisition

San Juan Water Conservancy District

May 2017 Board Meeting

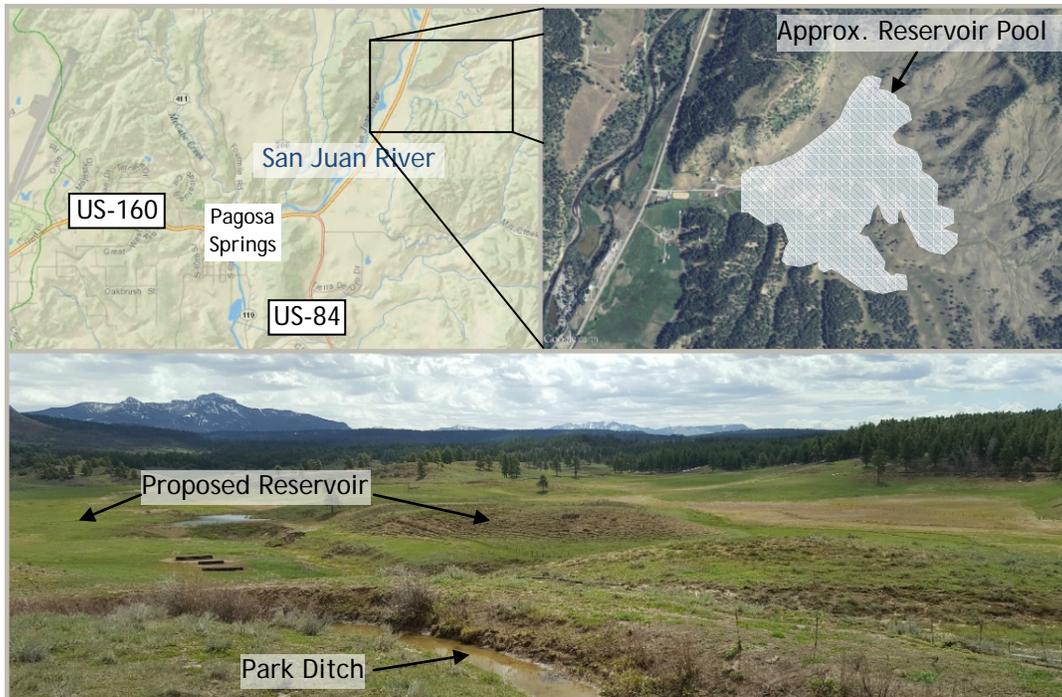
L O A N D E T A I L S	
Project Cost:	\$2,000,000
CWCB Loan (with Service Fee):	\$2,000,000
Loan Term and Interest Rate:	30 Years @ 2.55%
Funding Source:	Construction Fund
B O R R O W E R T Y P E	
Agriculture	Municipal
0%	100% Low - 0% Mid - 0% High
Commercial	0%
P R O J E C T D E T A I L S	
Project Type:	Water Storage Land Acquisition
Average Annual Delivery:	NA



L O C A T I O N	
County:	Archuleta
Water Source:	San Juan River
Drainage Basin:	Southwest
Division:	29
District:	7

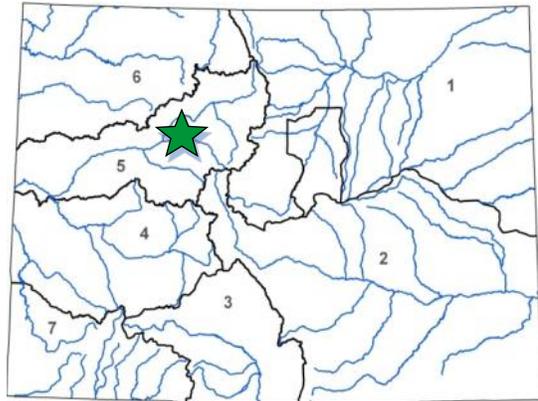
The District was created in 1987 with a purpose to conserve, maximize, and utilize the water resources of the San Juan River and its tributaries, with the primary function to address future water supply needs within its boundaries. Population projections predict an increase of 25,400 county-wide by 2070, an increase that could produce a water supply gap of 4,300 AF per year.

The District has identified the development of Dry Gulch Reservoir as a top priority project for the region's long-term water supply solution. This reservoir site has been under consideration since the 1960s and has been identified in 1989 and 2003 as a preferred water storage location for diversions from the San Juan River. A previous CWCB loan to the Pagosa Area Water and Sanitation District and a WSRF grant to the San Juan Water Conservancy District provided funding for the purchase of a large portion of the land needed for the proposed Dry Gulch Reservoir. This loan will acquire the remaining land needed for the proposed reservoir. The overall Dry Gulch Reservoir project will be planned in keeping with the objectives outlined in the Colorado Water Plan for new water storage, by not only off-setting the projected water supply gap, but also providing water resources for non-consumptive uses to enhance environmental and recreational opportunities of state and local economic benefit. Planning and permitting for the reservoir is expected to take up to 10 years. This loan will not provide funds for reservoir construction.





L O A N D E T A I L S	
Project Cost:	\$721,000
CWCB Loan (with 1% Service Fee):	\$655,490
Loan Term and Interest Rate:	20 Years @ 2.15%
Funding Source:	Construction Fund
B O R R O W E R T Y P E	
Agriculture	Municipal Commercial
0%	0% Low - 0% Mid - 100% High 0%
P R O J E C T D E T A I L S	
Project Type:	Dam Rehabilitation
Total Reservoir Storage:	145 AF
Storage Preserved:	145 AF



L O C A T I O N	
County:	Eagle
Water Source:	Eby Creek
Drainage Basin:	Colorado
Division:	5 District: 37

The Highland Meadow Estates at Castle Peak Ranch, Inc. (Association or HOA) administers and maintains Noecker Reservoir to provide irrigation and outdoor use for the benefit of its members and five non-Association parties in the vicinity. The Association is located in Eagle County.

The dam of Noecker Reservoir is classified as High Hazard due to several inhabited structures and an Interstate 70 crossing located within the downstream flood inundation limits. The outlet pipe for the dam is in a deteriorated condition and the Office of the State Engineer Dam Safety Branch (SEO) is requiring rehabilitation and/or replacement of the outlet pipe and associated structures to address safety concerns. This project includes access improvements, and removal and replacement of the existing outlet pipe, outlet structure, and appurtenances. Construction is expected to occur in the summer and fall of 2020.

