



COLORADO

Colorado Water Conservation Board

Department of Natural Resources
1313 Sherman Street, Room 718
Denver, CO 80203

November 17, 2023

Jim McGrady, General Manager
Triview Metropolitan District
16055 Old Forest Point, Suite 300
Monument, CO 80132
jmcgrady@triviewmetro.com

Re: Triview Metropolitan District - Stonewall Springs Reservoir Complex- Loan Increase
Contract Number (CT2022-3328)

Dear Jim:

I am pleased to inform you that on November 16, 2023 the Colorado Water Conservation Board approved a loan increase for the Stonewall Springs Reservoir Complex of \$424,200 (\$420,000 for Project costs and \$4,200 for the 1% service fee) for a total loan not to exceed \$5,202,510 (\$5,151,000 for Project costs and \$51,510 for the 1% service fee). The loan terms shall remain 30 years at an interest rate of 2.05% per annum. Security for the loan shall remain in compliance with CWCB Financial Policy #5.

I have attached a copy of the updated Board memo dated November 17, 2023 that includes the Board's approval.

As you are aware, an amended contract must be in place before the additional funds can be disbursed. Kaylee Salazar Loan Contracts Manager, will initiate the loan amendment process. You can contact Kaylee at (303) 866-3441 x3227 regarding the status of the amendment.

On behalf of the Board, I would like to thank you for your interest in a loan from the CWCB.

Sincerely,

Kirk Russell, P.E., Chief
Finance Section

Attachment: Updated Board Memo





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**Colorado Water
Conservation Board**

Department of Natural Resources

1313 Sherman Street, Room 718
Denver, CO 80203

P (303) 866-3441
F (303) 866-4474

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 (**Updated November 17, 2023**)

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

Staff Recommendation (Board approved Staff Recommendation November 16, 2023)

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 \$47,310 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 (1 st 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) <u>(\$7.1M-\$1.2M)</u> \$2.0M | 268% (average) <u>(\$7.1M-\$1.2M)</u> 2.2M | 257% (average) <u>(\$7.1M-\$1.2M)</u> 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)



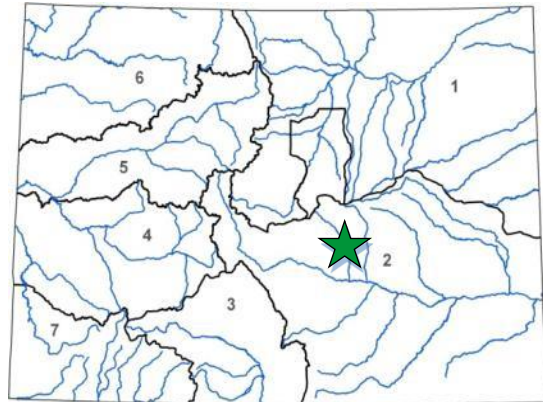
Stonewall Springs Reservoir Complex

Triview Metropolitan District

November 2023 Board Meeting

(Increase)

| L O A N D E T A I L S | |
|----------------------------------|-------------------------------------|
| 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 |
| 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: | Reservoir Rehabilitation |
| New Storage: | 2,050 AF |
| Average Annual Diversions: | 750 AF |



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.

| L O C A T I O N | | | |
|-----------------|----------------|-----------|----|
| County: | Pueblo | | |
| Water Source: | Arkansas River | | |
| Drainage Basin: | Arkansas | | |
| Division: | 2 | District: | 14 |

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.

