

POLICY NUMBER: 2

SUBJECT: **PROCEDURE FOR ENSURING THE COMPLETION AND APPROVAL OF ADEQUATE CONSTRUCTION FUND AND SEVERANCE TAX TRUST FUND PERPETUAL BASE ACCOUNT PROJECT FEASIBILITY STUDIES PRIOR TO CONTRACTING AND DISBURSEMENT OF LOAN FUNDS**

EFFECTIVE DATE: October 1, 1999

POLICY: The Colorado Water Conservation Board (CWCB), pursuant to Section 37-60-122, C.R.S., requires that all projects funded through the Construction Fund have a completed feasibility study prior to loan consideration by the Board. In those cases where it is impractical to complete the study prior to Board approval and/or General Assembly authorization, the Board may consider a conditional approval. This approval shall be contingent upon completion of a feasibility study by a specified date. In no case will loan funds be disbursed without a completed feasibility study.

PURPOSE: To provide sufficient information to allow the Board to make informed decisions regarding loan funding requests from the Construction Fund or the Severance Tax Trust Fund Perpetual Base Account.

APPLICABILITY: This policy and procedure applies to all loan applications from the CWCB Construction Fund and Severance Tax Trust Fund Perpetual Base Account.

PROCEDURE: All loan applications to be considered by the Board shall be accompanied by a completed feasibility study. All feasibility studies will be prepared following the general procedures described in the Board's Construction Fund Guidelines.

If it is impractical for the applicant to complete the feasibility study prior to consideration by the Board, and available information indicates the project is likely to be feasible, the project may be included on the CWCB recommended approved project list. The project sponsor will be required to complete the feasibility study to the satisfaction of the CWCB Director or his designee by an appropriate date recommended by the CWCB staff and approved by the Board.

Page 2 – Policy # 2
Feasibility Studies

Under no circumstances shall a loan funding agreement be executed between the CWCB and the project sponsor prior to the final acceptance of the completed feasibility study by the Director of the CWCB or his designee.

Approved by the CWCB
September 27, 1999 Board Meeting
Agenda Item # 7