



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

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**TO:** Colorado Water Conservation Board Members

**FROM:** Cole Bedford, P.E., Project Manager  
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**DATE:** July 19-20, 2023 Board Meeting

**AGENDA ITEM:** 12a. Update on Existing Loans  
Water Infrastructure and Supply Efficiency (WISE) Project Loans

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**Introduction (This is for information only and no action is necessary)**

In 2014, the CWCB Board and the Colorado General Assembly authorized the Water Project Loan Program to provide a series of loans to water providers in the southern Denver metropolitan area for costs associated with their participation in the WISE Authority Projects. Four of the ten WISE Authority participants (Cottonwood Water and Sanitation District, Inverness Water and Sanitation District, Parker Water and Sanitation District, and Pinery Water and Wastewater District) contracted for loans. Because of the complex nature of financing the projects involved, each borrower contracted for four separate loans resulting in sixteen total loan contracts. The total loan authorization for all sixteen contracts was \$35.1 million. The projects have been ongoing since that time and \$24.8 million has been disbursed to-date.

This memorandum serves as an update to the Board on the WISE Authority Project Loans and provides context for several loan increase requests. This is not an action item and is provided for information only.



### Prairie Waters Project and the WISE Authority

Between 2006 and 2010, Aurora Water built a large water reuse system called the Prairie Waters Project. Its main features are a series of pipelines and pump stations that move water upstream on the South Platte River from the Brighton area to the Binney Water Purification Plant near Aurora Reservoir. Rather than native South Platte River water, the system captures water originating in the Arkansas and Colorado River Basins which may be used “to extinction.” Fundamentally, the Prairie Waters Project allows Aurora to recapture and reuse all of their transbasin water. The total project cost when completed was about \$650 million.

While Aurora undertook the Prairie Waters Project with their own residents’ needs in mind, the Project’s ability to move water from downstream of the Denver metropolitan area back upstream was valuable to other regional water supply entities as well. Furthermore, the Project had capacity to move an average of 7,225 AF beyond what Aurora needed each year. Recognizing the excess capacity in the Prairie Waters Project system, ten water providers in Douglas and Arapahoe counties formed the South Metro Water Infrastructure and Supply Efficiency (WISE) Authority in 2013 to contract with Aurora and to coordinate each providers’ usage of excess Prairie Waters Project capacity. The WISE Authority participants and their original subscription levels are shown in Table 1.

**TABLE 1: WISE PARTICIPANTS AND DELIVERIES**

WISE Authority Member	Subscription Level (AF/Year)
Cottonwood Water and Sanitation District	400
Inverness Water and Sanitation District	500
Parker Water and Sanitation District	1,200
Pinery Water and Wastewater District <sup>1</sup>	500
Rangeview Metropolitan District	500
Town of Castle Rock	1,000
Centennial Water and Sanitation District	1,000
Dominion Water and Sanitation District	1,325
Stonegate Village Metropolitan District	500
Meridian Metropolitan District	300
<b>TOTAL</b>	<b>7,225</b>

<sup>1</sup> AKA Denver Southeast Suburban Water and Sanitation District

### WISE Authority Projects

Because the Prairie Waters Project was designed and built to service Aurora exclusively, significant additional infrastructure was needed to make the system useful for the WISE Authority participants. The additional infrastructure fell into four relatively independent sub-projects and CWCB loan contracts.

**East Cherry Creek Valley (ECCV) Western Pipeline Purchase:** The Prairie Waters Project delivered water captured near Brighton to the Binney Water Purification Plant near Aurora Reservoir. The ECCV Western Pipeline was a separate pipeline capable of moving water from a location near the Binney Plant westward along the E-470 corridor. The WISE project included the purchase of an 85% stake in the ECCV Western Pipeline to transport water closer to the WISE Authority participants’ delivery locations in the south Denver metro area.

**Phase 1 Infrastructure:** The first phase of infrastructure construction included a temporary connection to Aurora’s distribution system for short-term deliveries to WISE Authority participants and turnouts on the ECCV Western Pipeline to connect participants whose systems were immediately adjacent to it. This phase also included new pump stations to deliver water for storage in Reuter-Hess Reservoir and 45 miles of new transmission lines.

**Phase 2 Infrastructure:** The primary component of the second phase was the construction of the Binney Interconnect which would directly connect the Prairie Waters Project outfall at the Binney Water Purification Plant and the ECCV Western Pipeline. Once the Binney Interconnect was constructed, the temporary connection to Aurora’s distribution system built in Phase 1 could be decommissioned.

**Denver International Airport (DIA) Connection:** With the completion of the first three sub-projects, all of the WISE Authority participants would be able to receive water. However, the WISE projects plan included a fourth component to further supplement flows into the Prairie Waters Project. The Denver International Airport Connection would consist of a 24-inch, 6-mile long pipeline connecting Denver Water’s treated distribution system near DIA and the Prairie Waters Project to provide additional water to the system requiring less effort to treat.

#### **CWCB WISE Project Loans**

Each of the ten WISE Authority participants committed to providing funds for each sub-project based on their subscription level and their reliance on the individual project. The total estimated cost of the WISE Authority projects in 2013 was \$142.5 million.

In October 2013, six of the ten WISE Authority participants applied to the CWCB Water Project Loan Program to help finance their portions of the projects. Because their cumulative request was more than \$10 million, they were included in the 2014 Projects Bill (HB14-1333) which was passed by the Colorado General Assembly and signed into law by Governor Hickenlooper.

After the passage of the 2014 Projects Bill, two of the participants decided to self-fund their project costs, leaving four participants who were given final authorization for loans at the May 2014 CWCB Board Meeting. Each of the four participants received separate loans for each of the four projects for a total of sixteen loan contracts. The total loan authorization for all sixteen contracts was \$35.1 million or about 25% of the overall WISE projects’ cost. The participants and loan authorization amounts are shown in Table 2.

**TABLE 2: CWCB WISE PROJECT LOAN AUTHORIZATIONS**

WISE Authority Project	Cottonwood W&SD	Inverness W&SD	Parker W&SD	Pinery W&WWD
ECCV Western Pipeline Purchase	\$381,780	\$1,845,270	\$4,426,830	\$1,845,270
Phase 1 Infrastructure	\$2,636,100	\$1,181,700	\$6,785,321	\$6,199,380
Phase 2 Infrastructure	\$1,127,160	\$1,427,130	\$3,418,658	\$1,427,130
DIA Connection	\$363,600	\$454,500	\$1,099,890	\$454,500
<b>TOTALS</b>	<b>\$4,508,640</b>	<b>\$4,908,600</b>	<b>\$15,730,699</b>	<b>\$9,926,280</b>

## WISE Project Update

**East Cherry Creek Valley (ECCV) Western Pipeline Purchase:** The majority of the negotiations related to the ECCV Western Pipeline Purchase were conducted prior to the CWCB loans being contracted. Therefore, the necessary purchase and operations agreements were quickly executed at prices already decided upon. The purchase was completed in 2015 and all four of the related loans closed out and put into repayment soon afterward.

**Phase 1 Infrastructure:** Phase 1 involved the construction of a variety of temporary and permanent turnouts, pump stations, and transmission lines. Each WISE Authority participant required different infrastructure depending on their location and service area. The work was undertaken over a five year period from 2014 to 2019 and all four participants with loans drew significantly less than their full loan authorizations. All four loans were closed out and put into repayment in 2019.

**Phase 2 Infrastructure:** Work on Phase 2 and the Binney Interconnect began in 2020. Construction efforts were delayed and costs increased due to COVID, but as of 2023 was nearly complete. Once final electrical infrastructure is complete, the permanent connections can be completed and the temporary connections made during Phase 1 can be removed.

**Denver International Airport (DIA) Connection:** The DIA Connection was significantly delayed, but the design will be finalized and construction expected to begin in fall 2024 and be ongoing for at least two years. It is also expected that costs will be higher than originally estimated.

### Current Status of Loans

Of the sixteen loans, ten have been closed out and put into repayment. All of these loans are currently in good standing and up-to-date on payments or repaid in full. Six loans are still open. The total amount disbursed to-date is \$24.8 million.

**TABLE 3: ECCV WESTERN PIPELINE PURCHASE LOANS**

WISE Authority Participant	Contract Number	Amount Disbursed	Completion Date	Repayment Status
Cottonwood W&SD	CT2015-0102	\$ 342,921	12/2016	Good Standing
Inverness W&SD	CT2015-0117	\$ 1,845,270	12/2016	Good Standing
Parker W&SD	CT2015-0107	\$ 4,426,830	02/2015	Good Standing
Pinery W&WWD	CT2015-0083	\$ 1,845,270	05/2015	Repaid in Full

**TABLE 4: PHASE 1 INFRASTRUCTURE LOANS**

WISE Authority Participant	Contract Number	Amount Disbursed	Completion Date	Repayment Status
Cottonwood W&SD	CT2015-0106	\$ 347,967	11/2019	Good Standing
Inverness W&SD	CT2015-0118	\$ 431,914	11/2019	Good Standing
Parker W&SD	CT2015-0108	\$ 5,650,934	05/2019	Good Standing
Pinery W&WWD	CT2015-0085	\$ 3,270,784	12/2019	Repaid in Full

**TABLE 5: PHASE 2 INFRASTRUCTURE LOANS**

WISE Authority Participant	Contract Number	Amount Disbursed	Completion Date	Repayment Status
Cottonwood W&SD	CT2015-0105	\$ 1,127,160	Open	N/A
Inverness W&SD	CT2015-0119	\$ 604,943	Open	N/A
Parker W&SD	CT2015-0109	\$ 3,418,658	07/2022	Good Standing
Pinery W&WWD	CT2015-0086 <sup>1</sup>	\$ -	Open	N/A

<sup>1</sup> This loan contract was not needed and will be deauthorized in November.

**TABLE 6: DIA CONNECTION LOANS**

WISE Authority Participant	Contract Number	Amount Disbursed	Completion Date	Repayment Status
Cottonwood W&SD	CT2015-0104	\$ 194,005	Open	N/A
Inverness W&SD	CT2015-0120	\$ 344,475	Open	N/A
Parker W&SD	CT2015-0110	\$ 665,907	Open	N/A
Pinery W&WWD	CT2015-0087	\$ 280,236	11/2020	Repaid in Full

Cottonwood Water and Sanitation District and Inverness Water and Sanitation District have submitted increase requests for their Phase 2 Infrastructure loans. Because the Phase 2 Infrastructure project is nearly complete, it is expected that both loans related to that project will close out in 2023. Pinery Water and Wastewater District's Phase 2 Infrastructure loan was not needed and will be deauthorized. The DIA Connection project will be ongoing for some time and, as a result, the three remaining loans related to that project will likely stay open for at least another two years. Requests for increases to the remaining DIA Connection loans are expected later this year.