COLORADO
Colorado Water Conservation Board
Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

P (303) 866-3441
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Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Lauren Ris, CWCB Director

TO: Colorado Water Conservation Board Members

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

DATE: November 15-16, 2023 Board Meeting

CONSENT AGENDA ITEM: 5a. Change to Existing Loan
Triview Metropolitan District
Stonewall Springs Reservoir Complex

Staff Recommendation

Staff recommends the Board approve a loan not to exceed $5,202,510 ($5,151,000 for project costs and $51,510 for the 1% service fee) to the Triview Metropolitan District, acting by and through its water activity enterprise, for costs associated with the Stonewall Springs Reservoir Complex from the Construction Fund. The loan term will remain 30 years at an interest rate of 2.05% per annum. This is an increase of $424,200 ($420,000 for Project costs and $4,200 for the 1% service fee) to CWCB Loan Contract CT2022-3328. Security for the loan shall remain in compliance with CWCB Financial Policy #5.

Introduction/Background

The Triview Metropolitan District (District) received approval of a high-income municipal interest rate loan $4,778,310 ($4,731,000 for Project costs and $47,3110 for the 1% service fee). The loan (CT2022-3328) was for costs related to the South Reservoir (South Reservoir) of the Stonewall Springs Reservoir Complex (SSRC). The District owns and maintains facilities that provide water, wastewater, and stormwater services within the Town of Monument. The District's service area is located entirely within the Arkansas River Basin and the Project is located approximately 10 miles east of Pueblo. Historically, the District's water supply is derived from nonrenewable deep aquifers in the Denver Basin and are not a sustainable resource in the long-term. This Project will allow the District to supplement its Denver Basin groundwater by constructing and storing water in the South Reservoir of the SSRC. The total completed Project cost is estimated to be $5,151,000. This increase will allow the District to maintain its cash reserves for needed capital improvement projects. See the attached Project Data Sheet for a location map and project summary and original board memo dated January 2022.

Project Update

South Reservoir construction is completed. Final pump station startup testing and confirmation testing with the pump supplier was completed on October 19, 2023 with a maximum flow rate of 32 cfs at a gauge height of 29.7 feet. Pump and motor performance at various flow rate inputs up to the maximum flow rate of 30 cfs are being confirmed as well. As-built documents are being completed, including construction drawings and operation and maintenance manuals.

The South Reservoir was filled in May 2023 with water from the Excelsior Ditch. The newly constructed inlet structure with automatic flow measuring gates worked exceedingly well. The earthen inlet channel and rundown operated as designed with diverted flow rates of 15 to 45 cfs. Water has been diverted from the Excelsior Ditch as available all summer into the South Reservoir, with the reservoir essentially being filled by the end of July 2023. Current maximum capacity is approximately 1,609 acre-feet. The pump station has been run intermittently since the last week of July 2023. Pump run times have been from three to seven days and have occurred in July, September, and October 2023. Pumped flow rates have varied from 15 to 30 cfs. Measured diverted inflows from the Excelsior Ditch have also occurred concurrently while the pump station has been operating.

The pump station and inlet structure gates can be operated remotely from Triview's offices in Monument, Colorado. Inlet flow rates, pump flow rates, and reservoir elevation are sent to and displayed on the Division of Water Resources' GIS web page for conditions and historical data.

The intake system, lined reservoir, and pump station are operating as planned. The reservoir system in its short operation time, has proven to be very beneficial for the owners and has encouraged thoughts of potentially raising the dam and increasing the South Reservoir capacity in the future to further capitalize on these benefits.

Table 1 shows the final costs compared to the estimated cost at the time of the original approval.

TABLE 1. UPDATED PROJECT COSTS

Tasks	Estimated Cost	Final Cost
Application engineering and construction costs (diversion, channel, spillway, grading, telemetry)	$2,016,736	$2,017,245
Engineering and construction costs		
Design and Project Management	$170,700	$417,834
South Reservoir Pump Facility – Phase 1	$349,035	$348,557
Column Pump and Pipeline	$320,279	$320,279
South Reservoir Pump Facility – Phase 2	$1,703,000	$1,800,063
SCADA System	$20,000	$26,172
Grading	$151,250	$220,850
TOTAL	**$4,731,000**	**$5,151,000**

Permitting: All permits for the project have been obtained.

Schedule: Project is complete.

Financial Analysis

Table 2 provides an update of summary of the Project's financial aspects. The loan term shall remain 30 years. The interest rate shall remain at the January 2022 High Municipal Income rate of 2.05%.

TABLE 2: UPDATED FINANCIAL SUMMARY

Project Item	Original	Current
Project Cost	$4,731,000	$5,151,000
CWCB Loan Amount	$4,731,000	$5,151,000
CWCB Loan Amount (Including 1% Service Fee)	$4,778,310	$5,202,510
CWCB Annual Loan Payment	$214,821	$233,892
CWCB Annual Loan Obligation (1st Ten Years)	$236,303	$257,281
Number of Single Family Equivalents (SFE)	3,000	3,000
Monthly Loan Obligation per SFE	$6.56	$7.15

Creditworthiness: The District has $39,426,000 in existing debt. The more recent bonds have a balloon payment requirement that are not shown in Table 3. In January 2022, the District implemented a 9% water rate and water fee increase.

TABLE 3: UPDATED EXISTING DEBT

Lender	Current Balance	Annual Payment	Maturity Date	Collateral
Water and Wastewater Enterprise Revenue Bonds – Series 2018	$10,688,000	$226,000	2048	Pledged Revenues
Water and Wastewater Enterprise Revenue Bonds – Series 2020	$16,355,000	$328,000	2050	Pledged Revenues
Water and Wastewater Enterprise Revenue Bonds – Series 2020B	$12,383,000	$272,000	2050	Pledged Revenues
Total	$39,426,000	$826,000		

TABLE 4: UPDATED FINANCIAL RATIOS

Financial Ratio	Past Years	Original Approval	Future w/Increase
Operating Ratio (revenues/expenses) weak: <100% | average: 100% - 120% | strong: >120%	226% (strong) $7.1M/$3.1M	210% (strong) $7.1M/$3.4M	203% (strong) $7.1M/$3.5M
Debt Service Coverage Ratio (revenues-expenses)/debt service weak: <100% | average: 100% - 120% | strong: >120%	300% (strong) ($7.1M-$1.2M) $2.0M	268% (average) ($7.1M-$1.2M) 2.2M	257% (average) ($7.1M-$1.2M) 2.3M
Cash Reserves to Current Expenses weak: <50% | average: 50% - 100% | strong: >100%	572% (strong) $18M/$3.1M	532% (strong) $18M/$3.4M	514% (strong) $18M/$3.5M
Debt per Tap (3,000 SFE)[1] weak: >$5,000 | average: $2,500 - $5,000 | strong: <$2,500	$12,628 (weak) $37.9M/3,000	$14,221 (weak) $42.7M/3,000	$14,367 (weak) $43.1M/3,000
Average Monthly Water Bill[2] weak: >$60 | average: $30 - $60 | strong: <$30	$95 (weak)	$95 (weak)	$96 (weak)

[1] *Taps include commercial and residential users and are represented as a single family equivalent (SFE).*

[2] *Average residential customer water bill in year 2020.*

Collateral: Security for this loan will remain a pledge of utility enterprise fund revenues backed by a rate covenant as evidenced by annual financial reporting. This security is in compliance with the CWCB Financial Policy #5 (Collateral).

cc: Jim McGrady, General Manager, Triview Metropolitan District
Jennifer Mele, Colorado Attorney General's Office

Attachments: Water Project Loan Program – Project Data Sheet
Original Board Memo (January 2022)

COLORADO
Colorado Water Conservation Board
Department of Natural Resources

Stonewall Springs Reservoir Complex

Triview Metropolitan District

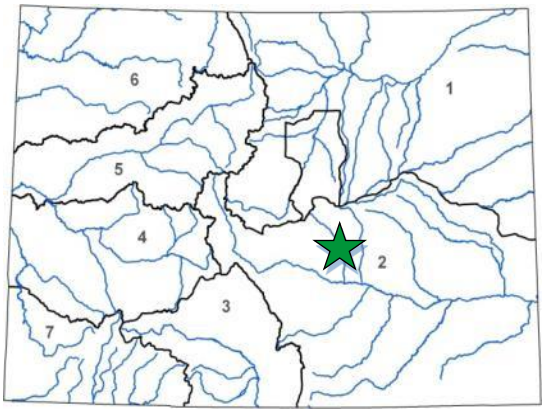
November 2023 Board Meeting

(Increase)

LOAN DETAILS	
Project Cost:	$5,151,000
CWCB Loan (with 1% Service Fee):	$5,202,510
Loan Term and Interest Rate:	30 Yrs @ 2.05%
Funding Source:	Construction Fund

BORROWER TYPE		
Agriculture	*Municipal*	*Commercial*
0%	0% Low - 0% Mid - 100% High	0%

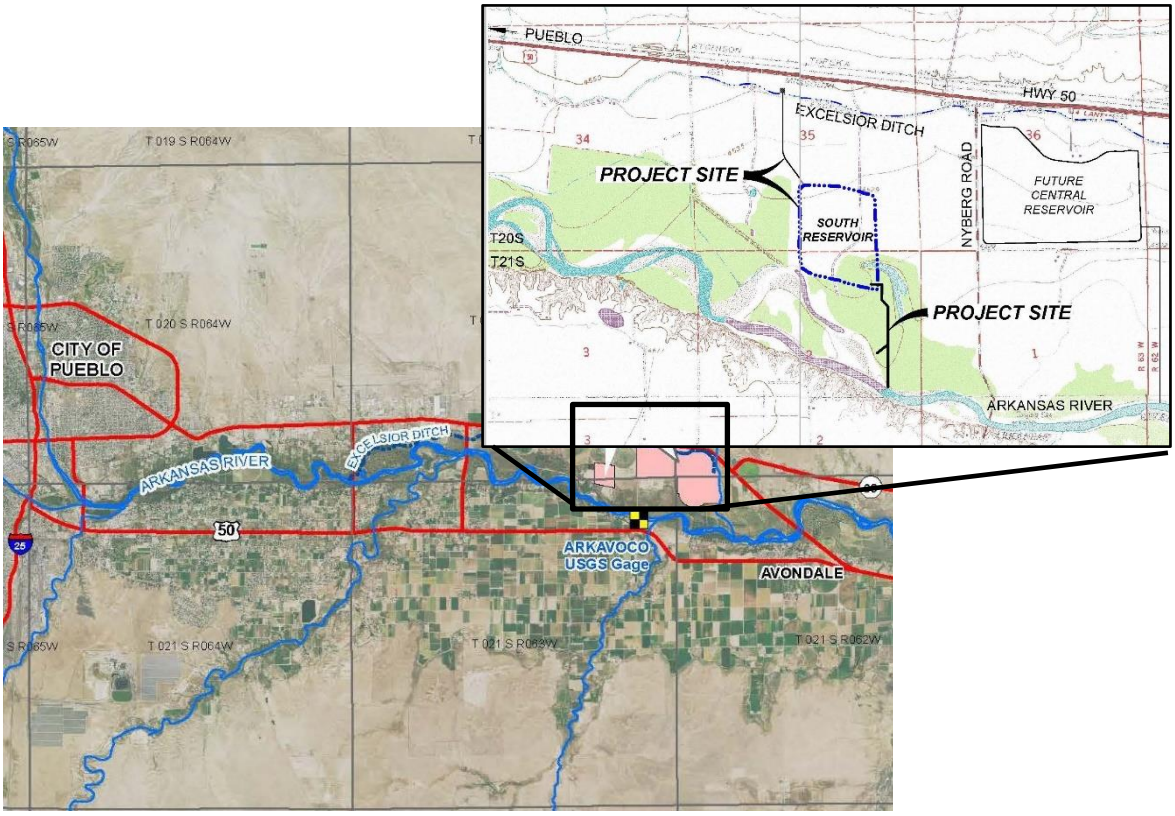
PROJECT DETAILS	
Project Type:	Reservoir Rehabilitation
New Storage:	2,050 AF
Average Annual Diversions:	750 AF



LOCATION			
County:			Pueblo
Water Source:			Arkansas River
Drainage Basin:			Arkansas
Division:	2	*District:*	14

The Triview Metropolitan District (District) was formed in 1985 and provides water, wastewater and stormwater services along with maintenance of roads, parks, and other amenities within the Town of Monument. This service area includes 1,988 homes and 60 commercial customers.

The Stonewall Springs Reservoir Complex consists of three planned reservoirs: South, Central and East Reservoirs. This Project focuses on the South Reservoir and will support the replacement of non-renewable Denver Basin groundwater supplies with renewable surface water supplies and will not be used to expand the District's service area. Work included in the project is comprised of construction of a diversion structure, inlet channel, spillway, remote telemetry and monitoring equipment, installation of a pump station system from the Arkansas River, a SCADA system for the diversion structure, and outlet works for the reservoir. Construction was completed in the fall of 2023.



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Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Rachel Pittinger, P.E., Project Manager
Kirk Russell, P.E., Finance Section Chief

DATE: January 24-25, 2022 Board Meeting **(Updated January 25, 2022)**

AGENDA ITEM: 6b. Water Project Loans
Triview Metropolitan District – Stonewall Springs Reservoir Complex

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Staff Recommendation: (Board approved Staff Recommendation January 24, 2022)
Staff recommends the Board approve a loan not to exceed $4,778,310 ($4,731,000 for Project costs and $47,310 for the 1% service fee) to the Triview Metropolitan District, acting by and through its water activity enterprise, for costs associated with the Stonewall Springs Reservoir Complex, from the Construction Fund. The loan term will be 30 years at an interest rate of 2.05% per annum. Security for the loan shall be in compliance with CWCB Financial Policy #5.

Introduction:
The Triview Metropolitan District (District) owns and maintains facilities that provide water, wastewater, and stormwater services within the Town of Monument. The District's service area is located entirely within the Arkansas River Basin and the South Reservoir of the Stonewall Springs Reservoir Complex (SSRC), the Project, is located approximately 10 miles east of Pueblo. Historically, the District's water supply is derived from nonrenewable deep aquifers in the Denver Basin and are not a sustainable resource in the long-term. This Project will allow the District to supplement its Denver Basin groundwater by constructing and storing water in the South Reservoir of the SSRC. The total Project cost is estimated to be $4,731,000. See attached Project Data Sheet for a location map and Project summary.

Borrower – Triview Metropolitan District:
The District is located within El Paso County and maintains a 4 square-mile service area. Currently, this includes more than 1,988 homes and 60 commercial customers in the Arkansas River Basin. The District is a quasi-governmental agency formed in 1985 that provides services along with maintenance of community assets such as roads, parks and open spaces within the service area. Revenue for the Water and Wastewater enterprise fund is primarily from water fees and service charges. The District is authorized by its 5-member Board of Directors to operate a utility enterprise which includes the power to incur indebtedness, liabilities and obligations, and to set and enforce the payment of all fees, rates, charges and assessments for the functions, services and facilities provided by the District.

Background:
The South Reservoir of the Stonewall Springs Reservoir Complex (SSRC) is being developed on property formerly owned by Stonewall Springs Quarry, LLC located along Highway 50, approximately ten miles east of Pueblo, Colorado and adjacent to the Arkansas River. In May of 2020, the District purchased the vast majority of the Stonewall Springs Quarry, LLC and formed a new company named Stonewall Springs Reservoir Company. The SSRC consists of three reservoirs. The South Reservoir is a recently constructed 2,050 AF reservoir, the proposed 8,000 AF Central Reservoir, and the proposed Stonewall Spring East Reservoir make up the SSRC. The District controls all of the ownership in the Stonewall Springs Reservoir Company. Additionally, the District purchased a 40.64% shares in the Excelsior Irrigation Comapany that yields, on average, 560 AF of water per year and provides conveyance to the SSRC. The outlet from the South Reservoir will discharge into the Arkansas River above the Avondale gage.

Water storage in the South Reservoir will enable the District to use its water more efficiently by providing long-term water storage and conveyance capacity opportunities, increase the District's water management flexibility and reduce the District's dependency on non-renewable groundwater supplies. The capacity provided by the South Reservoir will enable the District to capture its existing reusable wastewater return flows, water diverted at the Fountain Mutual Irrigation Company headgate, storage releases from Big Johnson Reservoir, water diverted under the Excelsior Ditch's water rights, along with the District's Arkansas Valley Irrigating Company and the Bale Ditch water rights.

A portion of this Project is complete and includes construction and installation of the diversion structure, inflow channel and spillway along with grading and the telemetry system. The pump facility is the portion of this Project that is not complete and is needed to make the reservoir operable and able to deliver water to the Arkansas River.

Loan Feasibility Study:
Mr. Brett Gracely, P.E., Leonard Rice Engineers, Inc. prepared the Loan Feasibility Study titled,"Loan Feasibility Study for the Stonewall Springs Reservoir Complex," dated December 1, 2021 in coordination with Bryan Black, P.E., Deere and Ault Consultants, Inc. The feasibility study was prepared in accordance with CWCB guidelines and includes an analysis of alternatives and estimated costs. Audited financial statements were provided by Haynie and Company, Certified Public Accountants and Management Consultants.

Water Rights:
The additional storage from the South Reservoir in the SSRC will not be used to expand the District's service area, instead it will be used to support the District's efforts to replace its non-renewable Denver Basin groundwater supplies with renewable surface water supplies. The District's water rights portfolio includes the use of groundwater from the Arapahoe, Laramie-Fox Hills, and Denver aquifers,

surface water rights, storage water rights. The District's decreed surface water rights and storage rights associated with the Project are shown in Table 1.

TABLE 1: DISTRICT'S SURFACE WATER AND STORAGE RIGHTS ASSOCIATED WITH THE PROJECT

Name	Amount	Date	Water Court Case No.
Excelsior Ditch	20 cfs 40 cfs	5/1/1887 1/6/1890	04CW0062
Stonewall Springs Reservoir Complex	19,538 AF	12/31/2016	16CW3093

Project Description:
The purpose of the Project is to support the District's efforts to replace its non-renewable Denver Basin groundwater supplies with renewable surface water supplies.

Alternative 1 – No Action: If this alternative were chosen the District's South Reservoir of the SSRC would not be an operable reservoir and it would not be able to replace groundwater supplies with surface water supplies. Without construction of all the infrastructure components including the pump station and oulet works, the reservoir would be inoperable. This alternative was not selected.

Alternative 2 – Construction of South Reservoir: This alternative involves the construction of the diversion from Excelsior Ditch, the earthen channel with riprap to the reservoir, reservoir grading and telemetry installation and does not include the reservoir outlet works to the Arkansas River. The reservoir outlet works and pump facility are required to have an operable reservoir. This alternative was not selected.

Selected Alternative 3 – Construction of South Reservoir and Pump Facility: This alternative involves construction and development of the South Reservoir in the SSRC. The work consists of constructing a diversion structure with flume gates and PikoMeter and construction of an inlet channel from the diversion to the reservoir riprap rundown. Construction of a structurally protected spillway to provide flood water inflows to the reservoir without eroding the slopes was required for the reclamation. This alternative includes a sloping column pump station that can deliver 30 cfs of augmentation water to the Arkansas River. A 24-inch diameter pipeline with a flow meter vault will be constructed as the outlet works pipeline for both the pump and gravity flows that discharge to a slough and to the Arkansas River. The estimated cost for this alternative is approximately $4,731,000 and is shown in Table 2.

TABLE 2: ESTIMATED PROJECT COST

Tasks	Cost
Completed engineering and construction costs (diversion, channel, spillway, grading, telemetry)	$2,016,736
Planned engineering and construction costs	
Design and Project Management	$170,700
South Reservoir Pump Facility – Phase 1	$349,035
Column Pump and Pipeline	$320,279
South Reservoir Pump Facility – Phase 2	$1,703,000
SCADA System	$20,000
Grading	$151,250
TOTAL	**$4,731,000**

Permitting: Construction of the South Reservoir was completed under a special use permit granted by Pueblo County associated with reclamation of mining activities. The Colorado Division of Reclamation, Mining and Safety (DRMS) permitting the Reclamation Plan is in progress and will be completed in 2022. An approved Pueblo County 1041 Permit will be required prior to municipal use of any of the SSRC facilities.

Schedule: The District anticipates completing the Project in 2022. Design drawings for the remainder of the Project have been finalized.

Financial Analysis:
Table 3 provides a summary of the Project's financial aspects. The District qualifies for a high-income municipal interest rate of 2.05% for a 30-year loan.

TABLE 3: FINANCIAL SUMMARY

Project Cost	$4,731,000
CWCB Loan Amount	$4,731,000
CWCB Loan Amount (Including 1% Service Fee)	$4,778,310
CWCB Annual Loan Payment	$214,821
CWCB Annual Loan Obligation (1st Ten Years)	$236,303
Number of Single Family Equivalents (SFE)	3,000
Monthly Loan Obligation per SFE	$6.56

Creditworthiness: The District has $37,885,000 in existing debt. Recent bonds have an increased payment requirements after five years and affect the values in Table 5. The District added to its operating and capital reserves the past two years and plans to use these funds for future capital projects. Effective January 1, 2022, the District implemented a 9% water rate and water fee increase. The District will continue to focus on capital improvement and infrastructure needs, maintenance needs, improving water quality to meet growth and maintain affordable rates for customers.

TABLE 4: EXISTING DEBT

Lender	Original Balance	Current Balance	Annual Payment	Maturity Date	Collateral
Water and Wastewater Enterprise Revenue Bonds – Series 2018	$11,165,000	$10,805,000	$665,350	2048	Pledged Revenues
Water and Wastewater Enterprise Revenue Bonds – Series 2020	$16,140,000	$16,140,000	$889,744	2050	Pledged Revenues
Water and Wastewater Enterprise Revenue Bonds – Series 2020B	$10,940,000	$10,940,000	$421,650	2050	Pledged Revenues
Total		$37,885,000	$1,976,744		

TABLE 5: FINANCIAL RATIOS

Financial Ratio	Past Years	Future w/ Project
Operating Ratio (revenues/expenses) weak: <100% | average: 100% - 120% | strong: >120%	226% (strong) $7.1M/$3.1M	210% (strong) $7.1M/$3.4M
Debt Service Coverage Ratio (revenues-expenses)/debt service weak: <100% | average: 100% - 120% | strong: >120%	300% (strong) ($7.1M-$1.2M) $2.0M	268% (average) ($7.1M-$1.2M) 2.2M
Cash Reserves to Current Expenses weak: <50% | average: 50% - 100% | strong: >100%	572% (strong) $18M/$3.1M	532% (strong) $18M/$3.4M
Debt per Tap (3,000 SFE)[1] weak: >$5,000 | average: $2,500 - $5,000 | strong: <$2,500	$12,628 (weak) $37.9M/3,000SFE	$14,221 (weak) $42.7M/3,000SFE
Average Monthly Water Bill[2] weak: >$60 | average: $30 - $60 | strong: <$30	$95 (weak)	$95 (weak)

[1]*Taps include commercial and residential users and are represented as a single family equivalent (SFE).*
[2]*Average residential customer water bill in year 2020.*

Collateral: Security for this loan will be a pledge of utility enterprise fund revenues backed by a rate covenant as evidenced by annual financial reporting. This security is in compliance with the CWCB Financial Policy #5 (Collateral).

cc: Jim McGrady, General Manager, Triview Metropolitan District
Jennifer Mele, Colorado Attorney General's Office

Attachments: Water Project Loan Program – Project Data Sheet