

COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY
9:00 A.M. – March 2, 2018
Authority Conference Room
1580 Logan Street, Suite 610, Denver, CO 80203

AGENDA

(Order & contents subject to change by action of the Authority)
Check www.cwrpda.com for agenda changes and other information)

1. **CALL TO ORDER** – Chair Roy Heald
2. **ROLL CALL, DECLARATION OF A QUORUM & CONSENT AGENDA APPROVAL**
3. **APPROVAL OF MINUTES** – January 24, 2018
4. **INTRODUCTION OF GUESTS**
5. **OTHER AGENCY REPORTS**
 - (a) **Report of CWCB** – Kirk Russell
 - (b) **Report of WQCD** – Ron Falco
 - (c) **Report of DOLA** – Scott Olene
6. **AUTHORITY REPORTS**
 - (a) **Public and/or Board Member Comment**
 - (b) **Report of Chair** – Roy Heald
 - (c) **Report of Treasurer** – Bob Wolff
 - (d) **Report of Executive Director** – Mike Brod
 - (e) **Report of Legal Counsel** – Karl Ohlsen
7. **UNFINISHED BUSINESS – Drinking Water Revolving Fund**
 - (a) **Loan Applications**
 - Town of Eagle
 - Town of Silverton, Resolution No. 18-06
 - (b) **Project and Matching Account Updates**
 - (c) **Status of Projects**
8. **UNFINISHED BUSINESS – Water Pollution Control Revolving Fund**
 - (a) **Town of Antonito Interim Loan Request, Resolution No. 18-07**
 - (b) **Green Project Reserve Policy**
 - (c) **Project and Matching Account Updates**
 - (d) **Status of Projects**
9. **UNFINISHED BUSINESS – Small Hydropower Loan Program**
 - (a) **Status Report**
10. **UNFINISHED BUSINESS – Water Revenue Bonds & Small Water Resources Projects**
 - (a) **Status Report**
11. **UNFINISHED BUSINESS – La Plata Future Projects Escrow**
 - (a) **Long Hollow Reservoir**
12. **UNFINISHED BUSINESS – COMMITTEE REPORTS**
 - (a) **Project Finance Committee**
 - (b) **Board Retreat**
 - (c) **Board Program Work Session**
13. **NEW BUSINESS**
 - (a) **Legislative Issues and other Business of Interest to the Authority**
14. **Arrangements for Future Meetings**

April 20, 2018 – Denver, CO
June 1, 2018 – Denver, CO
August 22, 2018 – Vail (in conjunction with the CWC Summer Conference)
15. **Adjournment**

SLIDES

COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY
9:00 A.M. – March 2, 2018
Authority Conference Room
1580 Logan Street, Suite 610, Denver, CO 80203

CONSENT AGENDA

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

January 24, 2018

Call to Order

Chair Roy Heald called the meeting to order at 2:00 p.m. in the Wind River Conference Room of the Hyatt Regency Denver Tech Center, located at 7800 E. Tufts Avenue, Denver, CO 80237.

Roll Call and Declaration of a Quorum

Board members present: Roy Heald, Mike Berry, George Corkle, Steve Price, Judy Skram, Bruce Smith, Steve Vandiver and Bob Wolff. Webb Jones was absent. A quorum was declared with eight Board members present.

Approval of Consent Agenda

Roy Heald announced that the following items had been placed on the Consent Agenda for Board consideration by the Project Finance Committee: 7(a) Loan Application for the Town of Grand Lake (Resolution No. 18-01); 8(a) Loan Applications for The Town of Fowler (Resolution No. 18-02) and the Town of Saguache (Resolution No. 18-03); and 8(c) Town of Bennett Direct Loan Request (Resolution No. 18-05). Upon hearing no objection or comment, a motion was made to approve the Consent Agenda as recommended.

Motion: Steve Vandiver
2nd: Bob Wolff
Vote: Motion carried

Approval of Minutes – December 1, 2017

The December 1, 2017, Minutes were presented for approval. Upon hearing no comments, a motion was made to approve the Minutes for December 1, 2017, as presented.

Motion: Mike Berry
2nd: Judy Skram
Vote: Motion carried

For the record, Chair Heald invited all guests to formally identify themselves.

Other Agency Reports

Report of CWCB – Kirk Russell, Finance Section Chief, of the CWCB introduced Rachel Pittinger, CWCB's new Finance Section Engineer. Mr. Russell referred to his written report and stated the CWCB Board met January 22nd and 23rd and discussed extensively its funding sources, the severance tax situation and its impact on the CWCB's Construction Loan Program. Mr. Russell stated the agency's typical \$35-\$40 million allocation is in question, and the program could receive \$0 in funding this session. The CWCB has amended its 10-5-10 Water Plan implementation effort (\$10 million in supplemental funding for the Water Supply Reserve Fund; \$5 million in the Water Shed Restoration Program; and \$10 million for the Water Plan Grants) formula and reduced it to 2-2-7, respectively, for the next round of funding. Mr. Russell continued by stating three CWCB Board members' terms would be up on February 12th; Ty Wattenberg (North Platte River), John McClow (Gunnison-Uncompahgre River) and Jim Yahn (South Platte River). Mr. Yahn was confirmed last year to fill Diane Hoppe's seat and serve her remaining term. The next CWCB Board meeting will be March 21-22 in Broomfield.

Report of WQCD – Ron Falco referred to the Division’s written report and reported the Water Quality Control Commission adopted changes to the nutrient standards and the nutrients control management regulation (Reg. Nos. 31 and 85), in October and one entity has expressed interest in the incentive program. In March, the Commission will hold a rulemaking hearing regarding the On-Site Wastewater Treatment System Regulation. Mr. Falco continued his report with an update on the Division’s budget process and reported that Mike Beck met with Authority staff in mid-January in preparation for the Division’s 2019 Authority budget request. Mr. Falco also provided an update on the Lead Testing in Schools Program and reported that applications submitted did not utilize the full available funding. Two funding applications were submitted and Division staff is working to determine the reason(s) interested parties in the stakeholder process did not submit applications. Mr. Brod confirmed that a conference call had been scheduled for the Authority liaison to the WQCC, Roy Heald, and Rick Hum, the WQCC liaison to the Authority Board.

Report of DOLA – Scott Olene reported on the Energy Impact Assistance Fund (EIAF) awards, stating that a handout was distributed that included awards from the August 1st application cycle. DOLA awarded \$3.8 million in water and wastewater grants. A list of the Tier I and Tier II applicants from the December 1st application cycle was also provided. Mr. Olene reported that Mike Brod and Patrick Pfaltzgraff will be invited to the hearings scheduled in March, to discuss water and wastewater policy. DOLA expects to have \$20 million in available funding for the current application cycle as well as the April application cycle. Mr. Olene reported the State is still dealing with the uncertainty of refunds owed because of the BP case for the last three years. Mr. Olene concluded his report with a staffing update, stating that the vacant Program Manager position will be posted in the next two weeks and will be open for approximately one month to collect qualified candidates.

Chair Roy Heald rearranged Agenda item 8(a) Colorado Centre Metropolitan District, Resolution No. 18-04 to accommodate audience guests.

Water Pollution Control Revolving Fund

Colorado Centre Metropolitan District, Resolution No. 18-04

Beth Fox introduced Cindy Monroe (District Manager) and Paul Anderson (General Counsel) and provided a brief background on the District, its history (including its Chapter 9 bankruptcy and subsequent receivership) and the current intergovernmental agreements that involve the District. Ms. Fox presented Colorado Centre Metropolitan District’s (“District”) request for a direct loan through the WPCRF loan program in the amount of \$1,493,500, at an interest rate of 2% for a term of 20 years. The project consists of implementation of a chemical treatment process for phosphorus reduction at the Harold D. Thompson Regional Water Reclamation Facility, of which the District is a 25% owner. This project received a favorable recommendation from the Project Finance Committee. A motion was made to adopt Resolution No. 18-04, approving a wastewater direct loan to the Colorado Centre Metropolitan District and execution of a loan agreement and other documents necessary therefor, subject to the exclusion of all revenues pledged to the District’s 1992 bankruptcy plan.

Motion: Bruce Smith
2nd: Roy Heald
Vote: Motion carried

The meeting returned to regular business order (Agenda).

Authority Reports

Report of Treasurer– Bob Wolff referred to the Treasurer’s written report and stated that he was interviewed by BKD, the Authority’s auditor, as part of its annual review. Mr. Noll continued the Treasurer’s report and stated financials were provided through November and Authority staff continues to make year-end audit preparations. The auditors were on-site the second week in January preparing single audit testing and interim audit planning. BKD will return to the Authority offices in March to complete

the audit. The Accounting staff is also preparing for the upcoming March 1 bond debt service, where holders of the Authority WPCRF & DWRF bonds are paid interest on their investment. Mr. Noll also reported the Authority purchased an electronic banking module to assist in making electronic payments to its vendors and Board members. The Authority's new IT consultants "went live" on January 15th and, so far, the transition has been smooth and several Authority processes have been streamlined and improved. As part of this transition, Mr. Brod reported the fiber optic connection needed to be severed and resulted in an unforeseen expense of approximately \$23,400, to Comcast, but saved the Authority approximately \$24,000 in total costs. The new IT consultants are also tasked with improving the Authority's wi-fi connection by the next Board meeting. A motion was made to accept the Treasurer's report.

Motion: Bob Wolff
2nd: Steve Price
Vote: Motion carried

Report of Executive Director – Mike Brod referred to his written report and reported the Authority was celebrating many January anniversaries, notably Wesley William's 5-Year Anniversary on January 7th, Keith McLaughlin's 20-Year Anniversary on January 16th and Mike Brod's 24-Year Anniversary on January 24th. Mr. Brod thanked both Mr. Williams and Mr. McLaughlin and presented each a plaque of appreciation.

Water Innovation Fund

Mike Brod introduced Kathy King and Mark Loch. A discussion was held regarding the idea of a Water Innovation Fund. After discussion and questions there was no interest by the Board in pursuing the idea.

Report of Legal Counsel – Karl Ohlsen had no separate legal report but wanted to remind Board members of his upcoming conflicts of interest and fiduciary duty presentation at a future meeting. Mr. Ohlsen and Mike Brod will discuss and set an agenda item on a future Board agenda.

Drinking Water Revolving Fund

Design & Engineering Grants – Allocation of 2017 Unobligated Funds

Jim Griffiths reported this is the time of year that Authority staff reviews the allocation procedure for unobligated principal forgiveness funds. Mr. Griffiths reviewed the EPA's Capitalization Grant additional subsidy requirement and stated for the Drinking Water Revolving Fund ("DWRF") Program the amount was 20%, or approximately \$2.9 million. The Authority Board previously budgeted \$1.5 million for Design & Engineering Grants for 2017. At year end, the DWRF Program has approximately \$2.2 million in unobligated principal forgiveness funds available. As per the Intended Use Plan, Disadvantaged Communities were prioritized and the following five entities for the DWRF program received the remaining additional subsidy funding: Town of Oak Creek, Town of Salida, Town of Cedaredge, Town of Hotchkiss and Town of Poncha Springs. Similarly, in the Water Pollution Control Revolving Fund ("WPCRF") Program, two entities, the Town of Nucla and the Town of Bennett, ranked higher and received available principal forgiveness funds. Mr. Griffiths welcomed the Board's suggestions for alternative ways to distribute these unobligated funds and reminded the Board that the SRF Committee has been convened to recommend an alternative process for the Board to consider, later in the year.

Larimer County Prepayment Loan Amendments

Wesley Williams presented Larimer County's request to amend the outstanding County's Local Improvement District ("LID") direct loans to allow remittance of prepayments to the Authority on the next regularly scheduled loan repayment date (instead of immediately after receipt, as currently required). Mr. Corkle asked what mechanism would prevent the County from keeping the prepayments and Mr. Williams confirmed that the loan agreements require the County to place prepayment funds in the respective LID's account and that we have never had any payment issues with any of the existing LIDs. This request received a favorable recommendation from the Project Finance Committee. A motion was

made to approve a loan amendment to each of the Larimer County Local Improvement District loans to allow the County to remit prepayments to the Authority on the respective LID's next regularly scheduled loan repayment date. Mr. Heald questioned if counsel was in support of these loan amendments, and Mr. Ohlsen confirmed he was in favor of the amendments to reduce the administrative burden on both Larimer County and Authority staff.

Motion: Steve Vandiver
2nd: Bob Wolff
Vote: Motion carried

Project and Matching Account Updates

Keith McLaughlin referred to the written report and reported there have been no rating changes and one outlook change since the last Board meeting. Massachusetts Mutual's ("Mass Mutual") outlook was decreased from "Stable" to "Negative" by Moody's. This means there is a one-in-three chance that it could be downgraded over the next 18-24 months. Staff will continue to closely monitor all investment providers. Mr. McLaughlin stated that all agreements are in compliance with required collateral percentages and eligible securities as required. Mr. McLaughlin concluded his report by reviewing the balances in the project and matching accounts totaling approximately \$167 million.

Status of Projects

Jim Griffiths reported that the Town of Eagle submitted its \$17.3 million SRF loan application for the March Board meeting, and the credit report is currently in process. Applications are also expected from the St. Charles Mesa Water District and the Town of Ordway. Mr. Griffiths provided a brief year in review of the DWRP activities in 2017, including: 16 pre-qualification meetings attended; 7 project development meetings attended; 5 Design & Engineering Grants executed; 5 direct loans executed; 1 leveraged loan closing; and 162 borrower requisitions completed. There was one early leveraged loan payoff in 2017, from the Little Thompson Water District.

Water Pollution Control Revolving Fund

Status of Projects

Keith McLaughlin reported that one \$10,000 2017 Planning Grant was awarded since the last Board meeting to the Town of Manassa. There are fifteen WPCRF Planning Grants available for 2018. Additionally, three Design & Engineering Grants were awarded since the last Board meeting to St. Mary's Glacier Water & Sanitation District (\$240,000), Town of La Veta (\$300,000) and Town of Ordway (\$158,600). There is \$1,042,000, of budgeted Design & Engineering Grants remaining for 2018. One loan application is expected at the March Board meeting from the Town of Ordway. Mr. McLaughlin continued his report with a brief year in review of the WPCRF activities in 2017, including: 18 pre-qualification meetings attended; 7-8 project development meetings attended; 7 Design & Engineering Grants executed; 7 direct loans executed; and 165 borrower requisitions completed. Mr. McLaughlin provided an update on the Green Project Reserve policy and stated that three stakeholder conference calls were held and staff is currently working through that process and staff hopes to offer three viable options for the Green Project Reserve Policy at the March Board meeting. Mr. McLaughlin concluded his report by congratulating Wesley Williams on his recent appointment to two Boards: the Rocky Mountain Section of the Association of Energy Service Professionals and SWITCH.

Small Hydropower Loan Program

Status of Program

John Williams reviewed the SHLP Program terms: eligible projects up to 10 megawatts, \$5 million maximum loan amount per governmental agency, 30 year term and an interest rate of 2%. Since the last Board meeting, one \$15,000 SHLP Matching Grant was awarded to the Town of Nederland. Nine remaining SHLP Matching Grants are available for 2018. Mr. Williams confirmed Authority staff has reached out to the Town of Palisade, City of Durango, Pueblo Board of Water Works and the City of

Delta as previously suggested by Authority Board members and provided additional information and contact information to each entity.

Water Revenue Bonds & Small Water Resources Projects

Status Report

Beth Fox reminded Board members that both the WRBP and SWRP programs exist for borrowers that are not eligible for funding through the DWRF or WPCRF Programs. Ms. Fox stated that the WRB Program is operating as normal with eight loans outstanding, with an approximate balance of \$108 million. Ms. Fox stated the SWRP program has two outstanding loans from the Parker Water & Sanitation District and the City of Rifle, and an aggregate balance of approximately \$4.85 million. The final payment for the bonds is expected in October of 2023.

La Plata Future Projects Escrow & Animas-La Plata Project

Long Hollow Reservoir – Status Report

Mike Brod reported that the current storage level at Bobby K. Taylor Reservoir is approximately 1,700 acre feet, which is surprisingly high for the season. Mr. Brod stated that we are currently in a non-compact period and can store water, and storage is increasing. The non-compact period ends in February and at that time, the District will be required to release water to New Mexico if it can't be delivered through natural flows of the La Plata River.

New Business

Legislative Issues and Other Business of Interest to the Authority

Mike Brod reported that due to the Continuing Resolution at the Federal level, Authority staff is unsure when the Capitalization Grants for the SRF programs will be submitted and awarded. Staff will continue to monitor the situation and will report to the Board as necessary. Mr. Brod reported that Keith McLaughlin testified earlier today in front of the House Ag Committee on Mr. Brod's behalf on the Project Eligibility Lists (SJR 18-003). Senate Bill 18-19 was introduced on January 18th and was assigned to the Senate Ag Committee. Mr. Brod testified on the bill and there was only one no vote. A second reading and vote is expected within the next few weeks.

Arrangements for Future Meetings

The March meeting will take place on Friday, March 2, 2018, in the Authority's offices, and will involve a Board Program Work Session on Thursday, March 1, 2018. Chair Heald suggested the Authority Board meet to discuss the Board's expectations for the Budget process prior to the discussion with the WQCD in April. Discussions about the Memorandum of Understanding and Intended Use Plans may also be included on the agenda. Subsequent meetings will be held on April 20, 2018, and June 1, 2018, in the Authority's offices. The August 23, 2018, meeting will be held in Vail, in conjunction with the Colorado Water Congress Summer Conference. Future meetings may be held in Durango, La Junta and/or Lamar.

Adjournment

Chair Roy Heald adjourned the meeting at 5:06 p.m.

Respectfully submitted,

Keith McLaughlin, Assistant Secretary

NOTE-FOR INFORMATION ONLY - COPIES OF THE DOCUMENTS REFERRED TO IN THE TEXT OF THESE MINUTES ARE ON FILE IN THE AUTHORITY OFFICE AND MAY BE OBTAINED BY SUBMITTING A "REQUEST FOR PUBLIC RECORDS." PLEASE CALL SABRINA SPEED AT (303) 830-1550, EXT. 1010, FOR INFORMATION.



Board Report - Colorado Water Resources & Power Development Authority

March 2018

REPORT INDEX

1. **WQCC actions (current and future)**
2. **WQCD highlights**
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 - 2.2. Budget
 - 2.3. Legislative
 - 2.4. Grants and Loans Updates
3. **Drinking Water Program**
 - 3.1. Project reporting
 - 3.2. Source water protection
 - 3.3. Coaching and training
4. **Clean Water Program**
 - 4.1. WPCRF Project Budget
 - 4.1.1. Expenditure update
 - 4.1.2. Contracting Update
 - 4.1.3. Completed project reports
 - 4.2. Permits

1. **WQCC actions (current and future)**

Past WQCC actions include:

- In December 2017, the WQCC held rulemaking hearings including: the annual temporary modifications review hearing (Reg. Nos. 32-38) and the list of impaired waters hearing (Reg. No. 93). The hearing to review molybdenum standards (Reg. Nos. 31 and 33) was continued to January 8, 2018 for the limited purpose of considering an extension of the temporary modification on segment 14 of the Blue River. The hearing chair also continued the consideration of the statewide molybdenum standards in Regulations #31 and #33 until November 2019.
- In December 2017, there were informational briefings from various SB-181 agencies including: the Division of Reclamation, Mining and Safety, the State Engineer's Office, the Division of Oil and Public Safety and the Hazardous Materials and Waste Management Division. Other informational and administrative action hearings in December include: a triennial review of the Colorado River Salinity Standards, Regulation No. 39, an administrative action hearing to consider extending the expiration date of the Human Health-Based Water Quality Criteria and Standards, Commission Policy 96-2, and an administrative action hearing to consider extending the expiration date of the Guidance for Implementation of Colorado's Narrative Sediment Standard - Regulation No. 31, Section 31.11(1)(a)(i), Commission Policy 98-1.
- In January 2018, the WQCC held a rulemaking hearing to extend the temporary modification for molybdenum for one segment in the Upper Colorado River Basin (Reg. No. 33).

Upcoming rulemaking hearings and briefings include:

- The WQCC will not meet in February 2018.
- In March 2018, the WQCC will hold a rulemaking hearing regarding the On-Site Wastewater Treatment System Regulation, Reg. No. 43. The Chatfield Control Regulation, Reg No. 73 will also be reviewed.



2. WQCD highlights

2.1. Emerging issues/status updates/success stories

- Aspen Canyon Ranch is a lodge/resort operating in Grand County that also owns its own drinking water supply well and is therefore a regulated public drinking water system. The system has failed to comply with drinking water regulations for calendar year 2017. The department issued an enforcement order in December 2017 and a boil water advisory in January 2018. The system has not complied with either action. The department coordinated with Grand County health and the sheriff's office and was planning to visit the site to post the required public notice. After consulting with the sheriff, there are significant safety and security concerns related to going on the property, thus, for safety reasons the visit was canceled. The department is now proceeding to district court to pursue judicial action to compel compliance with drinking requirements.
- The division continues to work with Denver Water regarding their proposal for revising the commission's reclaimed water regulation in August of 2018. Denver Water plans to propose new uses of reclaimed water - toilet flushing and marijuana cultivation. If the bills that have been introduced this legislative session regarding reclaimed water are passed then the division will need to reevaluate how to continue to work through the potential regulatory changes while ensuring that public health and the environment are not endangered.
- The division is working on outreach efforts related to the Voluntary Incentive Program for Nutrient Reduction that was adopted as commission policy in October 2017. The division plans to hold meetings across the state to inform wastewater facilities about the incentive program and to encourage participation.

2.2. Budget

- The Safe Drinking Water Program continues to meet informally with stakeholders to scope a more formal stakeholder process starting spring 2018.
- The division and Authority held the first WQCC and CWRPDA liaison meeting on January 29, 2018. The meeting was very successful and provided great insight on how the division should move forward with the 2019 budget. It was identified that the WQCC and CWRPDA liked the two-year workplan and the budget concept paper. The division is currently working to update those documents.

2.3. Legislative

- As of February 12, 429 bills have been introduced.
- Bills that impact the division and have been introduced include:
 - CWRPDA extend loan terms bill - we maintain an official support position on this bill.
 - Reclaimed water and toilet flushing.
 - Reclaimed water and hemp.
 - Reclaimed water and marijuana cultivation.
 - Reclaimed water and edible food crops.
- The four reclaimed water bills have passed house and senate ag committee and await a calendar date for the appropriations committee before moving to full readings.

2.4 Grants and Loans Updates

- The CEOS roll-out process continues. As the initial roll-out went well, we are going live with additional projects in the system as entities begin the SRF process, or are at feasible stages within a project. Project managers are using the system with active project data as we transition to the system. There are approximately 20 entities now using the system.
- The division received applications for the 2017-2018 Water Quality Improvement Fund grant cycle on December 6. Fifteen applications were received with requests totalling \$1,527,000,



while there is \$575,000 available for distribution. Eight entities will receive funding, and contracting is underway.

- Staff attended the Colorado Rural Water Association conference February 13 and 14 to address SRF and funding coordination at the division's booth.
- The Grants and Loans Unit has started working on the WPCRF annual report that is due to the EPA by April 30, 2018.

Pre-application meetings			
Entity	Date	Estimated Project Cost	Program
Mountain View, Town of	01/30/2018	\$380,000	WPCRF

3. Drinking Water Program

3.1. Project Reporting

DWRF Project Budget Pursuing excellence program, system improvement pilot project updates:

- Rock Creek Mesa has submitted an invoice for work completed under the System Improvement Pilot.

System Improvement Pilot participant	Project	Funding allocated	Amount paid as of Jan 2017
Grace Mar	Well pump cleaning/ repairs	\$25,000	\$0
Coney Island	Filtration improvement	\$16,000	\$2,000
Sunshine Mesa	New disinfection, solar power	\$25,000	\$1,000
Beulah	Emergency interconnect with Pine Drive	\$25,000	\$25,000
Camp Timberline	New well	\$25,000	\$1,000
Telluride Pines	Improve filtration	\$25,000	\$0
Rock Creek Mesa	Improve filtration	\$25,000	\$13,000
Nederland	Install infiltration gallery	\$25,000	\$0
Branson	New billing and website	\$11,500	\$0
Olney Springs	Emergency preparedness and security measures	\$25,000	\$25,000
Pine Drive	Emergency interconnect with Beulah	\$25,000	\$8,500

3.2 Source water protection

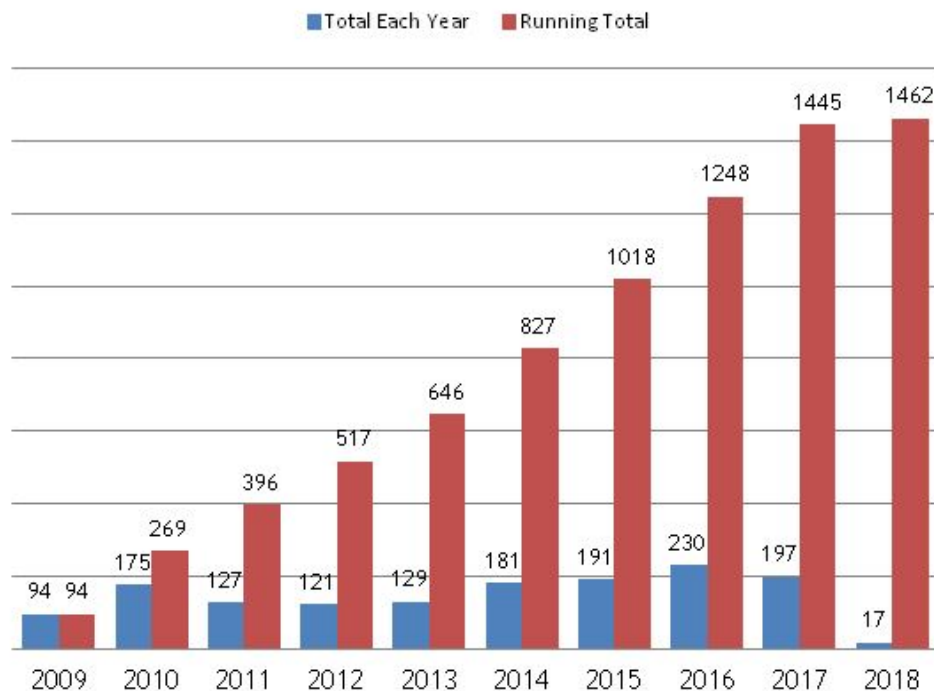
- There were no source water protection planning grants approved or funded during this report period.
- The SWAP program is negotiating with Colorado Rural Water Association (CRWA) management/staff to outline the details of the pending source water protection planning support



contract. The executive director of CRWA, Tom Wall, retired on January 16th and we expect some delays in finalizing the contract documents.

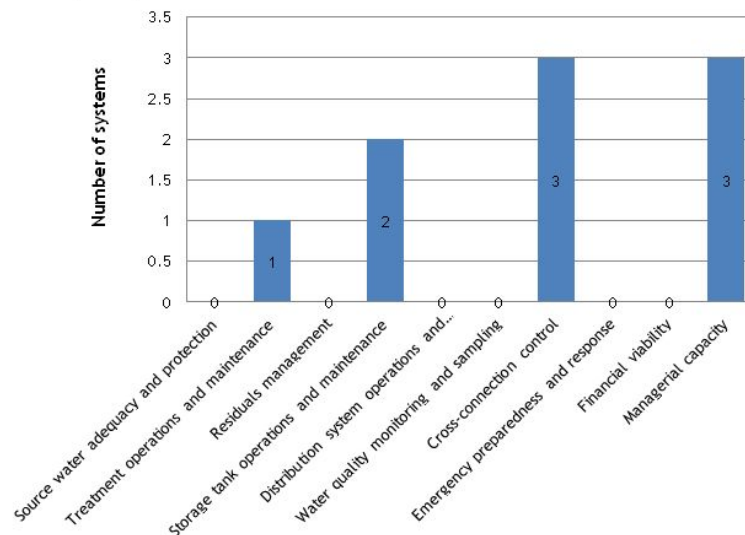
3.3. Coaching and training

- As of February 12, 2018 the 2018 annual running monthly average is 62% of all systems that received one-on-one assistance making at least one improvement.
- The workgroup presented at an Action Now seminar on January 18 in Canon City.
- The workgroup provided new hands-on classroom training on how to manage and operate your system for regulatory compliance in Pueblo on January 25. The workgroup plans on providing this training once a month in a different location to target small systems.
- The workgroup offered a drought and water loss workshop for drinking water systems in Hotchkiss on January 23.
- The workgroup participated in a RMSAWWA Train the Trainer workshop on January 11.
- Total coaching and training events:





2018 improved performance as a result of assistance



- Specific examples of improvements made at systems as a result of assistance during January:
 - Cross connection control rule documentation.
 - Implementing and documenting storage tank inspection program.
 - Submitting a complete design review for a non-transient system.
 - Pursuing Excellence Pilot Program required documentation.

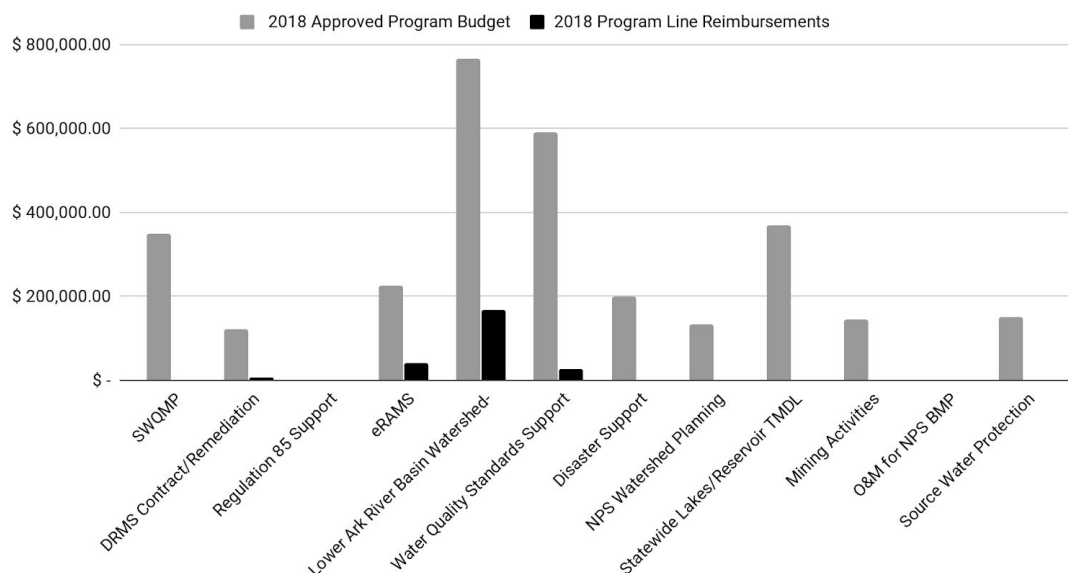
4. Clean Water Program

4.1. WPCRF Project Budget

4.1.1. Expenditures update -

- As of Feb 12, 2018 the division expended 8 percent of the 2018 projected expenditures as shown below comparing actual expenditures through project reimbursements versus projected expenditures for each program line.

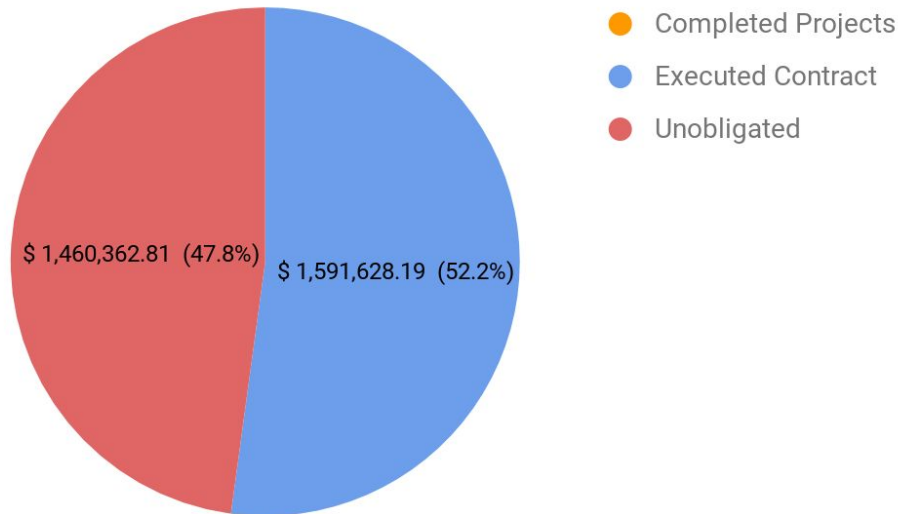
2018 Program Line Expenditures





4.1.2 Approved Budget Status

2018 WPCRF Special Projects Approved Budget - \$3,051,991



4.1.3 Completed project reports

- One project in the Water Quality Standards Support program line was completed during this reporting period (project details follow). Payout on the contract does not impact CY 2018 totals as final payment was made from CY 2017 funding.
- Program line - Water Quality Standards Support
 - Project Name: Fact Sheets for Temperature Reduction
 - Project Summary: This project was to create fact sheets and user guidance to provide information for domestic wastewater treatment facilities of all sizes to develop a site-specific analysis of alternatives to reduce the temperature of effluent wastewater. The project intends to improve water quality within the State of Colorado by providing technical information to improve the accuracy of engineering analyses used in support of Discharger Specific Variance applications.

4.2 Permits

Below are two metrics the division uses for permits. This information is helpful in understanding the percentage of facilities submitting their discharge monitoring reports and the compliance rates, which have a direct relationship to protecting the state's waters. Please note that the compliance rates are only for facilities that have submitted a DMR. These percentages are for the month of January 2018.

- % of Discharge Monitoring Reports submitted as required: 92.7%
- % of permit holders in compliance with effluent limitations: 96.64%

Report on the Firm's System of Quality Control

To the Partners of
BKD, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.


Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of carrying broker-dealers, and examinations of service organizations [SOC 1 and SOC 2 engagements].

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of BKD, LLP applicable to engagements not subject to PCAOB inspection in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BKD, LLP has received a peer review rating of *pass*.



Baton Rouge, Louisiana
October 6, 2017

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
CASH EXPENDITURES for the MONTH ENDING JANUARY 31, 2018

DATE	CHECK #	PAYEE	DESCRIPTION	AMOUNT
01/12/18	24673	Automated Business Products	Monthly Copier Service	202.14
01/12/18	24674	BB&T Commercial Equipment Cap	Monthly Phone Equipment Lease	350.35
01/12/18	24675	Comcast Cable	Semimonthly Internet	484.32
01/12/18	24676	Comcast Business	Monthly Fiber-optic Internet	919.65
01/12/18	24677	Curbside Recycling	Monthly Recycling	70.00
01/12/18	24678	Government Finance Officers Assoc	Mike 2018 Member Dues	160.00
01/12/18	24679	Hogan Lovells	DWRF 17A COI	15,000.00
01/12/18	24680	Iron Mountain	Monthly Records Storage	347.63
01/12/18	24681	Ian Loffert	Deer Creek Pre-App Travel Expenses	119.89
01/12/18	24682	Manager of Finance	4th Qtr Denver Occupational Privilege Tax	409.50
01/12/18	24683	Mytech Partners	Monthly IT Agreement	3,584.00
01/12/18	24684	Office Depot	Misc Office Supplies	82.75
01/12/18	24685	Town of Olney Springs	WPCRF Pre-Loan Planning Grant	6,766.00
01/12/18	24686	Pinnacol Assurance	Workers' Comp Adjustment	146.00
01/12/18	24687	Pitney Bowes	Postage Machine Rental	180.00
01/12/18	24688	Quill Corporation	Coffee	34.27
01/12/18	24689	Wells Fargo Corporate Credit Card	Brod, Griffiths, Noll & Speed Credit Card Expenses	3,597.58
01/12/18	24690	Wesley Williams	Pueblo Meeting Travel Expenses	330.15
01/12/18	24691	John Williams	Birthday Cake	40.59
01/12/18	24692	Quill Corporation	Coffee	66.08
01/31/18	24693	Arbitrage Compliance Specialists	WPCRF, DWRF & SWRP Arbitrage Calculations	7,504.50
01/31/18	24694	Automated Business Products	Monthly Copier Service	156.78
01/31/18	24695	BB&T Commercial Equipment Cap	Monthly Phone Equipment Lease	350.35
01/31/18	24696	Bethel Bindery	DWRF 17A COI	120.11
01/31/18	24697	Carlson, Hammond & Paddock	December Legal Fees	2,579.45
01/31/18	24698	CCBIT	Monthly Email Filtering	63.36
01/31/18	24699	Water Education Colorado	2018 Water Fluency Program Sponsorship & Dues	15,000.00
01/31/18	24700	Comcast Cable	Semimonthly Internet	279.42
01/31/18	24701	Comcast Business	Fiber-optic Internet Early Termination Fee	24,319.65
01/31/18	24702	George Corkle	1/24 Board Meeting Travel Expenses	163.50
01/31/18	24703	Employers Council Services	Sexual Harassment Webinar Registration	59.00
01/31/18	24704	Federal Express	Misc Deliveries	38.17
01/31/18	24705	Beth Fox	1/24 Board Meeting & CWC Conference Travel Exp	77.87
01/31/18	24706	Ken's Reproductions	Business Cards-John	84.85
01/31/18	24707	Lincoln National Life Insurance	February LTD / Life Insurance	974.74
01/31/18	24708	CIO Logan Tower	February Rent	10,351.58
01/31/18	24709	Moody's Investors Service	DWRF 17A COI	22,500.00
01/31/18	24710	Office Depot	Misc Office Supplies	71.42
01/31/18	24711	Town of Olney Springs	WPCRF Pre-Loan Planning Grant	2,318.00
01/31/18	24712	One Business Mart	Server Reconfiguration and Troubleshooting	450.00
01/31/18	24713	Peak Communication Systems	Monthly Phone Service	218.00
01/31/18	24714	Town of Peetz	WPCRF Pre-Loan Planning Grant	4,000.00
01/31/18	24715	Purchase Power	Postage	520.99
01/31/18	24716	Bruce Smith	1/24 Board Meeting Travel Expenses	261.60
01/31/18	24717	Tri-County Water Conservancy Dist	Mike Berry 1/24 Board Meeting & CWC Conf Travel	288.85
SUBTOTAL \$				125,643.09

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

CASH EXPENDITURES for the MONTH ENDING JANUARY 31, 2018

DATE	CHECK #	PAYEE	DESCRIPTION	AMOUNT
01/31/18	24718	VOID		
01/31/18	24719	VOID		
01/31/18	24720	U.S. Bank	DWRF & WPCRF Trustee Fees	4,225.00
01/31/18	24721	Steve Vandiver	1/24 Board Meeting & CWC Conference Travel Exp	272.50
01/31/18	24722	Claudia Walters	CGFOA Conference Travel Expenses	165.45
01/31/18	24723	Wiley Sanitation District	WPCRF Pre-Loan Planning Grant	285.00
01/31/18	24724	Wesley Williams	1/24 Board Meeting & CWC Conference Travel Exp	28.34
01/31/18	24725	John Williams	1/24 Board Meeting & CWC Conference Travel Exp	118.85
01/31/18	24726	Water Information Program	2018 Water Information Program Contribution	2,000.00
01/31/18	24727	Bob Wolff	1/24 Board Meeting & CWC Conference Travel Exp	604.60
TOTAL CHECKS \$				133,342.83

WIRE TRANSFERS (INCOMING / OUTGOING)

01/17/18	CWRPDA	DWRF 2017A COI Reimbursement	16,541.00
01/18/18	La Plata Water Conservancy District	La Plata River Escrow Draw	9,490.40
TOTAL WIRE TRANSFERS \$			26,031.40

ACH PAYMENTS

01/15/18	PERA & PERA 401(k) ACH Payment	18,090.57
01/15/18	DIRECT DEPOSIT - PAYROLL	33,057.13
01/15/18	DIRECT DEPOSIT - FEDERAL / MEDICARE / COLORADO WITHHOLDINGS	8,840.58
01/31/18	PERA Board ACH Payment	309.65
01/31/18	PERACare Insurance Payment	18,273.41
01/31/18	PERA & PERA 401(k) ACH Payment	18,114.82
01/31/18	DIRECT DEPOSIT - PAYROLL	37,437.13
TOTAL ACH PAYMENTS \$		134,123.29

TOTAL CASH EXPENDITURES for the MONTH ENDING January 31, 2018	\$ 293,497.52
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Colorado Water Resources and Power Development Authority Credit Card Expenses for the Month Ending January 31, 2018

Last Four Digits of Wells Fargo Credit		Transaction	Transaction		
Card Number	Cardholder	Date	Amount	Payee	Description
0801	Mike Brod	12/14/2017	884.02	Denver Chophouse	Authority Christmas lunch
			884.02		
1025	Jim Griffiths	12/13/2017	121.65	Anthony's Pizza	Disclosure training lunch
1025	Jim Griffiths	12/14/2017	1.00	Public Works-Parking Meter	Christmas lunch parking
1025	Jim Griffiths	12/14/2017	1.00	Public Works-Parking Meter	Christmas lunch parking
1025	Jim Griffiths	12/19/2017	111.26	Avenue Grill	Finance staff lunch
1025	Jim Griffiths	12/22/2017	711.00	Government Finance	February GFOA training registration
			945.91		
3920	Justin Noll	12/4/2017	1,750.00	LAZ Parking	December employee parking
3920	Justin Noll	12/14/2017	2.00	Public Works-Parking Meter	Christmas lunch parking
			1,752.00		
1700	Sabrina Speed	12/11/2017	12.43	Julies Hallmark	Christmas & sympathy cards
1700	Sabrina Speed	12/18/2017	3.22	Amazon Services-Kindle	Unknown charge-Sabrina to dispute
			15.65		
		Total	<u>3,597.58</u>		

**COLORADO WATER RESOURCES
and
POWER DEVELOPMENT AUTHORITY**
ANIMAS - LA PLATA ESCROW ACCOUNT

**as of
December 31, 2017**

BALANCE SHEET

	As of 12/31/17
<u>ASSETS:</u>	
State Treasurer Cash Pool - Unsegregated	\$ 1,143,380.27
State Treasurer Cash Pool - Segregated	462,098.91
Total Cash	<u>1,605,479.18</u>
YTD Water Depletion Rights-ALP (Bureau of Reclamation draws)	900,377.58
Infrastructure-Durango Specific Costs	-
Interest Receivable - State Treasurer's Cash Pool	2,107.00
TOTAL ASSETS	<u>\$ 2,507,963.76</u>
<u>LIABILITIES and EQUITY:</u>	
Durango Specific Costs Deposit	\$ -
Equity	
Net Position	2,744,509.81
Change in Net Position	<u>(236,546.05)</u>
TOTAL EQUITY	<u>2,507,963.76</u>
TOTAL LIABILITIES and EQUITY	<u>\$ 2,507,963.76</u>

INCOME STATEMENT

<u>INCOME:</u>	
Interest Income - State Treasurer Cash Pool	\$ 21,692.25
<u>EXPENSES:</u>	-
OPERATING INCOME/(LOSS)	<u>\$ 21,692.25</u>
Transfers In / (Out)	\$ (258,238.30)
Change in Net Position	<u>\$ (236,546.05)</u>

Colorado Water Resources & Power Development Authority

Small Water Resources Pgm

Statement of Net Position

As of December 31, 2017

Current Assets:

Cash and Equivalents	160
Federal Grants Receivable	
Investment Income Receivable	0
Loans Receivable	2,371,250
Due From Other Funds	
Accounts Receivable-Borrowers	0
Other Assets	
Restricted Assets:	
Cash and cash equivalents	439,210
Investments	
Investment income receivable	505
Assets Held for Others	
Total Current Assets	<u>2,811,126</u>

Noncurrent Assets:

Restricted Assets:	
Cash and Equivalents	0
Investments	
Investment Income Receivable	0
Assets Held for Others	
Advance Receivable	
Loans Receivable	2,474,166
Water Depletion Rights-ALP	
Capital Assets-Equipment, Net of Accumulated Depreciation	
Other Assets	21,963
Total Noncurrent Assets	<u>2,496,130</u>
Total Assets	<u>5,307,255</u>

Deferred Outflows-Refundings	18,144
Deferred Outflows-Pension Contributions	
Deferred Outflows-Investment Earnings Difference	
Deferred Outflows-Experience Difference	
Deferred Outflows-Proportional Share Change	

Current Liabilities:

Project Costs Payable - Current	
Bonds Payable	2,325,000
Accrued Interest Payable	42,340
Accounts Payable-Borrowers	768
Due to Other Funds	
Accounts Payable-Other	
Other Liabilities	
Total Current Liabilities	<u>2,368,108</u>

Noncurrent Liabilities:

Project Costs Payable - Long Term	
Advance Payable	
Bonds Payable, net	2,840,000
Pension Liability	
Debt Service Reserve Deposit	
Other Liabilities	
Total Noncurrent Liabilities	<u>2,840,000</u>
Total Liabilities	<u>5,208,108</u>

Deferred Inflows-Refundings	
Deferred Inflows-Experience Difference	
Deferred Inflows-Proportional Share Change	
Deferred Inflows-Change in Assumptions	

Fund Net Position:

Invested in Capital Assets	
Restricted	117,291
Unrestricted	
Total Fund Net Position	<u>117,291</u>

Colorado Water Resources and Power Development Authority
Small Water Resources Pgm
Statement of Changes in Net Position
December 31, 2017

Operating Revenues:	
Interest on Loans	308,308
Interest on Investments	108
Total Operating Revenues	<u>308,416</u>
Operating Expenses:	
Interest on Bonds	362,023
Bond Issuance Expense	3,765
Principal Forgiven	1,458
Total Operating Expenses	<u>367,247</u>
Operating Income	<u>(58,830)</u>
Operating Transfers In/(Out)	(14)
Change in Net Position	<u>(58,844)</u>
Fund Net Position-Beginning of Year	<u>176,135</u>
Fund Net Position-End of Year	<u>117,291</u>

Colorado Water Resources & Power Development Authority

Water Revenue Bonds Pgm

Statement of Net Position

As of December 31, 2017

Current Assets:

Cash and Equivalents	
Federal Grants Receivable	
Investment Income Receivable	0
Loans Receivable	1,855,000
Due From Other Funds	
Accounts Receivable-Borrowers	2,276,974
Other Assets	
Restricted Assets:	
Cash and cash equivalents	4,180,455
Investments	
Investment income receivable	14,275
Assets Held for Others	
Total Current Assets	<u>8,326,703</u>

Noncurrent Assets:

Restricted Assets:	
Cash and Equivalents	0
Investments	
Investment Income Receivable	0
Assets Held for Others	6,944,203
Advance Receivable	
Loans Receivable	106,170,000
Water Depletion Rights-ALP	
Capital Assets-Equipment, Net of Accumulated Depreciation	
Other Assets	358,363
Total Noncurrent Assets	<u>113,472,566</u>
Total Assets	<u>121,799,269</u>

Deferred Outflows-Refundings	279,429
Deferred Outflows-Pension Contributions	
Deferred Outflows-Investment Earnings Difference	
Deferred Outflows-Experience Difference	
Deferred Outflows-Proportional Share Change	

Current Liabilities:

Project Costs Payable - Current	4,059,906
Bonds Payable	1,855,000
Accrued Interest Payable	1,841,393
Accounts Payable-Borrowers	187,047
Due to Other Funds	
Accounts Payable-Other	
Other Liabilities	
Total Current Liabilities	<u>7,943,346</u>

Noncurrent Liabilities:

Project Costs Payable - Long Term	0
Advance Payable	
Bonds Payable, net	106,170,000
Pension Liability	
Debt Service Reserve Deposit	6,891,979
Other Liabilities	
Total Noncurrent Liabilities	<u>113,061,979</u>
Total Liabilities	<u>121,005,325</u>

Deferred Inflows-Refundings	
Deferred Inflows-Experience Difference	
Deferred Inflows-Proportional Share Change	
Deferred Inflows-Change in Assumptions	

Fund Net Position:

Invested in Capital Assets	
Restricted	1,073,373
Unrestricted	
Total Fund Net Position	<u>1,073,373</u>

Colorado Water Resources and Power Development Authority
Water Revenue Bonds Pgm
Statement of Changes in Net Position
December 31, 2017

Operating Revenues:	
Interest on Loans	5,582,443
Interest on Investments	<u>2,323</u>
Total Operating Revenues	<u>5,584,766</u>
Operating Expenses:	
Interest on Bonds	5,651,622
Bond Issuance Expense	<u>30,543</u>
Total Operating Expenses	<u>5,682,165</u>
Operating Income	(97,398)
Operating Transfers In/(Out)	<u>(2,323)</u>
Change in Net Position	(99,721)
Fund Net Position-Beginning of Year	<u>1,173,094</u>
Fund Net Position-End of Year	<u><u>1,073,373</u></u>

Colorado Water Resources and Power Development Authority
ALL PROGRAMS-SUMMARY
Bond Principal Status Report
As of December 31, 2017

SUMMARY OF BONDS ISSUED					
Program	Number of Issues	Original Amount of Bonds Issued	Principal Paid to Date at Maturity	Principal Refunded, Defeased, and/or Called	Outstanding Principal Balance
Drinking Water Revolving Fund Bond Issues (DWRP)					
Total Remaining Bond Debt Service	11	\$ 202,780,000	\$ 69,625,000	\$ -	\$ 133,155,000
Total Retired Bond Issues	7	171,115,000	83,970,000	87,145,000	-
Total - Drinking Water Revolving Fund	18	373,895,000	153,595,000	87,145,000	133,155,000
Water Pollution Control Water Revolving Fund (Clean Water) Bond Issues (WPCRF)					
Total Remaining Bond Debt Service	16	510,905,000	182,475,000	84,390,000	244,040,000
* Total Retired Bond Issues	23	612,020,000	281,955,000	330,065,000	-
Total - WPCRF Clean Water Bonds	39	1,122,925,000	464,430,000	414,455,000	244,040,000
Water Pollution Control Revolving Fund (State Match) Bond Issues (WPCRF)					
Total Remaining Bond Debt Service	0	-	-	-	-
Total Retired Bond Issues	4	7,040,000	4,355,000	2,685,000	-
Total - WPCRF State Match Bonds	4	7,040,000	4,355,000	2,685,000	-
Small Water Resources Program Bond Issues (SWRP)					
Total Remaining Bond Debt Service	2	23,580,000	12,015,000	6,400,000	5,165,000
* Total Retired Bond Issues	16	172,915,000	82,120,000	90,795,000	-
Total - Small Water Resources Program	18	196,495,000	94,135,000	97,195,000	5,165,000
Water Revenue Bonds Program Bond Issues (WRBP)					
Total Remaining Bond Debt Service	8	116,905,000	8,880,000	-	108,025,000
Total Retired Bond Issues	15	391,465,000	85,820,000	305,645,000	-
Total - Water Revenue Bonds Program	23	508,370,000	94,700,000	305,645,000	108,025,000
ALL PROGRAMS					
Total Remaining Bond Debt Service	37	854,170,000	272,995,000	90,790,000	490,385,000
Total Retired Bond Issues	65	1,354,555,000	538,220,000	816,335,000	-
TOTAL - ALL PROGRAMS	102	\$ 2,208,725,000	\$ 811,215,000	\$ 907,125,000	\$ 490,385,000

* See retired bond issue section for more detail. These numbers only represent fully retired bond issues.

> 2001AR unrefunded and refunded bonds Principal Paid to Date at Maturity includes the adjustment for the difference between Paine Weber's and First Albany's allocation of debt service.

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

All Programs Loan Status Report (DRAFT-NOT TIED TO FINANCIALS)

As of: December 31, 2017

Prg	Type	Borrower	Outstanding Balance	Original / Amended Loan Amount	Note	Loan Rate (%)	Loan Date	Final Payment Date	Pymt Frq
D	06B	Alamosa, City of	\$ 6,431,735.41	\$ 11,865,062.50		3.420%	11/2/2006	8/1/2027	S
D	FD	Alma, Town of	298,172.66	435,563.99		2.000%	4/27/2011	5/1/2031	S
D	DC	Antonito, Town of	752,505.15	3,210,841.00		0.000%	2/20/2015	5/1/2045	S
W	DC	Antonito, Town of (D&E)(DL#1)	0.00	250,000.00		N/A	3/16/2017	N/A	N/A
D	06B	Arapahoe County Wtr and WW PID	6,210,762.33	16,049,975.43		3.310%	11/2/2006	8/1/2022	S
D	97A	Arapahoe Estates WD	0.00	1,048,332.75		4.150%	10/1/1997	7/28/2017	S
D	DC	Arriba, Town of	370,333.28	505,000.00		0.000%	5/29/2009	11/1/2039	S
W	DC	Ault, Town of (DL#1)	653,508.27	1,396,850.00		1.750%	3/30/2006	5/1/2026	S
W	FD	Ault, Town of (DL#2)	1,787,393.15	2,000,000.00		0.000%	4/15/2015	5/1/2035	S
D	FD	Baca Grande W&SD	974,725.93	1,483,750.00		2.000%	8/19/2009	6/1/2029	S
D	FD	Basalt, Town of	315,738.93	948,245.63		4.000%	12/19/2002	11/1/2022	S
W	07A	Bayfield, Town of	3,095,000.00	4,780,000.00		3.500%	5/31/2007	8/1/2028	S
W	FD	Bayfield, Town of (DL#2)	498,307.00	600,000.00		2.000%	2/22/2013	11/1/2033	S
W	FD	Bennett, Town of (DL#1)	88,326.83	161,000.00		3.750%	7/14/2006	11/1/2026	S
W	DC	Bennett, Town of (DL#3)	2,455,900.16	2,500,000.00		0.000%	9/22/2017	5/1/2038*	S
D	FD	Bennett, Town of	2,438,927.62	2,500,000.00		2.000%	8/31/2016	11/1/2036	S
A	I	Bennett, Town of	0.00	0.00		3.000%	6/28/2017	12/31/2019	N/A
D	DC	Bethune, Town of	264,733.26	418,000.00		0.000%	7/18/2006	11/1/2036	S
D	DC	Blanca, Town of (DL#2)	255,642.18	485,493.44		0.000%	10/14/2011	11/1/2041	S
D	FD	BMR MD	766,373.35	1,034,840.00		2.000%	10/22/2010	11/1/2031	S
D	DC	Boone, Town of	339,293.10	514,297.00		0.000%	8/15/2006	11/1/2036	S
W	DC	Boone, Town of	221,716.84	315,000.00		0.000%	12/15/2009	5/1/2040	S
W	FD	Boulder County	773,141.32	1,651,808.00		3.500%	7/28/2006	12/15/2025	A
W	10B	Boxelder SD	8,155,000.00	10,410,000.00		2.500%	10/29/2010	8/1/2032	S
D	17A	Breckenridge, Town of	56,990,796.00	56,990,796.00		1.893%	11/15/2017	8/1/2039	S
D	DC	Bristol W&SD	120,000.08	200,000.00		0.000%	2/8/2006	11/1/2035	S
W	10B	Brush, City of	6,985,000.00	9,465,000.00		2.500%	10/29/2010	8/1/2031	S
W	98A	Buena Vista SD	0.00	3,896,505.00		3.960%	4/1/1998	7/25/2017	S
D	98A	Buena Vista, Town of	88,274.55	1,324,119.65		4.010%	6/1/1998	8/1/2018	S
D	DC	Buena Vista, Town of (D&E)(DL#1)	0.00	164,000.00		N/A	3/8/2017	N/A	N/A
D	DC	Burlington, City of (DL#2)	1,050,684.12	2,250,000.00		1.000%	11/16/2016	5/1/2047	S
D	DC	Burlington, City of (DL#3)	249,402.80	250,000.00		1.000%	4/18/2017	5/1/2047	S
D	FD	Castle Pines MD (DL#1)	1,099,713.84	2,000,000.00		3.750%	5/25/2006	9/15/2026	S
D	FD	Castle Pines MD (DL#2)	142,609.26	250,000.00		3.750%	11/6/2006	3/15/2027	S
D	FD	Castle Pines MD (DL#3)	1,342,378.45	1,471,485.04		2.000%	10/30/2014	5/1/2035	S
D	DC	Cedaredge, Town of (D&E) (DL#1)	0.00	22,900.00		N/A	6/9/2017	N/A	N/A
W	DC	Cedaredge, Town of	875,000.00	1,457,761.00		0.000%	6/23/2015	5/1/2035	S
W	DC	Center Sanitation District (D&E) (DL#1)	0.00	250,000.00		N/A	6/1/2017	N/A	N/A
D	DC	Center, Town of	1,011,083.35	1,103,000.00		0.000%	1/27/2015	5/1/2045	S
D	DC	Central, City of (D&E)(DL#1)	0.00	62,505.00		N/A	10/3/2017	N/A	N/A
W	DC	Central Clear Creek SD (DL#2)	1,943,820.48	2,500,000.00		1.000%	9/15/2016	5/1/2047	S
W	DC	Central Clear Creek SD (DL#3)	500,000.00	500,000.00		1.000%	10/26/2017	5/1/2038*	S
D	FD	Chatfield South WD	15,968.00	728,500.00		4.500%	7/13/1998	5/1/2018	S
W	06B	Cherokee MD	8,234,510.20	15,249,689.80		3.490%	11/8/2006	8/1/2027	S
W	FD	Cherokee MD	1,980,000.00	2,000,000.00		2.000%	11/20/2012	8/1/2033	S
W	FD	Cherry Hills Heights W&SD	67,692.54	228,164.88		2.000%	10/29/2010	11/1/2020	A
W	DC	Cheyenne Wells SD #1	190,264.43	770,000.00		1.000%	8/17/2010	5/1/2031	S
W	06A	Clifton SD #2	5,395,000.00	9,800,000.00		3.640%	5/24/2006	8/1/2027	S
W	DC	Clifton SD #2	952,380.90	2,000,000.00		0.000%	8/10/2006	11/1/2027	S
D	14A	Clifton WD	12,978,791.80	13,948,507.40		1.890%	5/29/2014	8/1/2035	S
D	FD	Coal Creek, Town of	225,905.51	282,412.95		0.000%	11/8/2013	11/1/2033	S
W	DC	Cokedale, Town of (DL#2)	155,410.12	160,000.00		1.000%	6/30/2014	12/1/2044	S
A	SD	Cokedale, Town of	118,738.46	119,853.20		0.000%	12/1/2016	12/1/2046	S
W	FD	Colorado Centre MD	1,491,453.82	2,000,000.00		2.000%	10/31/2011	11/1/2031	S
W	03A	Colorado City MD	703,078.40	1,878,537.60		3.260%	5/1/2003	8/1/2024	S
W	98B	Colorado Springs, City of	4,278,670.00	22,204,270.00		4.060%	4/1/1998	5/15/2019	S
D	FD	Colorado Springs Utilities, City of	6,061,837.44	8,600,000.00		2.500%	4/29/2010	11/1/2030	S
D	FD	Columbine Lake WD	628,757.24	690,000.00		2.000%	4/29/2015	5/1/2035	S
R	04E	Copper Mountain CMD	0.00	3,540,000.00		3.950%	9/1/2004	3/29/2017	S
R	05F	Copper Mountain CMD	0.00	3,690,000.00		4.239%	11/30/2005	3/29/2017	S
D	FD	Cortez, City of	310,547.95	447,118.85		2.000%	2/18/2010	11/1/2030	S
H	SD	Cortez, City of	787,634.25	1,147,062.37		2.000%	8/26/2009	1/15/2030	A
W	01A	Cortez SD	2,080,000.00	9,775,000.00		3.990%	5/1/2001	8/1/2020	S
W	FD	Cortez SD	1,122,660.98	2,000,000.00		3.500%	5/3/2007	5/1/2027	S
D	06B	Cottonwood W&SD	5,852,526.45	9,996,005.27		3.420%	11/2/2006	8/1/2027	S
D	06A	Craig, City of	3,296,995.84	6,056,378.40		3.650%	4/27/2006	8/1/2027	S
D	DC	Creede, City of	948,194.16	1,224,169.14		1.750%	4/15/2009	5/1/2039	S
W	DC	Crested Butte South MD	1,542,930.96	2,300,000.00		2.000%	7/16/2009	6/1/2030	Q
D	FD	Crested Butte South MD (DL#1)	729,175.65	1,000,000.00		2.000%	7/20/2010	9/1/2031	Q
D	FD	Crested Butte, Town of	310,671.30	400,000.00		2.000%	2/29/2012	5/1/2032	S
W	FD	Crested Butte, Town of (DL#1)	1,034,525.14	1,489,997.05		2.000%	5/25/2010	11/1/2030	S
W	FD	Crested Butte, Town of (DL#2)	2,491,476.84	2,500,000.00		2.000%	5/1/2017	5/1/2037	S
W	DC	Crowley, Town of	1,469,139.09	2,000,000.00		1.000%	7/13/2011	11/1/2031	S

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

All Programs Loan Status Report (DRAFT-NOT TIED TO FINANCIALS)

As of: December 31, 2017

Prg	Type	Borrower	Outstanding Balance	Original / Amended Loan Amount	Note	Loan Rate (%)	Loan Date	Final Payment Date	Pymt Frq
D	DC	Crowley, Town of	86,666.64	100,000.00		0.000%	11/19/2012	11/1/2043	S
D	FD	Cucharas S&WD (DL#1)	153,447.57	269,000.00		3.750%	11/29/2006	5/1/2027	S
D	FD	Cucharas S&WD (DL#2)	70,327.41	87,000.00		2.000%	12/20/2012	5/1/2033	S
W	FD	Cucharas S&WD	438,095.66	768,000.00		3.750%	11/29/2006	5/1/2027	S
D	DC	Del Norte, Town of	416,710.38	745,642.43		0.000%	12/31/2008	5/1/2029	S
D	15A	Denver Southeast Suburban W&SD	13,010,175.00	14,250,066.00		2.068%	4/23/2015	8/1/2036	S
W	02B	Denver Southeast Suburban W&SD	2,325,000.00	7,045,000.00		3.210%	10/1/2002	8/1/2023	S
W	05A	Denver Southeast Suburban W&SD	2,435,000.00	4,800,000.00		3.350%	5/25/2005	8/1/2026	S
D	FD	Dillon, Town of (DL#2)	1,640,236.27	1,800,000.00		2.000%	3/16/2015	3/1/2035	S
W	DC	Dinosaur, Town of	87,500.00	100,000.00		0.000%	4/29/2015	5/1/2035	S
Da	FD	Divide MPC MD #1 (DL#1)	91,206.25	145,930.00		0.000%	9/4/2009	5/1/2030	S
D	FD	Divide MPC MD #1 (DL#2)	97,576.83	139,580.00		2.000%	10/19/2010	11/1/2030	S
R	11C	Donala W&SD	5,870,000.00	5,965,000.00		4.518%	12/15/2011	8/1/2036	S
W	FD	Donala W&SD	1,246,285.87	2,000,000.00		3.750%	12/1/2007	2/1/2028	S
W	06A	Donala W&SD	2,683,890.00	4,906,910.00		3.640%	5/24/2006	8/1/2027	S
A	SD	Durango, City of	3,280,555.56	4,000,000.00		1.950%	8/28/2013	6/1/2033	S
W	FD	Durango, City of	2,437,500.00	2,500,000.00		0.000%	11/16/2016	2/1/2037	S
W	16B	Durango, City of	56,182,879.00	58,404,764.00		1.736%	11/16/2016	8/1/2038	S
W	07A	Eagle, Town of	7,977,288.00	11,505,912.00		3.500%	5/31/2007	8/1/2028	S
W	97A	Eagle, Town of	0.00	2,345,204.20		4.533%	5/1/1997	8/1/2017	S
W	FD	Eagle, Town of	957,894.24	1,288,966.00		2.000%	1/21/2011	11/1/2031	S
D	DC	East Alamosa W&SD	1,366,666.73	2,000,000.00		0.000%	7/24/2008	5/1/2038	S
W	05A	Eaton, Town of	2,717,835.56	4,824,431.00		3.380%	5/25/2005	8/1/2027	S
D	DC	Eckley, Town of	52,500.00	100,000.00		0.000%	7/30/2008	5/1/2028	S
D	FD	Edgewater, City of	868,876.14	1,000,323.00		2.000%	1/15/2015	5/1/2035	S
D	FD	El Rancho Florida MD	1,087,349.63	1,400,000.00		2.000%	7/25/2011	5/1/2032	S
W	08A	Elizabeth, Town of	3,226,696.64	5,145,273.00		3.420%	5/22/2008	8/1/2029	S
W	FD	Elizabeth, Town of	615,974.87	1,026,925.40		3.750%	9/14/2007	11/1/2027	S
D	97A	Englewood, City of	790,146.93	15,292,635.61		4.140%	10/1/1997	8/1/2018	Q
R	04B	Englewood, City of	0.00	19,715,000.00		4.110%	5/1/2004	7/28/2017	S
W	04A	Englewood, City of	28,317,492.00	29,564,275.00		3.870%	5/1/2004	8/1/2025	S
W	97A	Erie, Town of	0.00	1,821,690.20		4.539%	5/1/1997	7/25/2017	S
W	FD	Erie, Town of (DL#1)	0.00	500,000.00		4.500%	10/8/1997	7/25/2017	S
Wa	FD	Erie, Town of (DL#2)	1,250,000.00	2,000,000.00		0.000%	9/18/2009	5/1/2030	S
W	FD	Erie, Town of (DL#3)	578,659.58	924,347.53		2.000%	9/18/2009	5/1/2030	S
W	FD	Estes Park SD (DL#1)	2,741,564.48	3,250,000.00		2.000%	11/14/2014	5/1/2036	S
W	FD	Estes Park SD (DL#2)	1,217,403.61	1,273,470.00		2.000%	11/23/2015	5/1/2036	S
D	08A	Estes Park, Town of	3,502,118.83	5,494,410.09		3.260%	6/12/2008	8/1/2028	S
D	FD	Evans, City of	935,945.62	1,495,883.91		0.000%	8/12/2013	11/1/2023	S
W	98A	Evans, City of	75,747.04	1,141,616.60		4.030%	4/1/1998	8/1/2018	S
W	16A	Evans, City of	39,844,188.00	39,864,188.00		1.698%	6/2/2016	8/1/2038	S
W	FD	Evans, City of	43,619.27	396,249.40	*	4.500%	11/16/1998	2/1/2019	S
D	00A	Evergreen MD	1,099,270.54	5,577,981.71		4.390%	4/15/2000	8/1/2020	S
D	02A	Evergreen MD	614,680.64	2,036,129.62		4.000%	4/1/2002	8/1/2022	S
W	FD	Evergreen MD	1,316,478.02	2,000,000.00		2.000%	7/24/2009	11/1/2029	S
W	FD	Fairplay SD	1,275,623.76	2,000,000.00		3.500%	6/25/2008	11/1/2028	S
D	SD	Fairplay, Town of (DL#2)	0.00	200,000.00		4.500%	7/25/1997	2/16/2017	Q
W	FD	Fairways MD (DL#1)	1,250,955.20	1,563,694.00		0.000%	5/15/2013	11/1/2033	S
W	FD	Fairways MD (DL#2)	323,700.00	332,000.00		0.000%	12/21/2016	5/1/2037	S
D	DC	Flagler, Town of (DL)	78,850.01	652,900.00		0.000%	11/20/2015	5/1/2046	S
W	DC	Fleming, Town of (D&E)(DL#1)	0.00	250,000.00		N/A	12/14/2017	N/A	N/A
D	03B	Florence, City of	5,724,269.14	12,999,092.97		3.510%	11/1/2003	6/1/2025	S
D	FD	Florence, City of (DL#1)	373,540.23	769,899.33	*	3.500%	1/25/2005	12/1/2025	S
Da	DC	Florence, City of (DL#2)	1,200,000.00	2,000,000.00		0.000%	10/7/2009	12/1/2029	S
D	FD	Forest View Acres WD (DL#1)	1,550,000.00	2,000,000.00		0.000%	6/15/2012	5/1/2033	S
D	FD	Forest View Acres WD (DL#2)	477,170.57	500,000.00		2.000%	7/19/2016	5/1/2036	S
D	97A	Fort Collins, City of	0.00	10,125,299.77		4.120%	10/1/1997	5/31/2017	S
D	99A	Fort Collins, City of	503,102.74	4,998,394.59		3.808%	5/1/1999	6/1/2019	S
W	01A	Fort Collins, City of	2,245,000.00	9,845,000.00		4.020%	5/1/2001	6/1/2021	S
R	05B	Fort Lupton, City of	1,140,000.00	2,300,000.00		4.380%	3/31/2005	11/1/2025	S
D	98A	Fort Morgan, City of	1,531,764.58	15,433,355.38		4.020%	6/1/1998	6/1/2019	S
R	11A	Fountain, City of	8,425,000.00	9,350,000.00		5.250%	5/4/2011	8/1/2041	S
R	13A	Fountain, City of	10,685,000.00	11,615,000.00		3.880%	3/14/2013	8/1/2043	S
R	14A	Fountain, City of	16,000,000.00	16,900,000.00		3.800%	11/25/2014	8/1/2044	S
W	11A	Fountain SD	5,086,692.10	6,860,302.80		2.230%	1/3/2011	8/1/2032	S
D	00A	Fountain Valley Auth.	1,485,417.02	7,607,966.23		4.400%	4/15/2000	8/1/2020	S
D	03A	Fountain Valley Auth.	1,204,696.16	3,221,861.82		3.030%	6/1/2003	8/1/2024	S
W	DC	Fowler, Town of	1,190,000.00	1,400,000.00		0.000%	6/30/2014	11/1/2034	S
W	99A	Fremont SD	1,132,595.30	8,094,567.60		4.200%	7/1/1999	8/1/2019	S
W	10A	Fruita, City of	17,970,000.00	21,830,000.00		2.500%	5/13/2010	8/1/2032	S
W	FD	Garden Valley W&SD	134,256.07	300,000.00		4.000%	12/3/2004	11/1/2024	S
Da	FD	Gateway MD	360,359.30	576,575.00		0.000%	12/17/2009	5/1/2030	S
D	15A	Genesee W&SD	9,027,435.00	9,790,312.00		2.174%	4/23/2015	8/1/2034	S
D	FD	Genesee W&SD	2,250,000.00	2,500,000.00		0.000%	12/11/2015	11/1/2035	S

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

All Programs Loan Status Report (DRAFT-NOT TIED TO FINANCIALS)

As of: December 31, 2017

Prg	Type	Borrower	Outstanding Balance	Original / Amended Loan Amount	Note	Loan Rate (%)	Loan Date	Final Payment Date	Pymt Frq
D	DC	Genoa, Town of	113,749.93	175,000.00		0.000%	12/20/2006	5/1/2037	S
Da	FD	Georgetown, Town of (DL#1)	837,500.00	3,340,000.00		0.000%	9/22/2009	5/1/2030	S
D	FD	Georgetown, Town of (DL#2)	539,681.45	734,164.88		2.000%	5/19/2011	11/1/2031	S
Wa	FD	Georgetown, Town of	2,375,000.00	5,800,000.00		0.000%	9/22/2009	5/1/2030	S
W	DC	Gilcrest, Town of	983,980.87	1,090,000.00		1.000%	6/30/2015	5/1/2035	S
W	05B	Glendale, City of	5,110,092.52	10,034,562.00		3.500%	10/20/2005	8/1/2027	S
D	99A	Glenwood Springs, City of	180,849.94	4,999,017.40		3.773%	5/1/1999	4/1/2018	S
W	10A	Glenwood Springs, City of	23,573,975.00	31,460,100.00		2.500%	5/13/2010	8/1/2032	S
W	06A	Granby SD	2,623,044.00	4,810,728.00		3.640%	5/24/2006	8/1/2027	S
W	FD	Granby, Town of (DL#2)	2,082,512.00	2,238,097.63		2.000%	6/12/2015	11/1/2035	S
D	99A	Grand County W&SD	210,709.95	2,998,566.15		3.783%	5/1/1999	8/1/2018	S
W	99A	Grand County W&SD	285,328.17	3,999,978.00		4.170%	7/1/1999	8/1/2018	S
D	02A	Grand Junction, City of	1,147,536.42	3,566,521.69		4.020%	4/1/2002	8/1/2022	S
D	FD	Grand Junction, City of (DL#1)	2,613,467.24	3,783,923.43		2.500%	2/2/2010	5/1/2030	S
D	FD	Grand Junction, City of (DL#2)	1,575,644.79	1,615,100.00		2.000%	11/17/2016	11/1/2036	S
W	FD	Grand Mesa Metropolitan District #2	400,000.00	400,000.00		0.000%	12/14/2017	5/1/2038*	S
D	99A	Greeley, City of	2,012,857.88	14,999,038.36		3.802%	5/1/1999	8/1/2019	S
W	DC	Haxtun, Town of	160,777.33	305,041.00		1.875%	12/1/2006	5/1/2027	S
D	FD	Hayden, Town of (DL#1)	299,856.56	1,000,000.00		4.000%	4/30/2002	11/1/2022	S
D	FD	Hayden, Town of (DL#2)	630,447.18	701,606.52		2.000%	7/9/2014	5/1/2035	S
W	FD	Hayden, Town of	359,021.41	451,663.40		2.000%	11/19/2012	11/1/2033	S
D	FD	Highland Lakes WD	1,865,797.94	2,000,000.00		2.000%	6/17/2015	11/1/2035	S
W	FD	Hi-Land Acres W&SD	650,000.00	650,000.00		2.000%	6/6/2017	11/1/2047	S
W	FD	Hillcrest W&SD	447,219.78	533,036.83		2.000%	5/2/2013	11/1/2033	S
D	DC	Hillrose, Town of	508,289.92	803,295.82		0.000%	5/31/2007	5/1/2037	S
Da	FD	Hot Sulphur Springs, Town of	812,500.00	3,300,000.00		0.000%	9/2/2009	5/1/2030	S
W	FD	Hot Sulphur Springs, Town of	554,908.38	706,000.00		2.000%	9/27/2012	11/1/2032	S
D	DC	Hotchkiss, Town of (DL#1)	376,477.57	756,653.29		0.000%	4/23/2008	11/1/2028	S
D	DC	Hotchkiss, Town of (D&E)(DL#3)	0.00	72,000.00		N/A	10/10/2017	N/A	N/A
W	DC	Hotchkiss, Town of	218,015.08	700,000.00		0.000%	8/14/2015	11/1/2035	S
D	02A	Idaho Springs, City of	699,186.37	2,339,796.89		3.990%	4/1/2002	8/1/2022	S
D	SD	Idaho Springs, City of	0.00	500,000.00		4.500%	10/15/1997	4/18/2017	S
D	99A	Julesburg, Town of	131,155.90	994,599.70		3.809%	5/1/1999	8/1/2019	S
W	FD	Julesburg, Town of	264,166.33	800,000.00		4.000%	5/15/2002	11/1/2022	S
W	FD	Kersey, Town of (DL#1)	0.00	163,000.00		4.500%	12/29/1999	10/23/2017	S
W	FD	Kersey, Town of (DL#2)	962,188.35	1,800,000.00		3.500%	2/1/2006	11/1/2026	S
D	DC	Kim, Town of	82,599.94	118,000.00		0.000%	5/30/2008	11/1/2038	S
W	DC	Kit Carson, Town of (DL#1)	161,875.00	259,000.00		0.000%	8/7/2009	5/1/2030	S
W	FD	Kremmling SD	460,161.74	950,000.00		3.500%	9/13/2005	11/1/2025	S
D	DC	La Jara, Town of (DL#1)	75,000.00	200,000.00		0.000%	4/20/2005	5/1/2025	S
W	DC	La Jara, Town of (DL#1)	318,750.00	750,000.00		0.000%	2/23/2006	5/1/2026	S
W	DC	La Jara, Town of (DL#2)	282,872.01	314,302.25		0.000%	4/23/2015	11/1/2035	S
D	02A	La Junta, City of	3,124,042.86	9,812,211.15		4.000%	4/1/2002	8/1/2022	S
Da	FD	La Junta, City of	1,143,750.00	1,830,000.00		0.000%	9/24/2009	5/1/2030	S
W	FD	La Junta, City of (DL#1)	64,198.02	358,400.00		4.500%	11/1/1999	5/1/2020	S
W	15A	La Junta, City of	12,314,270.00	13,348,899.00		2.169%	5/28/2015	8/1/2037	S
D	FD	La Plata Archuleta WD	2,385,852.91	2,500,000.00		2.000%	2/19/2016	5/1/2036	S
D	FD	La Plata County Palo Verde PID #3	242,353.14	272,500.00		2.000%	8/8/2014	11/1/2034	S
D	DC	La Veta, Town of	883,452.34	1,134,000.00		1.875%	4/1/2008	5/1/2039	S
W	DC	La Veta, Town of (DL#1)	229,500.00	270,000.00		0.000%	4/23/2014	11/1/2034	S
W	DC	La Veta, Town of (DL#2)	105,000.00	120,000.00		0.000%	1/23/2015	5/1/2035	S
W	01A	Lafayette, City of	2,283,652.76	7,861,138.80		4.040%	5/1/2001	8/1/2021	S
D	DC	Lake City, Town of (DL#1)	458,333.35	500,000.00		0.000%	7/10/2015	5/1/2045	S
D	FD	Lake Durango WA	1,267,671.61	2,000,000.00		2.000%	7/15/2009	5/1/2029	S
D	FD	Lamar, City of (DL#1)	735,383.13	1,064,870.68		2.500%	12/17/2009	6/15/2030	S
Da	FD	Lamar, City of (DL#2)	2,470,234.30	3,952,375.00		0.000%	12/17/2009	6/15/2030	S
D	DC	Lamar, City of (DL#4)	192,241.67	1,612,800.00		0.000%	8/26/2016	5/1/2047	S
W	FD	Lamar, City of	1,450,027.76	2,000,000.00		2.000%	5/27/2010	5/1/2031	S
W	FD	Larimer County LID 2013-1 (BE)	861,821.73	970,341.00		2.000%	6/30/2014	12/20/2034	A
W	FD	Larimer County LID 2013-1 (BE) (DL#2)	1,024,537.06	1,045,900.08		2.000%	6/20/2016	12/20/2036	A
D	FD	Larimer County LID 2013-3 (FC)	263,111.56	310,371.26		2.000%	6/30/2014	12/20/2034	A
W	FD	Larimer County LID 2007-1 (GVE)	226,504.55	411,369.26		3.500%	7/1/2008	12/1/2028	A
W	FD	Larimer County LID 2008-1 (HVE)	180,093.14	296,539.95		2.000%	4/9/2010	12/20/2030	A
W	FD	Larimer County LID 2012-1 (RGE)	1,007,375.91	1,227,736.00		2.000%	6/17/2013	12/20/2033	A
W	FD	Larimer County LID 2014-1 (WMR)	1,514,808.60	1,558,117.68		2.000%	9/6/2016	12/20/2036	A
W	FD	Larimer County LID 2016-1 (WV)	320,000.00	320,000.00		2.000%	9/22/2017	12/1/2037	A
D	DC	Larkspur, Town of	1,800,000.02	2,847,920.00		0.000%	1/17/2014	11/1/2044	S
D	DC	Las Animas, City of	568,400.06	812,000.00		0.000%	3/26/2008	11/1/2038	S
W	FD	Las Animas, City of (DL#1)	79,232.46	1,070,000.00		4.500%	11/12/1998	11/1/2018	S
W	DC	Las Animas, City of (DL#2)	207,350.00	377,000.00		0.000%	3/26/2008	11/1/2028	S
W	DC	Las Animas, City of (DL#3)	228,811.90	309,000.00		0.000%	11/4/2011	5/1/2032	S
W	DC	Las Animas, City of (DL#4)	105,377.25	505,000.00		0.000%	12/19/2013	5/1/2034	S
W	DC	Las Animas, City of (D&E)(DL#5)	0.00	176,000.00		N/A	3/1/2017	N/A	N/A
W	DC	Las Animas, City of (DL#6)	0.00	593,500.00		N/A	3/1/2017	N/A	N/A

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Prg	Type	Borrower	Outstanding Balance	Original / Amended Loan Amount	Note	Loan Rate (%)	Loan Date	Final Payment Date	Pymt Frq
D	FD	Left Hand W&SD	7,157.86	188,700.00		4.500%	9/11/1998	5/1/2018	S
W	FD	Left Hand W&SD (DL#1)	9,528.63	126,300.00		4.500%	3/5/1999	11/1/2018	S
W	FD	Left Hand W&SD (DL#2)	9,470.95	56,899.66	*	4.500%	9/20/2000	5/1/2020	S
D	99A	Left Hand WD	677,588.97	6,571,538.04		3.802%	5/1/1999	5/15/2019	S
D	14A	Left Hand WD	25,810,345.04	29,900,336.00		1.980%	5/29/2014	8/1/2034	S
D	00A	Limon, Town of	287,078.37	1,440,808.84		4.410%	4/15/2000	8/1/2020	S
D	06A	Little Thompson WD	0.00	6,383,774.04		3.650%	4/27/2006	12/7/2017	S
W	04A	Littleton, City of (Rev.)	23,795,794.00	29,677,780.00		3.820%	5/1/2004	8/1/2025	S
D	DC	Log Lane Village, Town of	660,281.66	1,000,000.00		1.750%	10/14/2005	11/1/2035	S
W	FD	Loma Linda SD (DL#1)	800,792.51	878,792.00		2.000%	11/13/2014	5/1/2035	S
W	FD	Loma Linda SD (DL#2)	487,785.51	500,000.00		2.000%	9/16/2016	11/1/2036	S
D	03A	Longmont, City of	6,965,549.61	14,998,044.44		3.110%	6/1/2003	8/1/2023	S
W	15A	Louisville, City of	29,713,737.00	31,641,348.00		2.185%	5/28/2015	8/1/2035	S
D	DC	Louviers W&SD	118,702.50	1,139,650.00		0.000%	10/19/2012	5/1/2043	S
D	03A	Lyons, Town of	1,851,039.08	4,915,599.18		3.030%	6/1/2003	8/1/2024	S
W	FD	Lyons, Town of	4,582,306.20	5,200,000.00		1.230%	4/18/2014	11/1/2034	S
D	DC	Manassa, Town of	386,105.00	492,900.00		0.000%	1/31/2011	5/1/2041	S
W	DC	Mancos, Town of (DL#1)	600,000.00	1,000,000.00		0.000%	7/29/2009	11/1/2029	S
W	DC	Mancos, Town of (DL#2)	40,945.39	500,000.00		0.000%	10/31/2011	11/1/2031	S
Da	FD	Manitou Springs, City of (DL#1)	775,850.55	1,486,026.00		0.000%	9/28/2009	5/1/2030	S
Da	FD	Manitou Springs, City of (DL#2)	335,798.75	880,749.00		0.000%	9/29/2009	5/1/2030	S
Da	FD	Manitou Springs, City of (DL#3)	775,850.55	1,486,026.00		0.000%	9/30/2009	5/1/2030	S
Wa	FD	Manitou Springs, City of	52,125.55	2,083,401.00		0.000%	9/29/2009	5/1/2030	S
W	FD	Mansfield Heights W&SD	433,238.46	519,487.61		2.000%	5/24/2013	11/1/2033	S
W	FD	Manzanola, Town of (DL#1)	0.00	80,360.00		4.500%	6/1/1997	5/2/2017	S
W	DC	Manzanola, Town of (DL#2)	55,200.00	96,000.00		0.000%	7/24/2008	5/1/2029	S
W	FD	Mead, Town of	1,829,923.37	2,985,000.00		3.500%	5/31/2007	2/1/2037	S
D	DC	Merino, Town of (DL#1)	96,680.92	1,110,000.00		0.000%	11/7/2012	5/1/2043	S
D	DC	Merino, Town of (DL#2)	354,151.97	355,000.00		1.000%	3/31/2017	5/1/2047	S
W	02A	Mesa County	3,520,000.00	13,490,000.00		3.620%	5/1/2002	8/1/2024	S
D	DC	Mesa W&SD	84,878.16	200,000.00		1.433%	8/12/2011	11/1/2041	S
W	03A	Milliken, Town of	2,426,682.50	5,897,275.80		3.280%	5/1/2003	8/1/2024	S
D	DC	Monte Vista, City of	283,652.06	348,206.93		0.000%	10/12/2011	5/1/2042	S
W	FD	Monte Vista, City of (DL#1)	107,466.71	968,000.00		4.500%	9/1/1999	5/1/2019	S
W	DC	Monte Vista, City of (DL#2)	1,222,035.50	1,396,612.00		0.000%	6/1/2015	5/1/2035	S
S	97A	Monument, Town of	0.00	1,800,000.00		5.370%	6/1/1997	10/4/2017	S
W	01A	Mount Crested Butte W&SD	1,326,801.22	5,161,580.60		4.020%	5/1/2001	8/1/2021	S
W	DC	Mountain View Villages W&SD	1,003,305.31	1,500,000.00		0.000%	1/6/2009	8/15/2030	M
D	FD	Mountain W&SD	675,000.00	1,000,000.00		0.000%	7/13/2011	5/1/2031	S
W	FD	Mountain W&SD (DL#2)	1,550,000.00	2,000,000.00		0.000%	11/19/2012	5/1/2033	S
D	FD	Mustang WA	290,393.82	700,000.00		4.000%	12/8/2003	5/1/2024	S
W	DC	Naturita, Town of	93,067.51	630,064.04		1.000%	6/4/2012	5/1/2032	S
D	DC	Navajo Western WD	818,986.94	1,011,099.31		0.000%	5/3/2012	5/1/2042	S
D	FD	Nederland, Town of	1,632,796.45	2,325,276.79		2.000%	6/15/2009	11/1/2030	S
W	FD	Nederland, Town of	1,450,000.00	2,000,000.00		0.000%	11/3/2011	5/1/2032	S
W	11A	Nederland, Town of	1,451,792.00	1,961,090.00		2.240%	11/3/2011	8/1/2032	S
W	08A	New Castle, Town of	5,295,151.72	8,247,171.60		3.450%	5/22/2008	8/1/2030	S
W	FD	New Castle, Town of	51,945.22	917,076.00		4.500%	1/1/1999	5/1/2019	S
R	09A	North Weld County WD	4,750,000.00	6,940,000.00		4.352%	9/10/2009	8/1/2029	S
H	SD	Northern Colorado WCD	1,571,637.56	2,000,000.00		2.000%	5/20/2011	9/1/2032	A
W	DC	Nucla, Town of (D&E)(DL#1)	0.00	135,257.16		N/A	9/5/2017	N/A	N/A
W	DC	Nucla, Town of (DL#2)	0.00	600,000.00		N/A	9/5/2017	N/A	N/A
D	DC	Nunn, Town of	359,762.59	2,424,000.00		1.000%	12/9/2011	5/1/2042	S
D	FD	Oak Creek, Town of (DL#1)	345,917.47	900,688.96		4.000%	11/18/2003	11/1/2023	S
D	DC	Oak Creek, Town of (DL#2)	0.00	1,000,000.00		1.000%	2/10/2017	11/1/2017	S
D	FD	Olde Stage WD (DL#1)	47,155.58	100,000.00		3.500%	6/1/2005	8/1/2025	Q
D	FD	Olde Stage WD (DL#2)	96,927.94	150,000.00		3.500%	10/17/2008	2/1/2029	Q
W	DC	Olney Springs, Town of	258,400.00	573,000.00		0.000%	1/31/2013	11/1/2033	S
Da	FD	Ophir, Town of	312,500.00	500,000.00		0.000%	12/18/2009	6/1/2030	S
D	DC	Ordway, Town of (DL#1)	130,000.07	200,000.00		0.000%	12/20/2006	5/1/2037	S
D	DC	Ordway, Town of (DL#2)	76,200.00	114,300.00		0.000%	12/21/2007	11/1/2037	S
W	DC	Ordway, Town of (DL#2)	284,525.00	599,000.00		0.000%	12/20/2006	5/1/2027	S
D	FD	Ouray, City of	192,209.92	1,000,000.00		4.000%	12/19/2003	11/1/2020	S
D	08A	Pagosa Area W&SD	5,633,622.06	7,158,869.96		3.400%	6/12/2008	12/1/2028	S
W	FD	Pagosa Area W&SD (DL#1)	634,744.50	976,530.00		0.000%	9/4/2009	11/1/2030	S
Wa	FD	Pagosa Area W&SD (DL#2)	4,573,751.58	8,345,823.00		0.000%	9/4/2009	11/1/2030	S
W	DC	Pagosa Springs GID, Town of (DL#4)	1,805,469.48	2,000,000.00		1.000%	2/4/2014	5/1/2035	S
D	06B	Palisade, Town of	2,619,576.64	3,976,045.10		3.470%	11/2/2006	8/1/2028	S
D	DC	Palisade, Town of	1,266,666.74	2,000,000.00		0.000%	5/26/2006	11/1/2036	S
D	FD	Palmer Lake, Town of	1,155,896.07	1,722,787.61		2.000%	7/22/2009	5/1/2030	S
D	DC	Paonia, Town of (DL#1)	242,205.75	395,969.23		1.750%	11/5/2008	5/1/2029	S
D	14A	Paonia, Town of	2,595,971.62	2,996,494.15		2.080%	5/29/2014	8/1/2035	S
R	10A	Parker W&SD	51,485,000.00	51,485,000.00		5.780%	10/28/2010	8/1/2035	S
S	00A	Parker W&SD	4,296,666.64	13,365,000.00		5.710%	2/15/2000	10/1/2019	M

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S	97A	Parker W&SD	0.00	4,925,000.00		5.370%	6/1/1997	9/25/2017	M
W	01A	Parker W&SD	1,276,632.00	4,913,424.00		4.010%	5/1/2001	8/1/2021	S
W	02B	Parker W&SD	10,351,196.00	14,112,800.00		3.620%	10/1/2002	8/1/2025	S
W	DC	Penrose SD	79,836.10	128,000.00		1.750%	8/1/2008	5/1/2029	S
W	DC	Pierce, Town of	0.00	895,000.00		1.875%	12/5/2006	7/19/2017	S
D	FD	Pine Drive WD	171,558.62	241,154.00		2.000%	4/29/2010	9/1/2030	A
D	FD	Pinewood Springs WD (DL#1)	53,090.13	123,200.00		3.500%	7/26/2004	12/1/2024	S
D	FD	Pinewood Springs WD (DL#2)	384,053.08	752,425.00		3.500%	4/3/2006	6/1/2026	S
D	FD	Platte Canyon W&SD Subdist #1	216,191.14	400,000.00		3.750%	6/30/2006	11/1/2026	S
D	FD	Platte Canyon W&SD Subdist #2	263,660.90	415,203.11		3.500%	7/15/2008	11/1/2028	S
W	01A	Plum Creek Water Reclamation Authority	6,805,000.00	25,525,000.00		4.020%	5/1/2001	8/1/2021	S
W	02B	Plum Creek Water Reclamation Authority	1,125,000.00	3,390,000.00		3.220%	10/1/2002	8/1/2023	S
W	05A	Plum Creek Water Reclamation Authority	755,000.00	1,510,000.00		3.350%	5/25/2005	8/1/2026	S
D	DC	Poncha, Springs, Town of (D&E)(DL#1)	0.00	200,000.00		N/A	10/11/2017	N/A	N/A
D	DC	Pritchett, Town of	123,333.41	200,000.00		0.000%	3/31/2006	5/1/2036	S
W	DC	Pritchett, Town of	161,550.00	179,500.00		0.000%	6/4/2015	11/1/2035	S
D	08B	Project 7 Water Authority	6,774,780.55	10,176,512.03		3.820%	11/25/2008	8/1/2030	S
D	00A	Pueblo Board of Waterworks	5,424,683.00	9,558,794.83		4.600%	4/15/2000	8/1/2022	S
W	03A	Pueblo, City of	3,148,921.64	8,402,620.20		3.250%	5/1/2003	8/1/2024	S
W	10A	Pueblo, City of	16,451,772.00	23,595,277.00		2.500%	5/13/2010	8/1/2030	S
W	14A	Pueblo, City of	3,796,975.38	4,179,047.20		2.210%	5/6/2014	8/1/2035	S
Wa	FD	Pueblo, City of	937,500.00	1,500,000.00		0.000%	9/4/2009	2/1/2030	S
W	11A	Pueblo West MD	3,880,539.00	5,232,582.00		2.230%	11/3/2011	8/1/2032	S
D	FD	Ralston Valley W&SD	657,849.88	1,255,856.78		3.750%	8/9/2006	5/1/2027	S
W	FD	Ralston Valley W&SD	580,752.52	1,176,573.58		3.750%	9/15/2006	11/1/2026	S
D	FD	Rangely, Town of	1,267,446.74	1,500,000.00		2.000%	10/2/2013	11/1/2033	S
D	SD	Redstone W&SD	0.00	410,000.00		4.500%	12/1/1997	11/1/2017	S
W	DC	Redstone W&SD	1,701,514.85	2,000,000.00		1.000%	7/14/2011	5/1/2032	S
Da	FD	Ridgway, Town of	281,250.00	450,000.00		0.000%	10/19/2009	5/1/2030	S
D	12A	Rifle, City of	18,416,008.32	21,858,366.57		1.860%	8/14/2012	8/1/2034	S
D	FD	Rifle, City of	1,542,933.38	2,000,000.00		0.000%	8/14/2012	8/1/2032	S
S	03A	Rifle, City of	548,749.65	1,525,000.00		3.960%	10/1/2003	10/1/2023	M
W	07A	Rifle, City of	11,188,504.00	17,852,112.00		3.500%	5/31/2007	8/1/2028	S
D	DC	Rockvale, Town of	227,475.50	295,000.00		1.000%	7/8/2009	11/1/2039	S
W	DC	Rocky Ford, City of (DL#1)	1,207,112.10	1,750,000.00		0.000%	11/20/2012	5/1/2033	S
W	DC	Rocky Ford, City of (DL#2)	610,547.89	697,769.00		0.000%	11/14/2014	5/1/2035	S
W	DC	Romeo, Town of	90,941.59	173,666.54		0.000%	11/30/2007	5/1/2028	S
W	DC	Routt County Phippsburg W&S (D&E)(DL#1)	0.00	26,000.00		N/A	9/22/2017	N/A	N/A
D	15A	Roxborough W&SD (Plum Valley Heights)	4,742,183.00	5,199,125.00		2.073%	4/23/2015	8/1/2036	S
W	05A	Roxborough W&SD	4,870,000.00	9,600,000.00		3.350%	5/25/2005	8/1/2026	S
D	DC	Rye, Town of	419,158.98	561,939.10		1.750%	3/27/2009	11/1/2039	S
W	DC	Saguache, Town of (D&E)(DL#1)	0.00	94,700.00		N/A	3/22/2017	N/A	N/A
D	FD	Salida, City of (DL#1)	395,125.00	545,000.00		0.000%	12/21/2011	5/1/2032	S
D	DC	Salida, City of (D&E) (DL#2)	0.00	119,840.74		N/A	2/28/2017	N/A	N/A
D	DC	Salida, City of (DL#3)	660,840.74	1,505,000.00		1.000%	2/28/2017	11/1/2037	S
D	FD	Sedalia W&SD	48,382.62	326,000.00		4.500%	3/9/2000	11/1/2019	S
D	DC	Sedgwick, Town of	258,383.41	419,000.00		0.000%	5/15/2006	5/1/2036	S
W	DC	Seibert, Town of	93,750.00	150,000.00		0.000%	8/26/2009	5/1/2030	S
W	DC	Shadow Mountain Village LID	297,911.76	430,704.00		1.000%	3/9/2015	5/1/2035	S
W	DC	Silver Plume, Town of	93,377.44	200,000.00		1.000%	5/20/2011	11/1/2031	S
D	DC	Silverton, Town of (D&E)(DL#1)	0.00	45,797.00		N/A	10/16/2017	N/A	N/A
W	DC	Simla, Town of	89,900.00	116,000.00		0.000%	10/31/2012	5/1/2033	S
W	02A	South Adams County W&SD	2,205,000.00	6,270,000.00		3.790%	5/1/2002	6/1/2022	S
W	14A	South Adams County W&SD	21,211,951.51	22,191,850.40		2.250%	5/6/2014	8/1/2036	S
W	FD	South Durango SD	633,168.27	800,000.00		2.000%	5/15/2012	11/1/2032	S
D	DC	South Sheridan WSS&SDD	1,804,659.91	1,985,245.00		1.000%	6/28/2013	5/1/2044	S
W	DC	South Sheridan WSS&SDD	1,638,790.46	1,916,075.00		1.000%	6/28/2013	5/1/2034	S
D	FD	Spring Canyon W&SD (DL#1)	2,047,709.44	2,200,000.00		2.000%	4/15/2015	5/1/2035	S
D	FD	Spring Canyon W&SD (DL#2)	286,302.34	300,000.00		2.000%	2/19/2016	5/1/2036	S
D	FD	Spring Canyon W&SD (DL#3)	293,255.68	300,599.00		2.000%	2/10/2017	11/1/2036	S
W	FD	Springfield, Town of (DL#1)	0.00	200,000.00		4.000%	11/1/2000	1/20/2017	S
W	DC	Springfield, Town of (DL#2)	253,650.00	534,000.00		0.000%	12/20/2006	5/1/2027	S
H	SD	St. Charles Mesa WD	696,017.33	752,297.87		2.000%	1/22/2016	11/1/2035	S
R	11B	Steamboat Springs, City of	9,670,000.00	12,350,000.00		4.012%	6/21/2011	7/15/2031	S
W	01A	Steamboat Springs, City of	1,511,845.20	5,895,654.40		4.010%	5/1/2001	8/1/2021	S
W	99A	Steamboat Springs, City of	396,418.00	2,935,636.00		4.200%	7/1/1999	8/1/2019	S
D	11A	Sterling, City of	22,229,712.07	28,558,845.11		2.500%	3/30/2011	8/1/2032	S
W	DC	Stratton, Town of	231,338.04	442,000.00		1.875%	11/20/2006	5/1/2027	S
D	DC	Stratton, Town of (DL#1)	361,927.15	483,000.00		0.000%	12/20/2007	5/1/2038	S
D	DC	Stratton, Town of (DL#2)	69,372.69	90,000.00		1.750%	12/3/2008	5/1/2039	S
D	DC	Stratton, Town of (DL#3)	811,783.31	919,000.00		0.000%	8/30/2013	5/1/2044	S
W	DC	Sugar City Town of (DL#1)	153,000.00	306,000.00		0.000%	7/6/2006	11/1/2027	S
W	DC	Sugar City Town of (DL#2)	28,010.26	53,038.54		0.000%	2/19/2009	11/1/2028	S
D	FD	Swink, Town of (DL#1)	272,337.39	669,000.00		3.500%	4/20/2004	5/1/2024	S

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D	DC	Swink, Town of (DL#2)	207,259.43	547,137.69		1.000%	11/10/2010	11/1/2041	S
W	FD	Tabernash Meadows W&SD	255,500.00	365,000.00		0.000%	4/15/2011	11/1/2031	S
D	FD	Teller County W&SD #1	1,272,302.33	1,718,000.00		2.000%	11/10/2010	11/1/2031	S
W	00A	Three Lakes W&SD	947,268.00	6,498,576.00		4.640%	5/15/2000	8/1/2019	S
W	FD	Three Lakes W&SD	1,822,484.73	2,000,000.00		2.000%	4/24/2014	5/1/2035	S
D	FD	Thunderbird W&SD (DL#1)	34,884.38	285,000.00		4.500%	6/1/1999	5/1/2019	S
D	FD	Thunderbird W&SD (DL#2)	111,478.99	343,684.15	*	4.000%	8/27/2002	11/1/2022	S
D	FD	Timbers W&SD	271,250.00	350,000.00		0.000%	3/7/2013	5/1/2033	S
W	DC	Timbers W&SD(D&E)(DL#1)	0.00	250,000.00		N/A	4/13/2017	N/A	N/A
D	FD	Tree Haus MD	664,153.04	942,184.61		2.000%	11/3/2010	5/1/2031	S
H	SD	Tri-County Water Conservancy District	1,661,023.28	2,000,000.00		2.000%	3/27/2013	11/1/2033	S
W	98A	Trinidad, City of	475,349.00	6,670,909.00		3.990%	4/1/1998	8/1/2018	S
W	FD	Upper Blue SD	1,364,801.20	2,000,000.00		2.000%	3/26/2010	2/1/2030	S
D	DC	Walden, Town of	550,813.98	898,730.82		1.750%	9/6/2006	11/1/2031	S
D	FD	Wellington, Town of	299,940.05	1,000,000.00		4.000%	11/1/2001	5/1/2022	S
W	02A	Wellington, Town of	1,511,259.56	4,826,280.60		3.710%	5/1/2002	8/1/2022	S
D	00A	Westminster, City of	2,490,662.67	14,998,357.36		4.400%	4/15/2000	6/1/2020	S
W	05A	Westminster, City of	6,860,000.00	15,440,000.00		3.320%	5/25/2005	6/1/2025	S
W	97A	Westminster, City of	0.00	13,246,525.00		4.543%	5/1/1997	5/31/2017	S
W	98A	Westminster, City of	0.00	4,085,697.00		3.980%	4/1/1998	5/31/2017	S
D	FD	Westwood Lakes WD	178,882.77	500,000.00		4.000%	5/15/2003	5/1/2023	S
D	DC	Williamsburg, Town of	754,072.81	826,000.00		1.000%	5/9/2014	11/1/2044	S
W	11A	Windsor, Town of	2,010,255.46	3,110,543.20		1.940%	11/3/2011	8/1/2027	S
D	FD	Woodland Park, City of	242,050.00	800,000.00		4.000%	3/13/2002	5/1/2022	S
W	FD	Woodland Park, City of (DL#1)	463,537.07	657,458.35		2.000%	3/31/2010	12/1/2030	S
W	FD	Woodland Park, City of (DL#2)	1,850,000.00	2,000,000.00		0.000%	2/24/2015	5/1/2036	S
W	16A	Woodland Park, City of	6,075,729.00	6,343,216.00		1.667%	6/2/2016	8/1/2038	S
W	DC	Wray, City of (DL#2)	1,628,032.11	2,500,000.00		1.000%	9/20/2016	5/1/2037	S
D	DC	Yampa, Town of	490,384.38	1,370,241.00		1.000%	5/6/2014	5/1/2045	S
D	DC	Yampa Valley Housing Authority	182,861.92	686,963.31		0.000%	6/1/2015	5/1/2045	S
W	DC	Yampa Valley Housing Authority	520,950.02	595,831.38		0.000%	6/1/2015	5/1/2035	S
TOTAL LOANS OUTSTANDING- ALL PROGRAMS			980,108,996.48	1,584,410,912.15					
TOTAL LOANS (Paid in Full, Defeased, or 100% Forgiven) through 12/31/16				884,680,034.95					
TOTAL LOANS EXECUTED SINCE INCEPTION				\$ 2,469,090,947.10					

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
All Programs Loan Status Report (DRAFT-NOT TIED TO FINANCIALS)
As of: December 31, 2017

Prg	Type	Borrower	Outstanding Balance	Original / Amended Loan Amount	Note	Loan Rate (%)	Loan Date	Final Payment Date	Pymt Frq
TOTALS BY PROGRAM									
Program			Outstanding Balance	Original / Amended Balance		Number of Loans			
DWRF-ARRA			\$ 9,396,799.70	\$ 19,947,681.00		12			
DWRF-ARRA (100% Pncpl Frgn)				12,343,199.00		12			
DWRF-Base Program			321,594,045.22	534,518,832.61		159			
DWRF-Base Program (Paid in Full or Defeased)				63,614,442.62		72			
Total for DWRF Program			330,990,844.92	630,424,155.23		255			
SWRP			4,845,416.29	14,890,000.00		2			
SWRP (Paid in Full or Defeased)				134,700,000.00		46			
Total for SWRP Program			4,845,416.29	149,590,000.00		48			
WPCRF-ARRA			9,188,377.13	19,729,224.00		5			
WPCRF-ARRA (100% Pncpl Frgn)				10,364,568.00		7			
WPCRF-Base Program			518,943,751.70	784,517,073.24		168			
WPCRF-Base Program (Paid in Full or Defeased)				356,076,713.19	(a)	106			
Total for WPCRF Program			528,132,128.83	1,170,687,578.43		286			
WRBP			108,025,000.00	116,905,000.00		8			
WRBP (Paid in Full or Defeased)				391,465,000.00		15			
Total for WRBP Program			108,025,000.00	508,370,000.00		23			
Total for Interim/Authority Loans			3,399,294.02	4,119,853.20		3			
Total For SHLP Program			4,716,312.42	5,899,360.24		4			
TOTAL FOR ALL PROGRAMS			\$ 980,108,996.48	\$ 2,469,090,947.10		619			

* Original loan amount differs from amount stated on the loan agreement due to subsequent amendments. Amendment details are located in various Authority files.

** Interim loan principal is recorded as draws are made, not total loan amount authorized

a) This amount has been adjusted to remove the Mt. Werner loan (W99A091), which was defeased per borrower request. It has also been adjusted to remove the WPCRF Granby loan (W11F275), which was cancelled per borrower request and WPCRF Pagosa Springs GID #3 loan (W08F210), which was cancelled per borrower request.

Report Legend	
A= Authority loans	DWRF = Drinking Water Revolving Fund
Da = DWRF ARRA loans	SHLP = Small Hydro Loan Program
D = DWRF Non-ARRA loans	SWRP = Small Water Resources Program
H = SHLP loans	WPCRF = Water Pollution Control Revolving Fund
I = Interim loans	WRBP = Water Revenue Bond Program
R = WRBP loans	
S = SWRP loans	
W = WPCRF Non-ARRA loans	
Wa = WPCRF ARRA loans	

Colorado Water Resources and Power Development Authority
ALL PROGRAMS
PROJECT STATUS REPORT - ACTIVE PROJECTS
As of December 31, 2017

Borrower	Funding Source	Loan Date	Loan #	Loan Type	Total Project Costs	New Projects / Additional Funding **	Total draws from inception through 12/31/17	Loan Reductions	Cancelled or Converted to Permanent Loan *	Project Cost Balance as of 12/31/17	Month of Last Draw	Notes	Percent Drawn
DRINKING WATER REVOLVING FUND													
Direct Loans:													
Antonito, Town of	O	02/20/15	D15F347	DC	3,400,000.00		(3,210,841.00)	(189,159.00)		0.00	C		100.00%
Bennett, Town of	O	08/31/16	D16F177	FD	2,500,000.00		(2,444,541.65)			55,458.35	Dec-17		97.78%
Brookside, Town of (D&E)(DL#1)	O	09/16/16	D16Y371	DC	27,500.00		(27,500.00)			0.00	C		100.00%
Brookside, Town of (DL#2)	O	11/01/16	D16F371	DC	107,500.00		(107,500.00)			0.00	C		100.00%
Buena Vista, Town of (D&E)(DL#1)	O	03/08/17	D17Y012	DC	0.00	164,000.00	(15,364.40)			148,635.60	Oct-17		9.37%
Burlington, City of (D&E)(DL#1)	O	06/24/16	D16Y254	DC	250,000.00		(250,000.00)			0.00	C		100.00%
Burlington, City of (DL#2)	O	11/16/16	D16F254	DC	2,250,000.00		(1,820,949.17)			429,050.83	Dec-17		80.93%
Burlington, City of (DL#3)	O	04/18/17	D17F385	DC	0.00	250,000.00	0.00			250,000.00	N/S		0.00%
Cedaredge, Town of (D&E)(DL#1)	O	06/09/17	D17Y358	DC	0.00	22,900.00	0.00			22,900.00	N/S		0.00%
Center, Town of	O	01/27/15	D15F344	DC	1,103,000.00		(886,486.96)			216,513.04	Dec-17		80.37%
Central, City of (D&E)(DL#1)	O	10/03/17	D17Y389	DC	0.00	62,505.00	0.00			62,505.00	N/S		0.00%
Costilla County Garcia DWS	G/S	11/07/14	D14F338	DC	270,293.00		(270,293.00)			0.00	C		100.00%
Eads, Town of (D&E) (DL#1)	O	12/23/16	D16Y377	DC	157,000.00		(157,000.00)			0.00	C		100.00%
Eads, Town of (DL#2)	O	12/23/16	D16F377	DC	404,500.00		(404,500.00)			0.00	C		100.00%
Empire, Town of	G/S	06/13/14	D14F334	DC	847,920.00		(837,920.00)			10,000.00	Apr-17		98.82%
Evans, City of	G/S	08/12/13	D13F039	FD	1,500,000.00		(1,495,883.91)	(4,116.09)		(0.00)	C		100.00%
Forest View Acres WD (DL#2)	O	07/19/16	D16F368	FD	500,000.00		(500,000.00)			0.00	C		100.00%
Genesee W&SD	O	12/11/15	D15F054	FD	2,500,000.00		(2,091,850.24)			408,149.76	Oct-17		83.67%
Grand Junction, City of (DL#2)	O	11/17/16	D16F376	FD	1,615,100.00		(1,074,493.84)			540,606.16	Apr-17		66.53%
Highland Lakes WD	O	06/17/15	D15F357	FD	2,000,000.00		(1,501,213.11)			498,786.89	Dec-17		75.06%
Hotchkiss, Town of (D&E)(DL#3)	O	10/10/17	D17Y394	DC	0.00	72,000.00	0.00			72,000.00	N/S		0.00%
La Plata Archuleta WD	O	02/19/16	D16F364	FD	2,500,000.00		(2,051,703.22)			448,296.78	Dec-17		82.07%
Lake City, Town of (DL#1)	O	07/10/15	D15F360	DC	500,000.00		(500,000.00)			0.00	C		100.00%
Lake City, Town of (D&E) (DL#2)	O	10/14/16	D16Y360	DC	70,000.00		0.00			70,000.00	N/S		0.00%
Lake City, Town of (DL#3)	O	10/14/16	D16F375	DC	500,000.00		0.00			500,000.00	N/S		0.00%
Lamar, City of (D&E)(DL#3)	O	02/18/16	D16Y253	DC	112,000.00		(112,000.00)			0.00	C		100.00%
Lamar, City of (DL#4)	O	08/26/16	D16F369	DC	1,612,800.00		(183,091.72)			1,429,708.28	Oct-17		11.35%
Larkspur, Town of	G/S	01/17/14	D14F320	DC	2,847,920.00		(2,847,920.00)			0.00	C		100.00%
Merino, Town of (DL#1)	R	11/07/12	D12F298	DC	1,110,000.00		(931,038.37)			178,961.63	Aug-17		83.88%
Merino, Town of (DL#2)	O	03/31/17	D17F384	DC	0.00	355,000.00	0.00			355,000.00	N/S		0.00%
Oak Creek, Town of (DL #2)	O	02/10/17	D17F379	DC	0.00	1,000,000.00	(1,000,000.00)			0.00	C		100.00%
Poncha Springs, Town of (D&E)(DL#1)	O	10/11/17	D17Y395	DC	0.00	200,000.00	0.00			200,000.00	N/S		0.00%
Rifle, City of	R	08/14/12	D12F104	FD	2,000,000.00		(2,000,000.00)			0.00	C		100.00%
Salida, City of (D&E) (DL#2)	O	02/28/17	D17Y382	DC	0.00	120,000.00	(119,840.74)	(159.26)		(0.00)	C		100.00%
Salida, City of (DL#3)	O	02/28/17	D17F382	DC	0.00	1,505,000.00	(489,425.60)			1,015,574.40	Dec-17		32.52%
Silverton, Town of (D&E) (DL#1)	O	10/16/17	D17Y390	DC	0.00	45,797.00	0.00			45,797.00	N/S		0.00%
Spring Canyon W&SD (DL#2)	O	02/19/16	D16F365	FD	300,000.00		(300,000.00)			0.00	C		100.00%
Spring Canyon W&SD (DL#3)	O	02/10/17	D17F380	FD	0.00	300,599.00	(290,000.00)			10,599.00	Mar-17		96.47%
Yampa, Town of	R	05/06/14	D14F321	DC	1,370,241.00		(1,370,241.00)			0.00	C		100.00%
Total for Direct Loans					32,355,774.00	4,097,801.00	(29,291,597.93)	(193,434.35)	0.00	6,968,542.72			80.88%
Leveraged Loans:													
Breckenridge, Town of	O	11/15/17	D17A157	LL	0.00	58,000,000.00	0.00			58,000,000.00	N/S		0.00%
Denver SE W&SD	O	04/23/15	D15A024	LL	14,204,500.00		(9,576,803.24)			4,627,696.76	Sep-17		67.42%
Genesee W&SD	O	04/23/15	D15A054	LL	9,744,456.98		(9,744,456.98)			0.00	C		100.00%
Left Hand WD	G/S/B	05/29/14	D14A071	LL	30,000,000.00		(29,773,790.51)			226,209.49	Sep-17		99.25%
Paonia, Town of	G/S/B	05/29/14	D14A212	LL	3,000,000.00		(2,274,475.72)			725,524.28	Sep-17		75.82%
Roxborough W&SD (Plum Valley Heights)	O	04/23/15	D15A356	LL	5,182,000.00		(3,463,465.34)			1,718,534.66	Jun-17		66.84%
Sterling, City of	G/S/B	03/30/11	D11A110	LL	29,000,000.00		(29,000,000.00)			0.00	C		100.00%
Total for Leveraged Loans					91,130,956.98	58,000,000.00	(83,832,991.79)	0.00	0.00	65,297,965.19			56.21%

Borrower	Funding Source	Loan Date	Loan #	Loan Type	Total Project Costs	New Projects / Additional Funding **	Total draws from inception through 12/31/17	Loan Reductions	Cancelled or Converted to Permanent Loan *	Project Cost Balance as of 12/31/17	Month of Last Draw	Notes	Percent Drawn
Total for DWRF					123,486,730.98	62,097,801.00	(113,124,589.72)	(193,434.35)	0.00	72,266,507.91			61.06%
WATER OPERATIONS PROGRAMS - WATER REVENUE BONDS													
Donala W&SD	B	12/01/11	R11C171	LL	6,302,642.10		(3,672,505.33)			2,630,136.77	Oct-17		58.27%
North Weld County WD	B	09/10/09	R09A093	LL	7,004,237.35		(7,004,237.35)			0.00	C		100.00%
Steamboat Springs, City of	B	06/21/11	R11B109	LL	11,997,395.39		(10,567,625.90)			1,429,769.49	Dec-17		88.08%
Total for WRBP					25,304,274.84	0.00	(21,244,368.58)	0.00	0.00	4,059,906.26			83.96%
WATER OPERATIONS PROGRAMS - INTERIM LOANS													
Bennett, Town of	A	06/28/17	I2	I		5,608,609.00	0.00			5,608,609.00	N/S		0.00%
Grand Mesa MD	A	04/07/17	I1	I		400,000.00	0.00		(400,000.00)	0.00	CANCELLED	c	0.00%
Total for INTERIM LOANS					0.00	6,008,609.00	0.00	0.00	(400,000.00)	5,608,609.00			
WATER OPERATIONS PROGRAMS - SMALL HYDROPOWER LOAN PROGRAM													
St. Charles Mesa WD	A	01/22/16	H16S363	SD	895,249.00		(752,297.87)	(142,951.13)		0.00	C		100.00%
Total for SHLP					895,249.00	0.00	(752,297.87)	(142,951.13)	0.00	0.00			100.00%
Total WOPS					26,199,523.84	6,008,609.00	(21,996,666.45)	(142,951.13)	(400,000.00)	9,668,515.26			68.74%
WATER POLLUTION CONTROL REVOLVING FUND													

Direct Loans:

Antonito, Town of (D&E)(DL#1)	O	03/16/17	W17Y347	DC	0.00	250,000.00	(120,002.20)			129,997.80	Dec-17		48.00%
Ault, Town of (DL#2)	O	04/15/15	W15F351	FD	2,000,000.00		(2,000,000.00)			0.00	C		100.00%
Bennett, Town of (D&E) (DL#2)	O	10/13/16	W16Y177	DC	240,000.00		(240,000.00)			0.00	C		100.00%
Bennett, Town of (DL#3)	O	09/22/17	W17F393	DC	0.00	2,500,000.00	(1,488,519.42)			1,011,480.58	Dec-17		59.54%
Cedaredge, Town of	O	06/23/15	W15F358	DC	1,457,761.00		(1,457,761.00)			0.00	C		100.00%
Center Sanitation District (D&E) (DL#1)	O	06/01/17	W17Y387	DC	0.00	250,000.00	0.00			250,000.00	N/S		0.00%
Central Clear Creek SD (D&E) (DL #1)	O	09/15/16	W16Y372	DC	250,000.00		(204,540.17)			45,459.83	May-17		81.82%
Central Clear Creek SD (DL #2)	O	09/15/16	W16F372	DC	2,500,000.00		(2,332,215.37)			167,784.63	Dec-17		93.29%
Central Clear Creek SD (DL #3)	O	10/26/17	W17F396	DC	0.00	500,000.00	0.00			500,000.00	N/S		0.00%
Crested Butte, Town of (DL#2)	O	05/01/17	W17F386	FD	0.00	2,500,000.00	(1,565,292.95)			934,707.05	Dec-17		62.61%
Durango, City of	O	11/16/16	W16F316	FD	2,500,000.00		0.00			2,500,000.00	N/S		0.00%
Estes Park SD (DL#2)	O	11/23/15	W15F361	FD	1,273,470.00		(1,273,470.00)			0.00	C		100.00%
Fairways MD (DL#1)	G/S	05/15/13	W13F309	FD	1,563,694.00		(1,563,694.00)			0.00	C		100.00%
Fairways MD (DL#2)	O	12/21/16	W16F378	FD	332,000.00		(105,604.46)			226,395.54	Dec-17		31.81%
Fleming, Town of (D&E)(DL#1)	O	12/14/17	W17Y397	DC	0.00	250,000.00	0.00			250,000.00	N/S		0.00%
Fowler, Town of	G/S	06/30/14	W14F328	DC	1,400,000.00		(152,335.48)			1,247,664.52	Sep-17		10.88%
Gilcrest, Town of	O	06/30/15	W15F359	DC	1,090,000.00		(774,247.60)			315,752.40	Nov-17		71.03%
Grand Mesa Metropolitan District #2	O	12/14/17	W17F398	FD	0.00	400,000.00	0.00			400,000.00	N/S		0.00%
Hi-Land Acres W&SD	O	06/06/17	W17F229	FD	0.00	650,000.00	0.00			650,000.00	N/S		0.00%
Hotchkiss, Town of	O	08/14/15	W15F200	DC	700,000.00		(503,290.68)			196,709.32	Dec-16		71.90%
La Junta, City of (D&E) (DL#2)	O	10/21/16	W16Y066	DC	246,000.00		(246,000.00)			0.00	C		100.00%
Larimer County LID 2013-1 - (BE)	G/S	06/30/14	W14F332	FD	970,341.00		(970,341.00)			0.00	C		100.00%
Larimer County LID 2013-1 - (BE)(DL#2)	O	06/20/16	W16F367	FD	1,045,900.08		(934,239.16)			111,660.92	Oct-17		89.32%
Larimer County LID 2014-1 - (WMR)	O	09/16/16	W16F370	FD	1,558,117.68		(1,297,422.75)			260,694.93	Oct-17		83.27%
Larimer County LID 2016-1 (WV)	O	09/22/17	W17F391	FD	0.00	320,000.00	0.00			320,000.00	N/S		0.00%
Las Animas, City of (D&E) (DL#5)	O	03/01/17	W17Y381	DC	0.00	176,000.00	(174,322.17)			1,677.83	Dec-17		99.05%
Las Animas, City of (DL#6)	O	03/01/17	W17F381	DC	0.00	593,500.00	(140,736.30)			452,763.70	Dec-17		23.71%
Loma Linda SD (DL#2)	O	09/16/16	W16F373	FD	500,000.00		(500,000.00)			0.00	C		100.00%
Monte Vista, City of (DL#2)	O	06/01/15	W15F355	DC	1,396,612.00		(1,065,677.30)			330,934.70	Dec-17		76.30%
Mountain View Villages W&SD (DL#2)	G/S	10/21/10	W10F266	DC	288,601.00		(274,379.58)			14,221.42	Sep-16		95.07%
North La Junta SD (D&E)	O	03/18/16	W16Y366	DC	112,518.00		(52,686.81)			59,831.19	Dec-17		46.83%
Nucla, Town of (D&E)(DL#1)	O	09/05/17	W17Y388	DC	0.00	135,257.16	(20,673.64)			114,583.52	Nov-17		15.28%
Nucla, Town of (DL#2)	O	09/05/17	W17F388	DC	0.00	600,000.00	(40,053.74)			559,946.26	Nov-17		6.68%

Borrower	Funding Source	Loan Date	Loan #	Loan Type	Total Project Costs	New Projects / Additional Funding **	Total draws from inception through 12/31/17	Loan Reductions	Cancelled or Converted to Permanent Loan *	Project Cost Balance as of 12/31/17	Month of Last Draw	Notes	Percent Drawn
Pagosa Springs GID, Town of (DL#4)	R	02/04/14	W14F322	FD	2,000,000.00		(2,000,000.00)			0.00	C		100.00%
Pritchett, Town of	O	06/04/15	W15F167	DC	179,500.00		(128,885.21)			50,614.79	Nov-17		71.80%
Routt County Phippsburg (D&E)(DL#1)	O	09/22/17	W17Y392	DC	0.00	26,000.00	0.00			26,000.00	N/S		0.00%
Saguache, Town of (D&E)(DL#1)	O	03/22/17	W17Y383	DC	0.00	94,700.00	0.00			94,700.00	N/S		0.00%
Three Lakes W&SD	R	04/24/14	W14F325	FD	2,000,000.00		(1,990,000.00)			10,000.00	Dec-17		99.50%
Timbers W&SD (D&E)(DL#1)	O	04/13/17	W17Y306	DC	0.00	250,000.00	(144,214.65)			105,785.35	Dec-17		57.69%
Woodland Park, City of (DL#2)	O	02/24/15	W15F346	FD	2,000,000.00		(354,055.72)			1,645,944.28	May-16		17.70%
Wray, City of (D&E) (DL#1)	O	09/20/16	W16Y374	DC	250,000.00		(250,000.00)			0.00	C		100.00%
Wray, City of (DL#2)	O	09/20/16	W16F374	DC	2,500,000.00		(2,475,000.00)			25,000.00	Oct-17		99.00%
Total for Direct Loans					30,354,514.76	9,495,457.16	(26,839,661.36)	0.00	0.00	13,010,310.56			67.35%
Leveraged Loans													
Boxelder SD	R/B	10/29/10	W10B270	LL	10,800,000.00		(10,800,000.00)			0.00	C		100.00%
Durango, City of	O	11/16/16	W16B316	LL	59,700,000.00		(10,890,781.44)			48,809,218.56	Dec-17		18.24%
Evans, City of	O	06/02/16	W16A039	LL	41,000,000.00		(27,925,802.67)			13,074,197.33	Dec-17		68.11%
Glenwood Springs	G/S/B	05/13/10	W10A055	LL	33,000,000.00		(33,000,000.00)			0.00	C		100.00%
La Junta, City of	O	05/28/15	W15A066	LL	13,596,000.00		(3,008,731.11)			10,587,268.89	Dec-17		22.13%
Louisville, City of	O	05/28/15	W15A079	LL	32,200,000.00		(32,180,000.00)			20,000.00	Aug-17		99.94%
Pueblo, City of	G/S/B	05/06/14	W14A141	LL	4,202,875.00		(4,202,875.00)			0.00	C		100.00%
South Adams County W&SD	G/S/B	05/06/14	W14A134	LL	22,301,800.00		(22,301,800.00)			0.00	C		100.00%
Woodland Park, City of	O	06/02/16	W16A346	LL	6,500,000.00		(5,062,608.94)			1,437,391.06	Dec-17		77.89%
Total for Leveraged Loans					223,300,675.00	0.00	(149,372,599.16)	0.00	0.00	73,928,075.84			66.89%
Total for WPCRF					253,655,189.76	9,495,457.16	(176,212,260.52)	0.00	0.00	86,938,386.40			66.96%
Total for all Programs					403,341,444.58	77,601,867.16	(311,333,516.69)	(336,385.48)	(400,000.00)	168,873,409.57			64.80%

NOTES AND LEGEND

Borrowers highlighted in red have not submitted a requisition during the past year.

* Reflects only the remaining project funds before conversion - not total amount of loan converted.

** CURRENT YEAR ONLY

C=Completed, N/S=Not Started

a) Borrower will be using its remaining project funds as credits toward the interest portion of future loan repayments.

b) Interim loan converted to permanent loan.

c) Loan was cancelled. Borrower never drew funds under its interim loan.

PLR=Possible Loan Reduction

Funding Sources:

A = Authority

B = Bond Proceeds

G = Federal Capitalization Grants

O = Open Source Funding

S = State Match



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY
EXECUTIVE DIRECTOR'S REPORT
March 2, 2018 Board Meeting

MAJOR ACTIVITIES SINCE LAST MEETING

1. On January 29th Roy Heald, WQCD staff and Rick Hum, Water Quality Control Commissioner, held a liaison conference call to discuss various issues.
2. On January 31st our new IT consultant, MyTech Partners, held training sessions with Authority staff.
3. On February 2nd Sabrina Speed and I participated in the Employers Council Sexual Harassment webinar.
4. On February 5th I attended the State Affairs Committee meeting of the CWC.
5. On February 7th Keith McLaughlin and I met with Fay Diamond of RBI Strategies and Research to discuss the creation of a State Revolving Fund for flood control projects.
6. On February 12th I attended the State Affairs Committee meeting of the CWC.
7. On February 12th I testified in support of SB 18 – 019 to the House Ag Committee.
8. On February 12th – 13th Jim Griffiths attended a GFOA debt management training in Austin, Texas.
9. On February 12th Ian Loffert attended the Colorado Rural Water Association Conference in Denver.
10. On February 15th Keith McLaughlin attended the CML legislative workshop in Denver.
11. On February 20th I attended the State Affairs Committee meeting of the CWC.
12. On February 23rd Keith McLaughlin and I participated in a conference call with staffers from the offices of Senator Gardner and Senator Boozman (Arkansas) to discuss the WIN Act.
13. On February 27th Authority Finance staff and I participated in a Project Finance Committee conference call to discuss several loan applications.
14. On March 1st Roy Heald, Webb Jones and I attended a Senate Ag Committee confirmation hearing.
15. On March 1st Authority staff hosted a Board retreat to discuss the SRF MOAs (between the Authority, WQCD and DOLA) and the budgets related to them.
16. On March 1st Authority staff and I attended a Board Program Work Session.

FUTURE ACTIVITIES

1. Michael Beck and I will continue working on the budget process.
2. The Authority auditors, BKD, will begin their 2017 audit on March 5th.
3. On March 21st I will participate in a meeting regarding a statewide water survey effort hosted by DNR.
4. March 26-28th Keith McLaughlin and members of WQCD will attend the CIFA Federal Policy Conference and EPA work group meeting in Washington, D.C.

FUTURE MEETINGS

April 20, 2018 - Denver (9:00 a.m. at the Authority office)
June 1, 2018 – Denver (9:00 a.m. at the Authority office)
August 23, 2018 – Vail (2:00 p.m.; in conjunction with the CWC Summer Conference)
October 5, 2018 – La Junta (or Lower Arkansas Valley) (9:00 a.m.)
December 7, 2018 – Denver (9:00 a.m. at the Authority office)
January 23, 2019 – Westin Westminster (2:00 p.m.; in conjunction with the CWC Annual Convention)
March 1, 2019 - Denver (9:00 a.m. at the Authority office)
April 19, 2019 – Denver (9:00 a.m. at the Authority office)

MEMORANDUM
March 2, 2018

TO: Authority Board of Directors
Karl Ohlsen

FROM: Michael Brod, Executive Director

RE: Additional Adjustments to the 2017 Budget

At the December 2017 Board meeting, I submitted a similar memo to you reporting certain reclassifications to the 2017 budget.

Because the budget for the Authority's spending agencies within the Water Operations Fund were not exceeded in total, the Board's approval was not required. I authorized reclassifications to certain budget line items, and the explanations for these changes are discussed below.

Water Operations Fund

Pension Expense:

The final calculation for pension expense was done in January. The final calculation was a little under \$11,000 higher than anticipated. Therefore, the following additional budget reclassification is necessary:

Budget Line Item	2017 Approved Budget	Adjustment	2017 Amended Budget
Pension Expense	1,600,000	11,000	1,611,000
Medical and Dental Insurance	250,000	(5,000)	245,000
Tuition Reimbursement	6,000	(6,000)	-



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

Logan Tower Bldg - Suite 620, 1580 Logan Street, Denver, Colorado 80203-1942
303/830-1550 • Fax 303/832-8205 • info@cwrpda.com

MEMORANDUM

February 27, 2018

TO: Project Finance Committee and Karl Ohlsen

FROM: Keith McLaughlin, Finance Director
John Williams, Senior Financial Analyst
Beth Fox, Financial Analyst

RE: Review of the Town of Eagle and Town of Silverton
Drinking Water Revolving Fund ("DWRF")

The Division of Local Government has forwarded to the DWRF Committee its analyses of the above listed projects. The DWRF Committee composed of representatives from the Division of Local Government, the Water Quality Control Division, and the Authority, has reviewed the technical and financial aspects of the proposed projects and agreed to forward the requests to the Authority's Project Finance Committee with the following recommendations:

Town of Eagle

The Town of Eagle, located in Eagle County, is seeking a leveraged loan through the DWRF loan program in the amount of \$17,353,000 plus cost of issuance. The project consists of constructing the new 2.5 MGD lower basin water treatment plant, transmission line, and associated project components. The Town's project was authorized by SJR 10-004.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DWRF leveraged loan with the Town in the amount of \$17,353,000 plus cost of issuance. The loan term will be for up to 20 years plus construction, at an interest rate of 70% of the market rate on the Authority's 2018 Series A Drinking Water Revenue Bonds. The Board will consider this request on March 2, 2018.

Town of Silverton

The Town of Silverton, located in San Juan County, is seeking a Disadvantaged Communities direct loan through the DWRF loan program in the amount of \$313,852. The project consists of water treatment plant improvements, site upgrades and rehabilitation of an existing water storage tank. Treatment plant improvements and site upgrades include, but are not limited to: a new pump station including a 400 square foot building and access road; installation of new piping and valves; tank bypass piping repairs; chlorine gas detector and chlorine analyzer installation; SCADA, controls and electrical upgrades; and installation of security fencing and gate. The Town's project was authorized by HJR 07-1005.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DWRF Disadvantaged Communities direct loan with the Town in the amount of \$313,852. The loan term will be for up to 30 years, at an interest rate of 0%. The Board will consider this request on March 2, 2018.

Note: A telephone conference call has been scheduled for 9:00 a.m. Tuesday, February 27, 2018. The call-in number is **303-830-1550**. When the auto-attendant answers, press **8** and the access code is: **0167570#**.

Attachment: Town of Eagle 2018 DWRF Credit Report
Town of Silverton 2018 DWRF Credit Report

DWRF LEVERAGED LOAN CREDIT REPORT

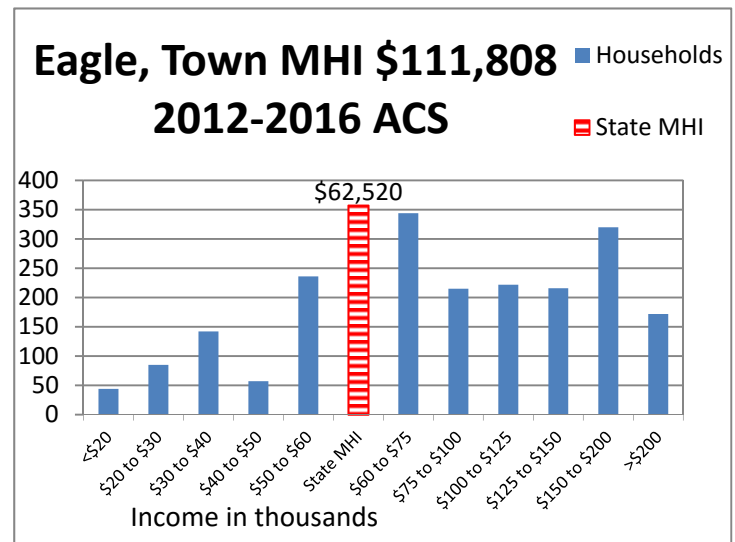
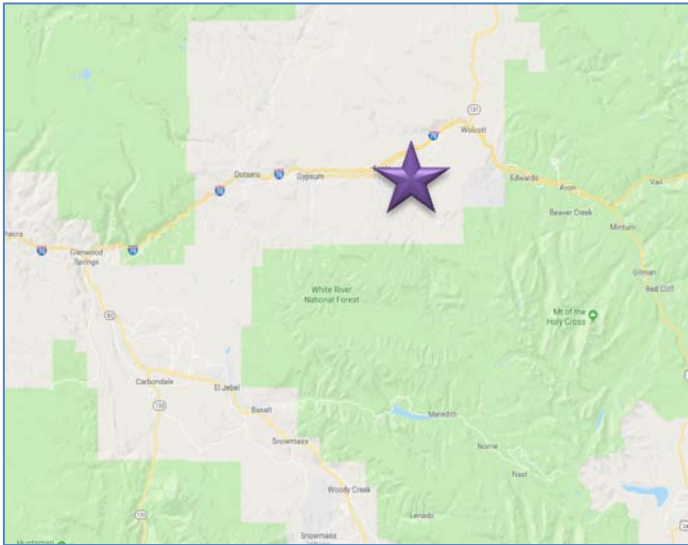
Town of Eagle ("The Town"), Eagle County

Recommendation:	APPROVAL	Project Budget	
Loan Request:	\$17,353,000	DWRF Loan:	\$17,353,000
Interest Rate & Term:	Est. 2.5%, 20 years	Reserves:	\$10,000,000
Annual Debt Service:	\$1,107,865	Total:	\$27,353,000
Pledge:	Water System Revenue		
Current Rate:	\$54.49		
Estimated Rate Increase:	\$0.00		

PROJECT DESCRIPTION: The project consists of constructing the new 2.5 MGD Lower Basin Water Treatment Plant, transmission line, and associated project components.

COMMUNITY PROFILE:							Avg. Annual Change
Town of Eagle	2012	2013	2014	2015	2016	2017	
Town Population	6,471	6,511	6,573	6,661	6,748		0.84%
Eagle County Population	51,849	52,334	52,761	53,320	53,928		0.79%
Eagle County Jobs	36,539	37,158	38,370	39,783	40,912		2.29%
Number of Water Taps	2,017	2,019	2,021	2,162	2,348	2,512	3.73%
Assessed Value (\$000)	121,294	120,974	94,848	94,369	116,222	116,594	-0.66%
Actual Value (\$000)		1,018,450	773,644	775,716	1,027,426	1,037,238	0.31%

BORROWER BRIEF: Eagle sits along I-70, roughly equidistant between Denver and Grand Junction and 30 miles from Glenwood Springs to the west and Vail to the east.



RECOMMENDATION: The Town serves a growing mountain community in western Eagle County. This proposed loan is necessary to construct a new water treatment plant, transmission line and associated components. The Town's water enterprise has been well-managed with annual increases instituted in anticipation of this project and the Town exceeds coverage ratio requirements. We therefore recommend the DWRF Committee approve a \$17,353,000 leveraged loan to the Town of Eagle.

PROJECT SUMMARY:

System summary: The Town currently has the water rights to draw water from Brush Creek and the Eagle River, and has one 4.3 MGD Upper Basin Water Treatment Plant above the Town drawing from Brush Creek. From the Upper Basin WTP, the water is pumped to a 2 million gallon storage tank and then distributed to a total of seven zones and nine other storage tanks. The distribution system is in good condition, and the Town has aggressively targeted leaks and water usage to reduce water consumption.

Reason/need: The Upper Basin Water Treatment Plant is over 35 years old, at maximum capacity, and is unable to be fully taken offline for maintenance. In addition, the location of the plant makes it susceptible to landslides and forest fires. Building a second water treatment plant will allow for redundancy, provide for more capacity, and for required maintenance at the existing plant.

System Compliance: The Town is in compliance with the Colorado Primary Drinking Water Regulations.

CURRENT INDICATORS:	2014	2015	2016	Weak	Average	Strong
Total Debt per Capita (\$):	2,077	1,906	2,505	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total + New Debt/Capita (\$):			5,077	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	6,755	5,872	7,200	X >\$5,000	\$2,500-5,000	<\$2,500
Total Debt + New Debt/Tap (\$):			14,590	X >\$5,000	\$2,500-5,000	<\$2,500
Current Water Debt/Tap (\$):	1,187	1,011	837	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current Water + New Water Debt/Tap (\$):			8,228	X >2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:	14%	13%	15%	>50%	25-50%	X <25%
Total Debt + New Water Debt/Assessed Value:			29%	>50%	X 25-50%	<25%
Total Debt/Actual Value:	1.34%	1.64%	2.18%	>10%	5-10%	X <5%
Total Debt + New Water Debt/Actual Value:			4.42%	>10%	5-10%	X <5%
Curr. Water Debt + New Debt/Tap/MHI:			7.36%	>20%	10-20%	X <10%
Water Fund Current Ratio (CA/CL):	1,657%	2,123%	2,345%	<100%	100-200%	X >200%
Water Fund Reserves/Current Expense:	640%	591%	607%	<50%	50-100%	X >100%
Water Operating Ratio (OR/OE):	240%	235%	236%	<100%	100-120%	X >120%
Coverage Ratio (TR-OE)/DS:	558%	684%	736%	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	494%	528%	616%	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			150%	<110%	110-125%	X >125%
Coverage Ratio with New Loan Excluding Tap Fees:			126%	<110%	110-125%	X >125%
Current Annual Water Rates/MHI:			0.56%	>3.0%	1.5-3.0%	X <1.5%
Current Water Rates + New Water Debt Service/MHI:			0.98%	>3.0%	1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:			745%	<25%	25-50%	X >50%
TOTAL:				5	1	15

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, fifteen are rated strong, one is average and five are considered weak. Overall, the indicators illustrate the strong financial position of the Town's water enterprise, but also that the Town's total debt per tap is relatively high; using \$10,000,000 of its ample reserves towards this project will serve to partially offset an even higher debt burden.

- The Town's operating ratio has been over 200% since at least 2012.
- As shown in the PNA, the Town estimates annual operating expenses will increase by \$300,000 as a result of this project.
- Based on 2016 financial information, coverage with the proposed loan is a strong 150% with tap fee revenue.
- With the \$300,000 increase to operating expenses, coverage ratio is a strong 129%.
- The Town is considering changes to its rate structure that may include greater volume charges or an increase in the base fee, either of which would bring in a substantial increase in revenue.
- Coverage ratios and other indicators above were projected with a 2.5% interest rate. If the interest rate were to rise to 3.0%, the Town's coverage ratio would lower to 124% coverage ratio; any increases to user fees would likely push the coverage ratio back into the strong category.

Additional Project Financing

The Town will use \$10,000,000 in reserves both accumulated in its water enterprise reserve fund and surplus revenue collected between January 1, 2017, and construction.

DESCRIPTION OF THE LOAN: A \$17,353,000 leveraged loan with a twenty year term, two payments annually at an estimated interest rate of 2.5% will cost the Town \$1,107,865 in debt service annually.

ECONOMIC ANALYSIS: The Town has a 2016 population estimated at 6,748 and has grown at an average annual rate of 0.8% since 2012. Eagle County has experienced an increase of 0.8% in population since 2012 to 53,928. The state population increased at an average annual rate estimated 1.6% during that same time frame.

The region's economy is dominated by tourism. World-class skiing, mountain hiking, biking, and other recreational opportunities abound, and have created an environment of very low unemployment (1.6% in Eagle County, August 2017). Issues such as a housing crisis (lack of affordable housing) and high healthcare costs (highest regional costs in the United States) place considerable financial constraints on many service sector employees. The Town does not appear to be quite as affected by these issues, with the 2012-2016 ACS showing residents' earnings are more than double the state's median by MHI.

The Town reports the largest regional employers are Vail Resorts with over 1,500 employees, Eagle County Schools with 500-1,000 employees, Vail Valley Medical Center with 500-1,000 employees, Eagle County Government with 400-500 employees, and Vail Cascade with 300-400 employees.

ORGANIZATIONAL ANALYSIS:

Bond Rating

The Town's general fund debt was rated A3 by Moody's in 2016 for a sales tax-supported parks project. The Town's water enterprise has not been rated in the past five years, however.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The Town does not sell more than 2,000 acre-feet of water per year.

Organizational Structure

The Town is a statutory town governed by a trustee/mayor form of government and was incorporated in 1905. The Town provides services including police protection, water and wastewater services, public works services, trash, and parks & recreation services. Approximately three full-time employees currently staff the water utility, with two more to be hired this year (for a total of five). The water utility is overseen by the public works director, who reports to the Town Manager and Board of Trustees.

- The Town has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The Town maintains general liability insurance coverage through the Colorado Intergovernmental Risk Sharing Agency (CIRSA).
- There are currently no pending lawsuits against the Town.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the Town's technical, managerial and financial capacity to operate the water system. The review found no mandatory requirements.

Capital Improvement Plan

As part of the application process, the Town submitted a capital improvement schedule, which anticipates capital outlay of about \$10,000,000 through 2028 for various water projects to be funded from annual revenues and reserves.

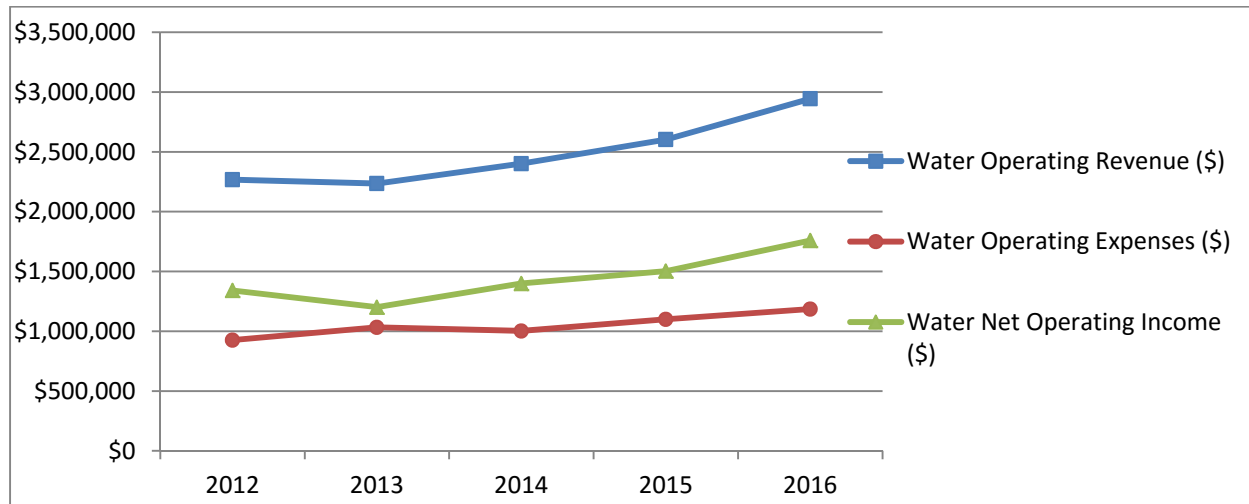
REVENUE ANALYSIS:

Annual operating revenue generally increased as did the average monthly charge. Operating expenditures have remained manageable over the last five years' trends, which includes transfers out to the general fund; in 2016 transfers were \$60,000.

Tap fee revenue has been strong, especially in the last two audited years.

TRENDS	2012	2013	2014	2015	2016	2017
Monthly Water Rate (\$)	38.86	40.81	44.91	49.41	51.88	54.49
Monthly Sewer Rate (\$)	40.00	40.00	44.00	48.40	50.82	53.36
Residential Water Tap Fee (\$)	7,000	7,000	7,000	7,000	7,000	7,000
Residential Sewer Tap Fee (\$)	10,000	10,000	10,000	10,000	10,000	10,000
Total Water Revenue (\$)	2,299,978	2,367,750	2,587,905	3,055,650	3,337,076	
Tap/Development Fees (\$)	23,550	127,850	182,400	443,325	340,760	
Water Operating Revenue (\$)	2,266,888	2,234,835	2,401,452	2,602,972	2,943,889	
Water Operating Expenses (\$)	925,895	1,033,209	1,001,864	1,109,890	1,245,385	
Water Net Operating Income (\$)	1,340,993	1,201,626	1,399,588	1,493,082	1,698,504	
Water Debt (\$)	2,631,578	2,605,765	2,398,651	2,185,362	1,965,716	
Total Debt (\$)	15,433,357	14,940,300	13,651,278	12,695,438	16,905,092	
Water Debt Service (\$)	292,174	161,050	284,293	284,323	284,258	
Water Debt Service/Tap/Month (\$)	12.07	6.65	11.72	10.96	10.09	
Water Fund Reserves (\$)	6,744,052	7,421,808	8,232,803	8,236,337	9,278,530	

Ratios	2012	2013	2014	2015	2016	Average
Operating Revenue as % of Total Revenue	99%	94%	93%	85%	88%	92%
Operating Revenue as % of Expenses	245%	216%	240%	235%	236%	234%
Tap Fee Revenue as % of Total Revenue	1.02%	5.40%	7.05%	15%	10%	7.64%



Recent Rate Increases

The Town's most recent rate increase of \$2.61 (5%) was implemented on January 1, 2017, and had increased its base and consumption fees by 5% each year through 2017. As mentioned above the Town is currently considering a rate restructuring which will likely result in higher revenues.

User Charges

The Town's current monthly water rate is estimated at \$54.49 compared to the 2016 estimated state median of \$47.88. The Town's average monthly water rate is based on typical residential consumption of 8,900 gallons per month. Residential users pay a \$35.29 base

rate up to 6,000 gallons and a volume charge of \$6.62 per 1,000 gallons for consumption from 6,001 to 28,000 gallons. Over 28,000 gallons is charged \$8.56 per 1,000 gallons. Commercial users pay the same base rate plus a consumption charge of \$6.62 per tap per month for all consumption over 6,001 gallons.

The Town's current estimated average monthly residential sewer rate is a flat \$53.36 compared to the 2016 estimated state median of \$28.85. Multipliers are used for commercial use types.

Contributed Capital

Revenue from tap fees has ranged from \$12,550 to \$443,325 and averaged 7.64% of total water revenue during the last five years.

- The Town charges \$7,000 water plant investment (tap) fee per EQR. For residential customers this is tied to lot size. A lot size of over 12,001 sqft. pays a tap fee of \$9,100. Commercial customers use different EQR multipliers but the same base rate of \$7,000. Customers outside the Town's boundaries pay a base fee of \$10,500.
- The Town charges \$10,000 sewer plant investment (tap) fee per EQR. EQR multipliers for sewer are the same as they are for water, except out-of-town customers pay the same base fee.

Current System Utilization		
	Usage	Revenue
Residential	69%	73%
Non-residential (per EQR)	31%	27%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾"	\$54.49/\$7,000	\$53.36/\$10,000
¾"	\$54.49/\$7,000/EQR	\$53.36/\$10,000

DEBT as of December 31, 2016

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
1996	CWCB	2020	Water Revenue	\$40,943	3%	\$10,815
2013	Revenue Bonds	2024	Water Revenue	\$1,924,773	2.98%	\$273,965
1997	CWRPDA	2017	Sewer Revenue	\$166,365	4.533%	\$166,785
2007	CWRPDA	2027	Sewer Revenue	\$8,556,372	3.5%	\$828,327
2011	CWRPDA	2031	Sewer Revenue	\$1,016,639	2.0%	\$61,286
2016	Sales Tax Revenue Bonds	2046	Sales Tax Revenue	\$5,200,000	4.00-5.00%	\$319,538

LOAN COVENANTS:

The Town will have to meet the Authority's 110% rate covenant, 3 month operations and maintenance reserve fund covenant, and the 110% additional bonds test (if applicable) on an annual basis.

- The Town has met the O&M reserve fund covenant for its WPCRF loans, dated 2007 and 2011, for the last 5 years. It has met the Authority's rate covenant 4 out of the last 5 years.

Town of Eagle 2007A, 2011 Wastewater Revenue Pledge				
Year	Rate Covenant	In Compliance (Y/N)	O&M Reserve Fund*	In Compliance (Y/N)
2012	100%	N	13.54	Y
2013	110%	Y	6.28	Y
2014	131%	Y	8.72	Y
2015	146%	Y	16.53	Y
2016	165%	Y	26.83	Y

*Number of months above the 3 month reserve.

Prepared by: Joe McConnell
Date: February 13, 2018

Project # 140761D-A
Cost Categories: 152 – New Water Treatment Plant: 95%
153 – Transmission Lines: 5%

February 13, 2018

**DWRF Credit Report
Eagle, Eagle County, CO
Using most recent data available
(Census, audits, local records)**

2016 Population (Estimated)	6,748
Number of Water Taps (or customers) - 2016	2,348
Total 2016 Assessed Valuation	\$116,222,000
Total 2017 Assessed Valuation	\$116,594,000
Actual Value of all Real Property (2016)	\$1,027,426,000
Actual Value of all Real Property (2016)	\$1,037,238,000
Median Household Income (MHI)	\$111,808
Monthly Water Rate (2016)	\$51.88
Water Operating Revenue (2016)	\$2,943,889
Water Total Revenue (2016) [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$3,337,076
Water Tap and System Development Fee Revenue (2016)	\$340,760
Water Operating Expense (2016)	\$1,245,385
Water Current Expense (2016)	\$1,529,643
Water Debt (2016)	\$1,965,716
Total Debt (2016)	\$16,905,092
Water Reserves [2016 current assets minus current liabilities]	\$9,278,530
All Fund Reserves [2016 current assets minus current liabilities]	\$22,073,293
Water Debt Service (2016)	\$284,258
New Water Debt (requested DWRF loan amount)	\$17,353,000
Requested DWRF Loan Term	20
Requested DWRF Loan Interest Rate	2.50%
New Loan's Annual Water Debt Service [two payments annually]	\$1,107,865

Current Indicators (2016)**Town of Eagle****(Water Only)**

1 Total Debt	\$16,905,092	÷ Population	6,748	=	\$2,505
New Debt	\$17,353,000	÷ Population	6,748	=	\$2,572
Total Debt + New Debt	\$34,258,092	÷ Population	6,748	=	\$5,077
2 Total Debt	\$16,905,092	÷ Number of Taps	2,348	=	\$7,200
New Debt	\$17,353,000	÷ Number of Taps	2,348	=	\$7,391
Total Debt + New Debt	\$34,258,092	÷ Number of Taps	2,348	=	\$14,590
3 Total Debt	\$16,905,092	÷ Assessed Value	\$116,594,000	=	14.50%
New Debt	\$17,353,000	÷ Assessed Value	\$116,594,000	=	14.88%
Total Debt + New Debt	\$34,258,092	÷ Assessed Value	\$116,594,000	=	29.38%
4 Total Debt	\$16,905,092	÷ Actual Value	\$1,037,238,000	=	1.63%
New Debt	\$17,353,000	÷ Actual Value	\$1,037,238,000	=	1.67%
Total Debt + New Debt	\$34,258,092	÷ Actual Value	\$1,037,238,000	=	3.30%
5 Current Water Debt	\$1,965,716	÷ Number of Taps	2,348	=	\$837
(Current Water Debt + NewWater Debt)/Number of Taps	\$8,228	÷ MHI	\$111,808	=	7.36%
6 Current Ratio [CA/CL]					
Current Assets	\$9,691,741	÷ Current Liabilities	\$413,211	=	2345%
7 Reserve/Expense Ratio					
Reserves	\$9,278,530	÷ Current Expenses	\$1,529,643	=	607%
8 Operating Ratio [OR÷OE]					
Operating Revenues	\$2,943,889	÷ Operating Expenses	\$1,245,385	=	236%

9 Coverage Ratio [(TR - OE)/DS]					
Total Revenues	\$3,337,076	-			
minus Operating Expenses	<u>\$1,245,385</u>				
	=	\$2,091,691	÷ Current Debt Service	\$284,258	= 736%
10 Coverage Ratio Excluding Tap & Development Fee Revenue					
Coverage Ratio Excluding Tap & Development Fee Revenue	\$2,091,691				
minus Tap and Dev. Fee Revenue	<u>\$340,760</u>				
	=	\$1,750,931	÷ Current Debt Service	\$284,258	= 616%
11 Projected Coverage Ratio					
Total Revenues	\$3,337,076				
minus Operating Expenses	<u>\$1,245,385</u>				
	=	\$2,091,691	Total Debt Service (with new loan)	\$1,392,123	= 150%
12 Projected Coverage Excluding Tap & Dev. Fee Revenue					
Projected Coverage Excluding Tap & Dev. Fee Revenue	\$2,091,691				
minus Tap & Dev. Fee Rev.	<u>\$340,760</u>				
	=	\$1,750,931	÷ Total Debt Service (with new loan)	\$1,392,123	= 126%
13 Current Debt Service					
Current Debt Service	\$284,258	÷ Number of Taps	2348	=	\$121.06
Annual New Water Debt Service	\$1,107,865	÷ Number of Taps	2348	=	\$471.83
14 2016 Annual Water Rate (monthly rate x 12)					
2016 Annual Water Rate (monthly rate x 12)	\$622.56	÷ MHI	\$111,808	=	0.56%
2016 Annual Water Rate + New Annual Debt Service per Tap	\$1,094.39	÷ MHI	\$111,808	=	0.98%
15 Current 2016 Monthly User Charge					
Current 2016 Monthly User Charge					\$51.88
Debt Service on DWRF/2016 Taps/month					<u>\$39.32</u>
Total					\$91.20
16 Operation and Maintenance Reserve					
Reserves	\$9,278,530	÷ Operating Expenses	\$1,245,385	=	745%

DWRF DIRECT LOAN CREDIT REPORT

Town of Silverton ("The Town"), San Juan County

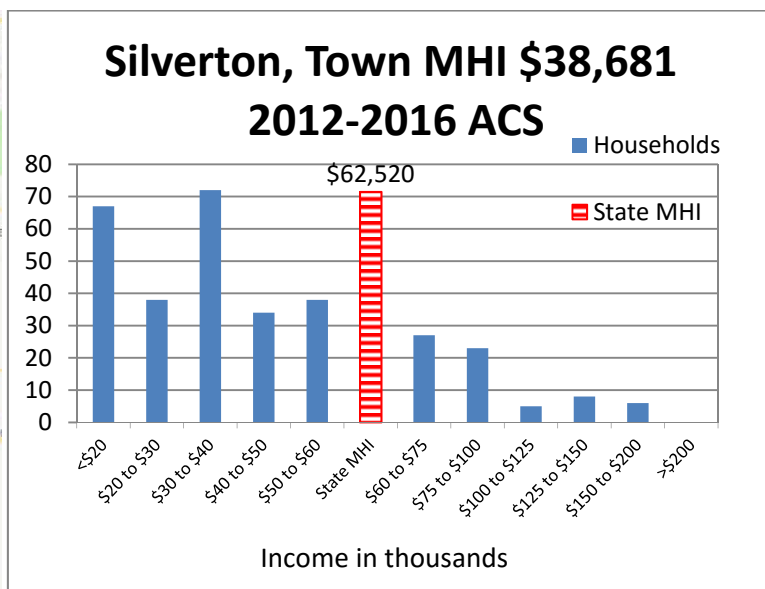
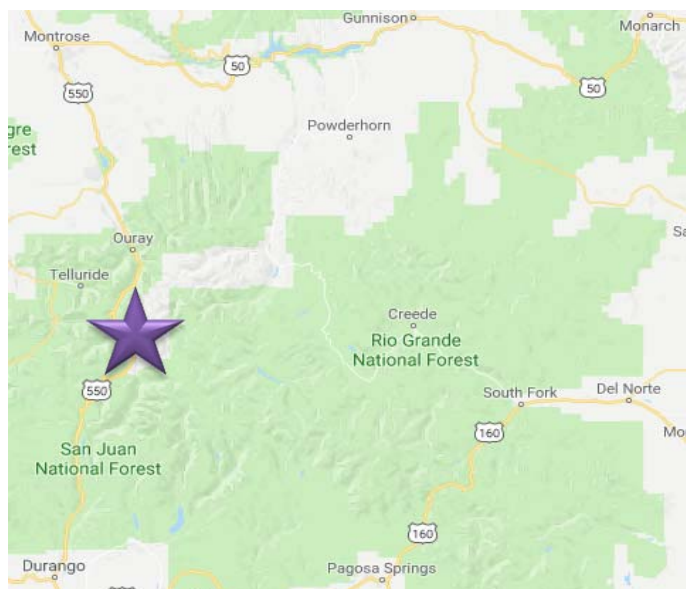
Recommendation:	APPROVAL	Project Budget	
Loan Request:	\$313,852	DWRF Loan:	\$313,852
Interest Rate & Term:	0%, 30 years	Planning, D&E grant:	\$55,797
Annual Debt Service:	\$10,462	EIAF Grants:	\$323,426
Pledge:	Water System Revenue	Water Reserves:	\$20,000
Current Rate:	\$95.48	Total:	\$713,075
Estimated Rate Increase:	\$0.00		

PROJECT DESCRIPTION: The project consists of water treatment plant improvements, site upgrades and rehabilitation of an existing water storage tank. Treatment plant improvements and site upgrades include, but are not limited to: a new pump station including a 400 square foot building and access road; installation of new piping and valves; tank bypass piping repairs; chlorine gas detector and chlorine analyzer installation; SCADA, controls and electrical upgrades; and installation of security fencing and gate.

COMMUNITY PROFILE:

Town of Silverton	2012	2013	2014	2015	2016	2017	Avg. Annual Change
Town Population	631	637	655	634	635		0.13%
San Juan County Population	692	700	719	696	698		0.17%
San Juan County Jobs	406	351	365	372	399		-0.35%
Number of Water Taps		535	535	537	542	548	0.40%
Number of Sewer Taps		532	532	534	539	544	0.37%
Assessed Value (\$000)	25,781	25,506	23,068	22,892	21,626	21,531	-2.96%
Actual Value (\$000)		158,461	138,555	138,450	136,639	136,863	-2.41%

BORROWER BRIEF: Silverton lies roughly 48 miles north of Durango and 60 miles south of Montrose on U. S. Highway 550.



RECOMMENDATION: The Town serves a small mountain community in San Juan County. This proposed loan would help the Town achieve its goals of water treatment plant improvements and system rehabilitation. While the Town's user fees are very high, they will likely produce enough revenue to meet coverage ratio requirements. We therefore recommend the DWRF Committee approve a \$313,852 Disadvantaged Communities direct loan to the Town of Silverton.

PROJECT SUMMARY:

System summary: The Town's water system consists of a mixed medium pre-packaged filtration water treatment plant constructed in 1986. The plant treats surface water from Boulder Creek and Bear Creek and has a production capacity of 300 gallons per minute. Water storage consists of two tanks: Tank No. 1 is a 200,000 gallon water storage tank constructed in 1968 and Tank No. 2, with a capacity of 600,000 gallons, was constructed in 1984. The distribution system consists of approximately 29,450 lineal feet of 6", 8", and 10" diameter, ductile iron pipe serving 554 taps.

Reason/need: As identified during the recent sanitary survey, it was recommended that the Town make improvements at the water treatment plant site to achieve adequate disinfection prior to the distribution system entry point. Recently conducted water tank inspections determined rehabilitation was necessary to address structural issues and both internal and external deterioration and corrosion.

System Compliance: The Town is in compliance with the Colorado Primary Drinking Water Regulations. A February 2017 CDPHE sanitary survey related to the Disinfection Outreach Verification Effort (DOVE) program identified a number of recommendations to address disinfection deficiencies, which this project will resolve.

CURRENT INDICATORS:	2015	2015	2016	Weak	Average	Strong
Total Debt per Capita (\$):	269	348	250	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			744	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total Debt/Tap (\$):	329	411	292	>\$5,000	\$2,500-5,000	X <\$2,500
Total Debt + New Debt/Tap (\$):			871	>\$5,000	\$2,500-5,000	X <\$2,500
Current Water Debt/Tap (\$):	171	168	88	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current Water + New Water Debt/Tap (\$):			667	>2,000	\$1,000 - 2,000	X <\$1,000
Total Debt/Assessed Value:	0.76%	0.96%	0.74%	>50%	25-50%	X <25%
Total Debt + New Water Debt/Assessed Value:			2.19%	>50%	25-50%	X <25%
Total Debt/Actual Value:	0.13%	0.16%	0.12%	>10%	5-10%	X <5%
Total Debt + New Water Debt/Actual Value:			0.35%	>10%	5-10%	X <5%
Curr. Water Debt + New Debt/Tap/MHI:			1.72%	>20%	10-20%	X <10%
Water Fund Current Ratio (CA/CL):	988%	883%	1,517%	<100%	100-200%	X >200%
Water Fund Reserves/Current Expense:	141%	113%	84%	<50%	X 50-100%	>100%
Water Operating Ratio (OR/OE):	176%	117%	90%	X <100%	100-120%	>120%
Coverage Ratio (TR-OE)/DS:	306%	236%	-11%	X <110%	110-125%	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	298%	113%	-81%	X <110%	110-125%	>125%
Coverage Ratio with New Loan:			-8%	X <110%	110-125%	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			-65%	X <110%	110-125%	>125%
Current Annual Water Rates/MHI:			2.22%	>3.0%	X 1.5-3.0%	<1.5%
Current Water Rates + New Water Debt Service/MHI:			2.27%	>3.0%	X 1.5-3.0%	<1.5%
Operation and Maintenance Reserve:			93%	<25%	25-50%	X >50%
TOTAL:	5	3	13			

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, thirteen are rated strong, three are average and five are considered weak. Overall, the indicators illustrate relatively low debt and high property values, but also high monthly water fees as a portion of MHI. The weak coverage ratio shows that additional revenue is needed to meet the required 110% minimum coverage ratio. Fortunately, the Town has already sufficiently increased user fees in an amount that will also aid in building reserves.

- After several years of strong or average operating ratios, 2016 was a weak 90%, meaning operating expenditures exceeded operating revenue. This is due to increased administrative costs that the water fund has been transferring to its general fund.
- Operations and maintenance costs are not expected to be affected by the improvements from this loan.
- Based on 2016 financial information, coverage with the proposed loan is -8% with tap fee revenue and -65% without tap fee revenue. Additional annual revenue of about \$60,194, or \$9.25 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue.
- Three loans totaling \$33,087 in debt service were scheduled for retirement by the end of 2017, leaving one lease purchase for future debt service.
- In September 2017, the Town increased rates by \$24.04 per tap per month. The increase will generate an estimated \$156,356 annually.
- The extinguished debts and large increase in user fees will push coverage ratio well above the required threshold.

Additional Project Financing

The Town has been awarded a \$10,000 Planning grant, a \$45,797 D&E grant, a \$25,000 EIAF planning grant, and a \$298,426 Tier II EIAF grant.

DESCRIPTION OF THE LOAN: A \$313,852 direct loan with a thirty year term, two payments annually at an interest rate of 0% will cost the Town approximately \$10,4262 in debt service annually.

Disadvantaged Community:

MHI combined with county job losses over the last decade mean the Town meets the criteria of a Disadvantaged Community (DAC). The 2012-2016 MHI is considered of medium reliability (below the selected threshold) but the highest of the estimated range is \$46,695 which is less 80% the 2012-2016 state median. By exceeding median costs in secondary measures 4 & 5 (S4, S5), the Town qualifies for the lowest available interest rate of 0%.

Primary Factor	Benchmark		Borrower	Secondary Factor	Benchmark		Borrower
P1: MHI	\$50,016	>	\$38,681	S1: County MHI	\$48,503	>	\$41,250
P2: MHV	\$264,600	>	\$219,200	S2: Population Loss	0.00%	>	0.16%
P3: Unemployment	4.70%	<	4.1	S3: Assessed Value per Household	\$18,500	>	\$84,810
Job Loss	0	>	-12.69%	S4: Curr. and Proj. System Debt	0.43%	<	2.24%
				S5: System Cost Per Tap to MHI	2.21%	<	2.65%

ECONOMIC ANALYSIS: The Town has a 2016 population estimated at 635 and has grown at an average annual rate of 0.1% since 2012. San Juan County has experienced an increase of 0.2% in population since 2012 to 698. The state population increased at an average annual rate estimated 1.6% during that time.

The Town's economy is dominated by tourism, particularly popular among summer visitors. But winter sports are becoming important too, with the unique Silverton Mountain ski area nearby and Purgatory Ski Area just outside the southern boundary of the county (in La Plata County). The area has a low unemployment rate. Housing costs are rising but are generally more affordable than areas in the I-70 mountains or Front Range. Because of tourism, there are roughly twice as many taps as would normally be found in a town of this size.

The Town reports its largest employers are Silverton Outdoor Learning & Recreation Center with 39 employees, Silverton School District with 25 employees, Cascade Village Resort with 25 employees, the Town with 22 employees, and Handlebars Restaurant and Saloon with 16 employees. No single customer accounts for 3% of water revenue.

ORGANIZATIONAL ANALYSIS:

Bond Rating

The Town's debt has not been rated by Fitch, Moody's, or Standard & Poor's in the last five years.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The Town does not sell more than 2,000 acre-feet of water per year. However, all but 6 taps are metered.

Organizational Structure

The Town is a statutory town governed by a trustee/mayor form of government and was incorporated in 1876. The Town provides services including police protection, water and wastewater services, public works services, library, landfill, cemetery, and parks and recreation services. The Town contracts with a water operator who reports to the Town Board.

- The Town has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The Town maintains general liability insurance coverage through Colorado Intergovernmental Risk Sharing Agency (CIRSA).
- There are currently no pending lawsuits against the Town.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the Town's technical, managerial and financial capacity to operate the water system. The review resulted in no mandatory requirements.

Capital Improvement Plan

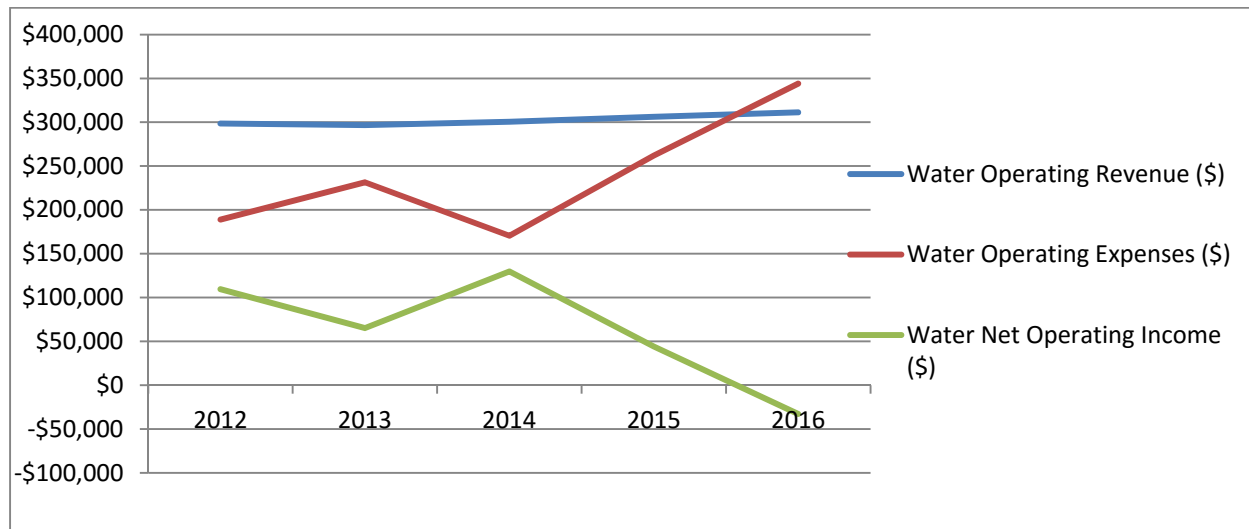
As part of the application process, the Town submitted a capital improvement schedule for its water fund, which anticipates capital outlay of \$1,173,000 within the next 6 to 10 years to be funded from a combination of grants and financing.

REVENUE ANALYSIS:

Operating revenue has been fairly stable over the last five audited years. Operating expenses include transfers out to the general fund. These transfers have grown over the period, from \$130,843 in 2012 to \$252,250 in 2016. The Town stated that the transfers will continue for the foreseeable future.

TRENDS	2012	2013	2014	2015	2016	2017
Monthly Water Rate (\$)	71.44	71.44	71.44	71.44	71.44	95.48
Monthly Sewer Rate (\$)	72.94	72.94	72.94	72.94	72.94	75.65
Residential Water Tap Fee (\$)	7,503	7,503	7,503	7,503	7,503	7,503
Residential Sewer Tap Fee (\$)	5,926	5,926	5,926	5,926	5,926	5,926
Total Water Revenue (\$)	298,359	296,628	303,520	354,629	339,875	
Tap/Development Fees (\$)	0	0	3,152	48,466	28,603	
Water Operating Revenue (\$)	298,359	296,628	300,368	306,163	311,272	
Water Operating Expenses (\$)	188,849	231,385	170,573	262,023	344,150	
Water Net Operating Income (\$)	109,510	165,243	129,795	77,149	-9,683	
Water Debt (\$)	154,365	114,845	91,726	90,243	47,595	
Total Debt (\$)	325,547	307,053	176,166	220,484	158,441	
Water Debt Service (\$)	47,479	47,111	43,514	39,187	40,374	
Water Debt Service/Tap/Month (\$)		7.34	6.78	6.08	6.21	
Water Fund Reserves (\$)	164,457	195,787	302,494	340,626	321,399	

Ratios	2012	2013	2014	2015	2016	Average
Operating Revenue as % of Total Revenue	100%	100%	99%	86%	92%	95%
Operating Revenue as % of Expenses	158%	171%	176%	117%	90%	143%
Tap Fee Revenue as % of Total Revenue	0.00%	0.00%	1.04%	14%	8.42%	4.62%



Recent Rate Increases

The Town's most recent rate increase of \$24.04 was implemented on September 1, 2017.

User Charges

The Town's current monthly water rate is estimated at \$95.48 compared to the 2016 estimated state median of \$47.88. The Town's average monthly water rate is based on typical residential consumption of 5,644 gallons per month. Residential users pay a \$65.27 base rate for up to 10,000 gallons of consumption and a volume charge of \$5.89 per 1,000 gallons for consumption in excess of 10,000 gallons. There is also a new \$30.21 water capital improvement savings fee. Commercial rates are based on EQR for type and intensity of industry.

The Town's current estimated average monthly residential sewer rate is \$75.65 compared to the 2016 estimated state median of \$28.85. The Town's average monthly sewer rate is based on typical residential consumption of 5,644 gallons per month. Residential users pay a \$69.73 base rate for up to 10,000 gallons use wastewater and a volume charge of \$6.34 per 1,000 gallons for use in excess of 10,000 gallons. There is also a new \$5.92 water capital improvement savings fee. Commercial rates are based on EQR for type and intensity of industry.

Contributed Capital

Revenue from tap fees has ranged from \$0 to \$48,466 and has averaged less than 5% of total water revenue during the last five years. The Town did not increase rates for the period examined. Commercial rates are based on EQR for type and intensity of industry.

- Residential water tap fees are \$7,803.
- Residential sewer tap fees are \$5,926.

Current System Utilization		
	Usage	Revenue
Residential	76%	76%
Non-residential (per EQR)	24%	24%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾"	\$95.48/\$7,803	\$75.65/\$5,926
¾"	\$95.48/\$7,803	\$75.65/\$5,926

DEBT as of December 31, 2016

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2016	Capital Lease (Backhoe)	2020	Water (2/3)	\$63,975	3.2%	\$12,027
2002	EIAF	2017	Water	\$12,611	5%	\$13,230
2007	EIAF	2017	Water	\$5,993	5%	\$6,293
2016	Capital Lease (Backhoe)	2020	General fund (1/3)	\$27,418	3.2%	\$6,005
2014	Capital Lease (Cab Tractor)	2019	General fund	\$48,444	9.8%	\$11,428

LOAN COVENANTS:

The Town will have to meet the Authority's 110% rate covenant, 3 month operations and maintenance reserve fund covenant and the 110% additional bonds test (if applicable) on an annual basis.

The Town has no existing debt with the Authority including the SRF programs.

Prepared by: Joe McConnell
Date: February 13, 2018

Project #	142520D
Cost Categories:	152 – Treatment: 52%
	155 – Storage: 48%

February 13, 2018

**DWRF Credit Report
Silverton, San Juan County, CO
Using most recent data available
(Census, audits, local records)**

2016 Population (Estimated)	635
Number of Water Taps (or customers) - 2016	542
Total 2016 Assessed Valuation	\$21,626,000
Total 2017 Assessed Valuation	\$21,531,000
Actual Value of all Real Property (2016)	\$136,639,000
Actual Value of all Real Property (2017)	\$136,863,000
Median Household Income (MHI)	\$38,681
Monthly Water Rate (2016)	\$71.44
Water Operating Revenue (2016)	\$311,272
Water Total Revenue (2016) [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$339,875
Water Tap and System Development Fee Revenue (2016)	\$28,603
Water Operating Expense (2016)	\$344,150
Water Current Expense (2016)	\$384,524
Water Debt (2016)	\$47,595
Total Debt (2016)	\$158,441
Water Reserves [2016 current assets minus current liabilities]	\$321,399
All Fund Reserves [2016 current assets minus current liabilities]	\$1,192,072
Water Debt Service (2016)	\$40,374
New Water Debt (requested DWRF loan amount)	\$313,852
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	0.00%
New Loan's Annual Water Debt Service [two payments annually]	\$10,462

Current Indicators (2016)

Town of Eagle

(Water Only)

1 Total Debt	\$158,441	÷ Population	635	=	\$250
New Debt	\$313,852	÷ Population	635	=	\$494
Total Debt + New Debt	\$472,293	÷ Population	635	=	\$744
2 Total Debt	\$158,441	÷ Number of Taps	542	=	\$292
New Debt	\$313,852	÷ Number of Taps	542	=	\$579
Total Debt + New Debt	\$472,293	÷ Number of Taps	542	=	\$871
3 Total Debt	\$158,441	÷ Assessed Value	\$21,531,000	=	0.74%
New Debt	\$313,852	÷ Assessed Value	\$21,531,000	=	1.46%
Total Debt + New Debt	\$472,293	÷ Assessed Value	\$21,531,000	=	2.19%
4 Total Debt	\$158,441	÷ Actual Value	\$136,863,000	=	0.12%
New Debt	\$313,852	÷ Actual Value	\$136,863,000	=	0.23%
Total Debt + New Debt	\$472,293	÷ Actual Value	\$136,863,000	=	0.35%
5 Current Water Debt	\$47,595	÷ Number of Taps	542	=	\$88
(Current Water Debt + NewWater Debt)/Number of Taps	\$667	÷ MHI	\$38,681	=	1.72%
6 Current Ratio [CA/CL]					
Current Assets	\$344,087	÷ Current Liabilities	\$22,688	=	1517%
7 Reserve/Expense Ratio					
Reserves	\$321,399	÷ Current Expenses	\$384,524	=	84%
8 Operating Ratio [OR÷OE]					
Operating Revenues	\$311,272	÷ Operating Expenses	\$344,150	=	90%

9 Coverage Ratio [(TR - OE)/DS]					
Total Revenues	\$339,875	-			
minus Operating Expenses	<u>\$344,150</u>				
	=	-\$4,275	÷ Current Debt Service	\$40,374	= -11%
10 Coverage Ratio Excluding Tap & Development Fee Revenue					
		-\$4,275			
minus Tap and Dev. Fee Revenue	<u>\$28,603</u>				
	=	-\$32,878	÷ Current Debt Service	\$40,374	= -81%
11 Projected Coverage Ratio					
Total Revenues	\$339,875				
minus Operating Expenses	<u>\$344,150</u>				
	=	-\$4,275	Total Debt Service (with new loan)	\$50,836	= -8%
12 Projected Coverage Excluding Tap & Dev. Fee Revenue					
		-\$4,275			
minus Tap & Dev. Fee Rev.	<u>\$28,603</u>				
	=	-\$32,878	÷ Total Debt Service (with new loan)	\$50,836	= -65%
13 Current Debt Service					
	\$40,374	÷ Number of Taps	542	=	\$74.49
Annual New Water Debt Service	\$10,462	÷ Number of Taps	542	=	\$19.30
14 2016 Annual Water Rate (monthly rate x 12)					
	\$857.28	÷ MHI	\$38,681	=	2.22%
2016 Annual Water Rate + New Annual Debt Service per Tap	\$876.58	÷ MHI	\$38,681	=	2.27%
15 Current 2016 Monthly User Charge					
					\$71.44
Debt Service on DWRF/2016 Taps/month					<u>\$1.61</u>
Total					\$73.05
16 Operation and Maintenance Reserve					
Reserves	\$321,399	÷ Operating Expenses	\$344,150	=	93%



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

Logan Tower Bldg - Suite 620, 1580 Logan Street, Denver, Colorado 80203-1942
303/830-1550 • Fax 303/832-8205 • info@cwrpda.com

MEMORANDUM

March 2, 2018

TO: Board of Directors and Karl Ohlsen

FROM: Keith McLaughlin, Finance Director

RE: Update on Project and Matching Account Fund Investments

Prior to 2008, the Authority used over collateralized repurchase agreements as its investment vehicle to hold the majority of the project and matching account funds for its WPCRF and DWRF leveraged loan programs. Authority staff continues to monitor the ratings of the providers of these agreements and reports that there were no rating changes and no outlook changes since the last Board meeting.

On a monthly basis, staff monitors the collateral posted as security for these agreements and can report that all of the agreements are in compliance with the required collateral percentages and eligible securities.

Since 2008, in accordance with the Authority's Investment policy, the Authority has used State and Local Government Series (SLGS), Government Money Market funds, and Local Government Investment Pools (Colotrust) as its investment vehicles to hold the majority of the project and matching account funds for its WPCRF and DWRF leveraged loan programs.

Updated spreadsheets showing the current project and matching account investments and investment provider ratings are attached.

Attachment: Updated WPCRF and DWRF Project and Matching Accounts spreadsheet
Investment Provider Ratings spreadsheet

**Investment of DWRP and WPCRF
Project and Matching Accounts
February 8, 2018**

Investment Provider***	Match & PRJ Account Balance	% of Total Matching & Project Accounts	Number of Repurchase Agreements
Assured Guaranty Municipal Corp.*	\$ 8,162,873	5%	1
Mass Mutual**	\$ 3,285,163	2%	2
AIG	\$ 8,175,541	5%	3
Repurchase Totals	\$ 19,623,577	11%	6

* Formerly known as FSA (Merger)

**Assigned from Trinity to Mass Mutual

*** Societe Genrale, Citigroup, and Portigon AG were terminated on May 12, 2016 as part of the Clean Water 2016AR bond issue

State & Local Government Series (SLGS)	\$ 78,928,764	45%
COLOTRUST/Federated Government Obligations (Money Market) *	\$ 76,659,537	44%
Total	\$ 155,588,301	89%

Grand Total	\$ 175,211,878	100%
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* All Federated Prime Money Market funds were transferred to Federated Government Obligations Money Market funds on September 13, 2016, per new SEC regulations.

Investment Provider Ratings Spreadsheet
February 8, 2018

Investment Provider	Moody's Rating	Moody's Outlook	S&P Rating	S&P Outlook	Fitch Rating	Fitch Outlook
Assured Guaranty Municipal Corp. ¹	A2	Stable	AA	Stable	NR	N/A
Mass Mutual ²	Aa2	Negative	AA+	Stable	AA	Stable
AIG ³	Baa1	Stable	BBB+	Negative	A-	Negative

¹ Formerly known as FSA

² Formerly known as Trinity

³ Fitch does not directly rate AIG Matched Funding Corp. However, the Issuer Default Rating for its parent company, AIG International Group Inc., is A-

Negative Outlook - Means there is a 1 in 3 chance that ratings could be downgraded in the next 18-24 months

Negative Watch - Means there is a 1 in 2 chance that ratings could be downgraded in the next 3 months

Positive - Means that the rating is likely to be upgraded over a 1 to 2 year period

NR - Not rated

SET ASIDE UPDATE
February 14, 2018

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Admin	1997-2016	\$ 11,432,944	\$ 0	100%
	2009 ARRA	\$ 1,374,080	\$ 0	100%
	2017	\$ 573,760	\$ 130,739	77%
	Totals	\$ 13,380,784	\$ 130,739	99%
SSTTA	1997-2016	\$ 6,121,980	\$ 0	100%
	2017	\$ 286,880	\$ 239,992	16%
	Totals	\$ 6,408,860	\$ 239,992	96%
PWSS	2000-2015	\$ 20,119,928	\$ 0	100%
	2016	\$ 1,446,800	\$ 455,752	68%
	2017	\$ 1,434,400	\$ 1,434,400	0%
	Totals	\$ 23,001,128	\$ 1,890,152	92%
Cap. Development	1997-2015	\$ 22,510,080	\$ 0	100%
	2016	\$ 1,446,800	\$ 208,083	86%
	2017	\$ 1,434,400	\$ 1,434,400	0%
	Totals	\$ 25,391,280	\$ 1,642,483	94%
Well Head	1997-2015	\$ 11,528,666	\$ 0	100%
	2016	\$ 723,400	\$ 658,568	9%
	2017	\$ 717,200	\$ 717,200	0%
	Totals	\$ 12,969,266	\$ 1,375,768	89%

Note: All set asides issued in 2014 and later are required to be spent within 3 years from the grant "date of award".



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

Logan Tower Bldg - Suite 620, 1580 Logan Street, Denver, Colorado 80203-1942
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MEMORANDUM

February 27, 2018

TO: Project Finance Committee and Karl Ohlsen

FROM: Keith McLaughlin, Finance Director
Ian Loffert, Financial Analyst

RE: Review of the Town of Antonito Interim Loan
Water Pollution Control Revolving Fund ("WPCRF")

Authority staff analyzed its analysis of the above listed project and agreed to forward the request to the Authority's Project Finance Committee with the following recommendation:

Town of Antonito

The Town of Antonito, located in Conejos County, is seeking an Interim loan in the amount of \$2,882,000. The project consists of decommissioning the existing wastewater treatment lagoons, addition of a fully mechanical, Moving Bed Biological Reactor (MBBR) treatment works including a new disinfection system, headworks, clarifiers and associated appurtenances; replacement of select collection system pipelines and manholes; and installation of a 100kW solar array facility. The Town's project was authorized by HJR 13-1007.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating an Interim loan with the Town in the amount of \$2,882,000. The loan will be for a term of up to 3 years, at an interest rate of 3%, subject to the Town meeting the Technical, Managerial, and Financial (TMF) requirements and increasing user rates, if necessary, sufficiently to meet the Authority's rate covenant on its 2015 DWRF loan, prior to loan execution. The Board will consider this request on March 2, 2018.

Note: A telephone conference call has been scheduled for 9:00 a.m. Tuesday, February 27, 2018. The call-in number is **303-830-1550**. When the auto-attendant answers, press **8** and the access code is: **0167570#**.

Attachment: Town of Antonito 2018 Interim Loan Credit Report

INTERIM LOAN CREDIT REPORT

Town of Antonito ("The Town"), Conejos County

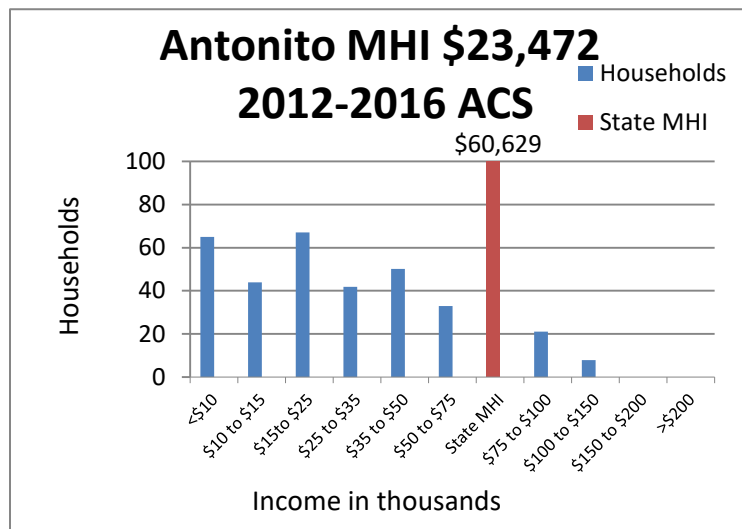
Recommendation:	CONDITIONAL APPROVAL
Loan Request:	\$2,882,000
Term:	3%, 3 years
Interest Rate:	3% as funds are drawn
Pledge:	Water & Sewer System Revenue
Current Rate:	\$24.25 (w), \$18.25 (s)
Estimated Rate Increase:	\$15.06 – \$35.32*

<u>Project Budget</u>	
Interim Loan (and USDA commitment):	\$2,882,000
USDA Grant:	\$1,507,100
2017 EIAF:	\$1,000,000
Planning, D&E Grant:	\$260,000
Total:	\$5,649,100

PROJECT DESCRIPTION: The project consists of decommissioning the existing wastewater treatment lagoons, addition of a fully mechanical, Moving Bed Biological Reactor (MBBR) treatment works including a new disinfection system, headworks, clarifiers and associated appurtenances; replacement of select collection system pipelines and manholes; and installation of a 100kW solar array facility.

COMMUNITY PROFILE							5-yr.Avg. Annual Change
Town of Antonito	2012	2013	2014	2015	2016	2017	
Town Population	778	774	773	754	747		-0.81%
Conejos County Population	8,246	8,229	8,246	8,074	8,039		-0.51%
Conejos County Jobs	2,455	2,504	2,483	2,511	2,548		0.75%
Number of Water Taps	469	469	470	471	471	472	0.09%
Number of Sewer Taps	410	410	410	411	411	412	0.10%
Assessed Value (\$000)	\$2,576	\$2,682	\$2,993	\$2,992	\$3,154	\$3,159	4.16%
Actual Value (\$000)	\$21,834	\$21,739	\$23,497	\$23,389	\$24,551	\$24,612	2.42%

BORROWER BRIEF: The Town of Antonito is located in the San Luis Valley near the southern border of Colorado about 30 miles south of Alamosa, along U.S. Highway 285.



RECOMMENDATION: The Town serves a small, rural community in Conejos County. This proposed loan is necessary for improvements that will bring the wastewater treatment system into compliance with its discharge permit. The Town has limited resources and the project costs represent a substantial burden for the community. However, the Town will fully pay off the loan once they receive funding from United States Department of Agriculture. We therefore recommend the Project Finance Committee favorably consider a \$2,882,000 interim loan to the Town of Antonito on the condition the Town meets the Technical, Managerial, and Financial (TMF) requirements on their 2015 DWRf loan prior to loan execution.

*The \$15.06 is the estimated rate increase currently needed to come into compliance on the Town's 2015 DWRf loan. The \$35.32 is the estimated rate increase needed for the proposed USDA loan.

PROJECT SUMMARY

System summary: The Town of Antonito's wastewater treatment system, originally constructed in 1984, has a hydraulic design capacity of 0.205 million gallons per day (MGD) and 355 lbs. per day of BOD5 organic loading. The treatment works consist of three bentonite clay lined lagoons comprised of two aeration cells each equipped with diffused aerators, a single polishing pond, clarifier, blower building and a small non-functioning chlorination building. The discharge runs through a pipeline along the south side of the property, discharging to Rio San Antonio River, ultimately reaching the Conejos River. The collection system originally installed in 1969, serves approximately 400 taps and consists of two lift stations, 103 manholes, approximately 37,135 linear feet of vitrified clay pipe, 3,450 linear feet of PVC pipe and 3,000 linear feet of cast iron force main.

Reason/need: Compliance Order on Consent (COC) number MC-150612-1 was executed June 12, 2015 (amended February 18, 2016 and May 31, 2017) between the Water Quality Control Division and the Town of Antonito. With the express consent of the Town, the COC outlines milestones to be achieved in order to secure funding and construct necessary improvements that will bring the wastewater treatment system into compliance with its discharge permit. The recommended improvements are required in order to reduce Ammonia, BOD5, TAN, fecal coliforms, and total suspended solids.

System Compliance: The current system is out of compliance and unable to attain the minimum preliminary effluent limits stipulated in its Colorado Wastewater Discharge Permit. Several Discharge Monitoring Reports (DMRs) submitted by the town between January 2007 and June 2011 indicated that the allowable weekly and monthly average 5-day Biochemical Oxygen Demand (BOD5) effluent parameter was exceeded on six different occasions. Between 2011 and 2014 Fecal Coliform limits were exceeded 11 times. Total Ammonia as Nitrogen (TAN) levels exceeded allowable monthly limits for 13 non-consecutive months in between 2011 and 2013. As such, on September 3, 2013, CDPHE served the Town a Notice of Violation/Cease and Desist Order (#MO-130830-1) for failure to meet discharge limitations. Additionally, various lines and manholes within the collection system have been identified as likely contributing to significant Inflow and Infiltration (I&I) on the system and may be contributing to treatment difficulties.

CURRENT INDICATORS	2014	2015	2016	Weak	Average	Strong
Total Debt per Capita (\$):	140	1,674	1,700	>\$2,000	X	\$1,000 - 2,000
Total + New Debt/Capita (\$):			5,558	X	>\$2,000	\$1,000 - 2,000
Total Debt/Tap (\$):	230	2,679	3,090	>\$5,000	X	\$2,500-5,000
Total Debt + New Debt/Tap (\$):			10,102	X	>\$5,000	\$2,500-5,000
Current Water and Sewer Debt/Tap (\$):	0	2,145	2,374	X	>\$2,000	\$1,000 - 2,000
Current W&S + New W&S Debt/Tap (\$):			9,387	X	>\$2,000	\$1,000 - 2,000
Total Debt/Assessed Value:	36%	422%	40%	>50%	X	25-50%
Total Debt + New W&S Debt/AV:			132%	X	>50%	25-50%
Total Debt/Actual Value:	4.59%	54%	5.17%	>10%	X	5-10%
Total Debt + New Water Debt/Actual Value:			17%	X	>10%	5-10%
Current Sewer Debt + New Debt/Tap/MHI:			40%	X	>20%	10-20%
Water Fund Current Ratio (CA/CL):	37%	20%	27%	X	<100%	100-200%
Water Fund Reserves/Current Expense:	-33%	-80%	26%	X	<50%	50-100%
Water Operating Ratio (OR/OE):	75%	138%	72%	X	<100%	100-120%
Coverage Ratio (TR-OE)/DS:	N/A	542%	-215%	X	<110%	110-125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	N/A	535%	-219%	X	<110%	110-125%
Coverage Ratio with New Loan:			-7.04%	X	<110%	110-125%
Coverage Ratio with New Loan Excluding Tap Fees:			-7.16%	X	<110%	110-125%
Current Annual Sewer Rates/MHI:			0.74%			1.5-3.0%
Current Sewer Rates + New Sewer Debt Service/MHI:			11%	X	>3.0%	1.5-3.0%
Operation and Maintenance Reserve			29%		X	25-50%
TOTAL:			15		5	1

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, one is rated strong, five are average, and fifteen are considered weak. Overall, the indicators show that the Town has a large amount of debt for its size. The weak indicators show the Town's 2016 revenue would not be sufficient to meet coverage ratio requirements, and that current expenses are higher than revenues.

- The Town's operating ratio was strong in 2015 at 138%, but dipped down to weak in 2016 due to increased expenses.
- O&M for this project is expected to increase due to increased operational duties, training, electricity, and lab expenses.
- Based on 2016 financial information, coverage with the proposed loan is -7%. Additional annual revenue of about \$1,224,190, or \$248.21 per tap per month, would increase the coverage ratio to 110%.
- With the recent water and sewer rate and tap fee increases, the estimated coverage with the proposed loan as -2%. Additional annual revenue of about \$1,169,392, or \$237.10 per tap per month, would increase the coverage ratio to 110%.

- With the USDA loan term of 40 years at 2.125%, coverage with the proposed loan is -11% with tap fee revenue and -15% without tap fee revenue. Additional annual revenue of about \$174,212, or \$35.32 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue. Additional annual revenue of about \$176,850, or \$35.86 per tap per month, would increase the coverage ratio to 110% excluding tap fee revenue.

Additional Project Financing: The Town was previously awarded both a Planning and Design & Engineering grant totaling \$260,000. The Town submitted an Energy Mineral Impact Assistance Fund (EIAF) application for \$1,000,000, which was awarded in December 2017.

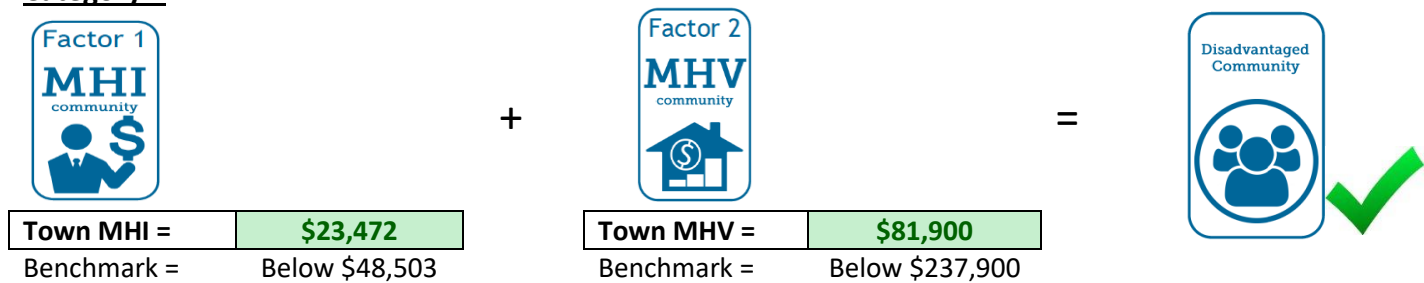
The Town is co-funding the proposed project through USDA, and was awarded a USDA Loan for \$2,882,000 and Grant for \$1,507,100, on January 18, 2017. This grant is pending until the Town receives interim financing. Once interim financing is secured, the Town will be able to receive both the EIAF and USDA grants.

The Town plans to repay this proposed interim loan in full with the \$2,882,000 USDA Loan, once construction is complete and funding is received from USDA.

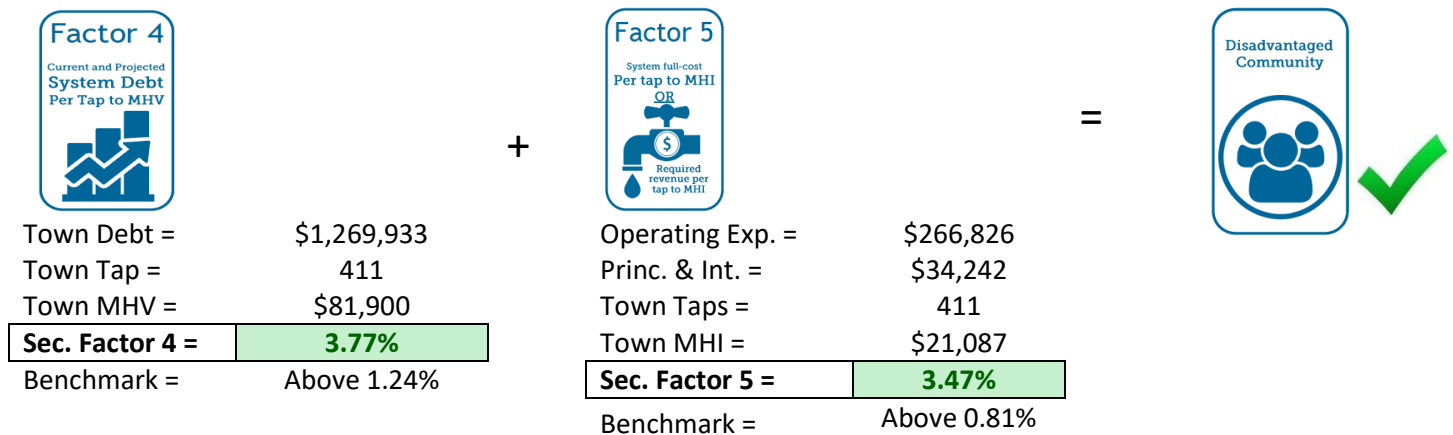
DESCRIPTION OF THE LOAN: A \$2,882,000 interim loan with a 3 year term, at an interest rate of 3% per project draw.

Disadvantaged Community: The Town met all primary and secondary factors, qualifying them as a Disadvantaged Community, Category 2.

Category 1



Category 2



ECONOMIC ANALYSIS: The Town has a 2016 population estimated at 747, and the area's employment is dominated by agriculture, with one out of every three jobs supported by the industry. Education, health care and government employment are also large industries in the region. Conejos County has experienced a decrease of 0.38% in population since 2010. The Town is also home to the narrow gauge Cumbres and Toltec Scenic Railroad, which runs between Antonito and Chama, New Mexico.

The Town reports one customer that accounts for more than 3% of system use or revenue: Cumbres & Toltec Scenic Railroad 4%

The Town's largest employers consist of: Harborlite Perlite Mine with 40 employees, Robins Construction with 35 employees, Cumbres and Toltec Scenic Railroad with 30 employees, Colorado Lava with 25 employees, and Salazar Farms with 23 employees.

ORGANIZATIONAL ANALYSIS

Bond Rating

The Town's debt has not been rated by Fitch, Moody's, or Standard & Poor's in the last five years.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The Town does not sell more than 2,000 acre-feet of water per year.

Organizational Structure

The Town is a statutory town governed by a trustee/mayor form of government and was incorporated in 1889. The Town provides services including police protection, water and wastewater services, and parks and recreation services. Approximately two full-time employees staff the water utility. The water utility is overseen by the Public Works Supervisor/Town Administrator, who reports to the Board of Trustees and Mayor.

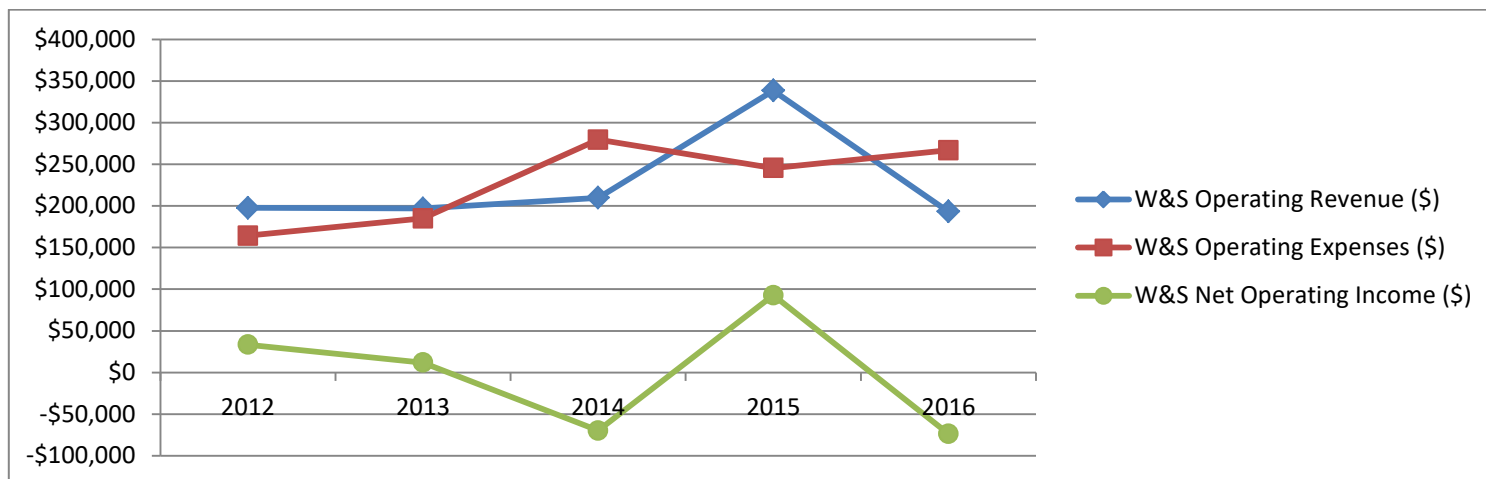
- The Town had delinquent audit filings four of the past five years and delinquent budget filings three of the past five years.
- On September 3, 2013, the Town was served a Notice of Violation/Cease and Desist Order (NOV/CDO) by the Colorado Department of Public Health and Environment in regards to their wastewater system.
- The Town maintains general liability insurance coverage through Colorado Intergovernmental Risk Sharing Agency (CIRSA).
- There are currently no pending lawsuits against the Town.
- There have been no recall elections in the last ten years.

REVENUE ANALYSIS

The Town transferred revenue from the enterprise fund to the general government fund in years 2014 and 2015. The average amount transferred was \$111,102. This practice was discontinued in 2016; however the Town transferred \$136,201 from the general fund into the enterprise fund in 2016 to repay funds owed for a water and sewer project. These transfers have not been included in the analysis. The increase in sewer and water expenses from 2013 to 2015 can be attributed to the aging treatment plant and revenue owed to other funds.

TRENDS	2012	2013	2014	2015	2016	2017
Monthly Water Rate (\$)	20.00	20.50	20.50	20.50	20.50	24.25
Monthly Sewer Rate (\$)	14.00	14.50	14.50	14.50	14.50	18.25
Residential Water Tap Fee (\$)	450	450	450	450	450	1,000
Residential Sewer Tap Fee (\$)	450	450	800	800	800	1,000
Total W&S Revenue (\$)	202,767	200,352	209,856	338,368	193,202	
Tap/Development Fees (\$)	0	1,425	3,125	1,250	1,250	
W&S Operating Revenue (\$)	197,759	196,932	209,853	338,365	193,199	
W&S Operating Expenses (\$)	164,330	185,019	279,468	245,543	266,826	
W&S Net Operating Income (\$)	33,429	11,913	-69,615	92,822	-73,627	
W&S Debt (\$)	0	0	0	1,010,149	975,907	
Total Debt (\$)	98,618	63,494	107,940	1,261,830	1,269,933	
W&S Debt Service (\$)	2,941	0	0	17,121	34,242	
W&S Debt Service/Tap/Year (\$)	0.60	0.00	0.00	3.47	6.94	
W&S Fund Reserves (\$)	122,290	137,277	-92,267	-211,160	77,331	
W&S Debt Service (\$)	2,941	0	0	17,121	34,242	
W&S Debt Service/Tap/Year (\$)	0.60	0.00	0.00	3.47	6.94	
W&S Fund Reserves (\$)	122,290	137,277	-92,267	-211,160	77,331	

Ratios	2012	2013	2014	2015	2016	5-yr Average
Operating Revenue as % of Total Revenue	98%	98%	100%	100%	100%	99%
Operating Revenue as % of Expenses	120%	106%	75%	138%	72%	102%
Tap Fee Revenue as % of Total	0.00%	0.71%	1.49%	0.37%	0.65%	0.64%



Recent Rate Increases

The Town's most recent sewer and water rate increase was implemented on January 1, 2017. This increase adjusted the base sewer rate by \$3.25 from \$14.50 to \$18.25, and the base water rate by \$3.75 from \$20.50 to \$24.25. Sewer and water tap fees were also increased. The sewer tap fee increased by \$550 from \$450 to \$1,000, and the water tap fee increased by \$200 from \$800 to \$1,000.

User Charges

The Town's current estimated average monthly residential sewer rate is a flat \$18.25, compared to the 2016 estimated state average of \$28.85.

The Town's current water rate is estimated at \$24.25 compared to the 2016 estimated state average of \$47.88. The Town's average monthly water rate is based on average residential consumption of 17,000 gallons per month. Residential users pay a \$24.25 base rate up to 17,000 gallons and a volume charge of \$1.65 per 1,000 gallons for consumption from 17,001 to 35,000 gallons and \$1.85 per 1,000 gallons over 35,001.

Contributed Capital

Revenue from tap fees has ranged from \$0 to \$3,125 and has averaged 0.64% of total water and sewer revenue during the last five years. The Town's most recent sewer and water tap fee rate increase occurred in January 2017.

- Residential sewer tap fees are \$1,000.
- Residential water tap fees are \$1,000.

Current System Utilization		
	Usage	Revenue
Residential	92%	92%
Non-residential (per EQR)	8.00%	8.00%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾"	\$24.25/\$1,000	\$18.25/\$1,000
¾"	\$24.25/\$1,000	\$18.25/\$1,000

DEBT as of December 31, 2016

Executed	Lender	Through	Pledge	Outstanding	Interest Rate	Annual payment
2014 - Lease	Alamosa State Bank	2024	General and Capital Imp. Fund	\$294,026	3.50%	\$57,640
2015	CWRPDA	2045	Water and Sewer Revenue	\$975,907	0%	\$34,242
Total:				\$1,269,933		

LOAN COVENANTS:

The Town of Antonito will have to meet the Authority's rate covenant, 3 month Operations and Maintenance reserve fund covenant, and the additional bonds test (if applicable) on an annual basis.

- In 2015 and 2016, the Town was out of compliance with its Operations & Maintenance reserve fund on its 2015 DWRF direct loan with the Authority.
- In 2016, the Town was out of compliance with its rate covenant on its 2015 DWRF direct loan with the Authority. However, the Town raised sewer and water rates and tap fees in January 2017, and that additional revenue has yet to be realized.
- The Town has had no debt service payment issues.

Town of Antonito 2015 Water and Sewer Revenue Pledge DWRF Loan				
Year	Rate Covenant	In Compliance (Y/N)	O&M Reserve Fund*	In Compliance (Y/N)
2015	542%	Y	-13.32	N
2016	-215%	N	-12.46	N

*Number of months above the 3 month reserve.

Prepared by: Ian Loffert
Date: February 27, 2018

Project #140003W
Cost Categories: I - Secondary Treatment 43%
II - Advanced Treatment 13%
III - A - I/I Correction 18%
III - B - Replace/Rehab Sewers 26%



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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MEMORANDUM

February 23, 2018

TO: Board of Directors and Karl Ohlsen

FROM: Keith McLaughlin, Finance Director
Beth Fox, Financial Analyst

RE: Water Pollution Control Revolving Fund ("WPCRF")
Green Project Reserve ("GPR") Policy

In August of 2017 the Authority Board of Directors (the "Board") directed staff to investigate/consider the expansion of the current GPR policy. A detailed GPR background and summary of the existing policy was provided at the October Board meeting and is attached for reference. The GPR subcommittee, made up of members of Authority, DOLA and WQCD staff, participated in a series of stakeholder conference calls to receive input from current and potential borrowers and their consulting engineers. Stakeholders provided invaluable input in terms of the existing GPR policy and potential changes. Based upon that stakeholder input, the GPR subcommittee offers the following three GPR policy options.

WPCRF Green Project Reserve Options			
Option	Modification	Details	Notes
1	No change	Leave existing GPR program in place with existing parameters	Least popular option among stakeholders and GPR subcommittee
2*	Add additional funds	Increase funds to the > of; \$5m or the % required by EPA cap grant agreement	\$5m GPR fund allocation could be increased at Board discretion
3*	Add additional funds + one additional tier	Option #2 plus additional tier if "Green" costs were $\geq 15\%$ but $< 20\% = 1\%$ interest rate loan ⁽¹⁾	\$5m GPR fund allocation could be increased at Board discretion
*Options 2 & 3 – Board to consider lowering the maximum "green" loan from \$3m to \$2m, potentially stretching dollars to more projects, however; direct loan limit of \$3m would no longer match.			

The GPR subcommittee is comfortable with all 3 options, and **recommends option 3**.

The GPR subcommittee discussed the question of decreasing the GPR loan limit from \$3m to \$2m. While the subcommittee recognizes the benefit of funding more projects, it also acknowledges this change will make the administration of the program a little more complicated. The subcommittee did not feel strongly on this subject and agreed to forward this question to the Board without a recommendation.

The GPR program will be, if necessary, re-evaluated in 2019 to ensure its effectiveness and to balance the expansion/promotion of the GPR program with maintaining adequate loan capacity and administrative funds. In addition, SRF staff will evaluate need/demand to add a GPR program to the Drinking Water revolving fund and consider potential incentives for DACs to participate in the GPR program(s).

Attachments: GPR Board policy memo dated September 28, 2017

⁽¹⁾ GPR entities would continue to qualify for a 0% loan if its GPR project costs were equal to or great than 20% of total project costs.



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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MEMORANDUM

September 28, 2017

TO: Board of Directors and Karl Ohlsen

FROM: Keith McLaughlin, Finance Director

RE: Green Project Reserve ("GPR") Policy

Background

On July 13, 2009 the Colorado Water Resources and Power Development Authority (the "Authority") received approximately \$27.5 million in grant funds under the American Recovery and Reinvestment Act¹ ("ARRA") of 2009. These funds were disbursed at the direction of the EPA. The 2009 ARRA grant agreement contained certain programmatic conditions including, a requirement that at least 20% of funds (capitalization grants) address "green infrastructure, water or energy efficiency improvements or other environmentally innovative activities." Post ARRA, the GPR requirement was applied to the Authority's 2010 Drinking Water Revolving Fund ("DWRf") and the 2010 Water Pollution Control Revolving Fund ("WPCRF") under capitalization grant agreement programmatic conditions 4 and 9 respectively. In 2012 the WPCRF GPR condition was reduced to a minimum of 10% and continues to apply at that percentage to all WPCRF capitalization grants to date. Nationally, SRF programs struggled to meet the DWRf GPR condition and as a result the condition was dropped from the DWRf in 2012.

2017 Capitalization Grant GPR Condition

The WPCRF 2017 GPR condition requires States to agree to make "a timely and concerted good faith solicitation for projects that address green infrastructure, water or energy efficiency improvements or other environmentally innovative projects." In addition, the GPR condition requires the total amount of GPR projects funded to be "at least equal to 10 percent of its capitalization grant." Projects are considered "green"² if green project costs are equal to or greater than 20% of the total project costs. The DWRf 2017 capitalization grant allows, but does not require, any percentage of funds to be allocated to GPR.

Green Project Reserve Policy - Capitalization Grant Allocation

At the August, 2017 Board Meeting the Authority Board of Directors (the "Board") passed a motion to allocate 10% of the WPCRF capitalization grant to the GPR as required under the 2017 capitalization grant agreement conditions. In addition, the Board motioned to "not dedicate any of the 2017 Drinking Water capitalization grant funds to a green project reserve." These allocations represent the minimum amounts as required by the WPCRF and DWRf capitalization grants and reflect, in part, the difficulties the program has historically experienced in finding GPR eligible projects. Per the August Board discussion, language was added to the 2018 Intended Use Plans to allow the Board to modify "all green project reserve terms."

Green Project Reserve Policy - Subsidy

In order to entice more applicants to submit “green” projects, in March 2011, the Board passed a motion to subsidize “green” loans by providing a zero percent loan to “approved direct loans where eligible project costs were equal to or greater than 20% of the total project costs.” The motion further specified that the zero percent interest rate would apply to the entire project costs and that the subsidy would only apply until the green reserve requirement has been met. At the subsequent April Board meeting an additional motion was passed to allow leveraged loans to also receive a zero percent direct loan, up to the then direct loan limit of \$2 million. This GPR subsidy has continued to be offered, at the same levels (and current direct loan limit), to all eligible GPR projects within the confines of the capitalization grant allocation (as listed above) to date.

Green Project Reserve Status and Program Impacts

To date the SRF program has executed 14 WPCRF GPR loans for approximately \$19 million and 10 DWRP³ GPR loans for approximately \$9.5 million. The 2017 WPCRF GPR funds were allocated in full to the Town of Bennett and Grand Mesa Metropolitan District.

For every one million dollars in 0%, 20 year GPR funds issued the program loses, in total, approximately \$54,000 in interest and \$160,000 in administrative fees at a 2% interest rate. For every one million dollars in 0%, 30 year GPR funds issued the program loses, in total, approximately \$90,000 in interest and \$240,000 in administrative fees at a 2% interest rate.

SRF Committee⁴ Discussion

The SRF committee met, in September 2017, to discuss the existing state and potential expansion of the GPR program. The SRF committee was generally in favor of increasing the GPR capitalization grant allocation for both SRF programs; however the SRF committee conceded the difficulty in projecting the number of additional GPR projects and the financial impacts to the program. Several ideas were discussed including: increasing the GPR allocation to 20%, increasing the interest rate from 0% to .8% or 1% (to ensure administrative expenses were covered), as well as limiting the number of leveraged loans receiving GPR subsidy to the minimum required grant percentage under the capitalization agreement conditions.

¹ ARRA was enacted by the 111th US Congress and signed into law on February 17, 2009 in Denver, Colorado by president Barrack Obama. The intent was to stimulate the economy through an \$787 billion funding package that invested in infrastructure, education, health and renewable energy.

² Examples of green wastewater project components include: permeable pavement, constructed wetlands, riparian buffers, high efficiency pumps, blowers and motors. Examples of green drinking water green projects include: water efficient plumbing and appliances, meters, certain water reuse projects, high efficiency pumps and motors.

³ The GPR condition was dropped from the 2011 DWRP capitalization grant and all subsequent DWRP capitalization grants.

⁴ The SRF committee is composed of no less than one member from each of the three SRF agencies: DOLA, CWRPDA & WQCD.



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

Logan Tower Bldg - Suite 620, 1580 Logan Street, Denver, Colorado 80203-1942
303/830-1550 • Fax 303/832-8205 • info@cwrpda.com

MEMORANDUM

March 2, 2018

TO: Board of Directors and Karl Ohlsen

FROM: Keith McLaughlin, Finance Director

RE: Update on Project and Matching Account Fund Investments

Prior to 2008, the Authority used over collateralized repurchase agreements as its investment vehicle to hold the majority of the project and matching account funds for its WPCRF and DWRF leveraged loan programs. Authority staff continues to monitor the ratings of the providers of these agreements and reports that there were no rating changes and no outlook changes since the last Board meeting.

On a monthly basis, staff monitors the collateral posted as security for these agreements and can report that all of the agreements are in compliance with the required collateral percentages and eligible securities.

Since 2008, in accordance with the Authority's Investment policy, the Authority has used State and Local Government Series (SLGS), Government Money Market funds, and Local Government Investment Pools (Colotrust) as its investment vehicles to hold the majority of the project and matching account funds for its WPCRF and DWRF leveraged loan programs.

Updated spreadsheets showing the current project and matching account investments and investment provider ratings are attached.

Attachment: Updated WPCRF and DWRF Project and Matching Accounts spreadsheet
Investment Provider Ratings spreadsheet

**Investment of DWRP and WPCRF
Project and Matching Accounts
February 8, 2018**

Investment Provider***	Match & PRJ Account Balance	% of Total Matching & Project Accounts	Number of Repurchase Agreements
Assured Guaranty Municipal Corp.*	\$ 8,162,873	5%	1
Mass Mutual**	\$ 3,285,163	2%	2
AIG	\$ 8,175,541	5%	3
Repurchase Totals	\$ 19,623,577	11%	6

* Formerly known as FSA (Merger)

**Assigned from Trinity to Mass Mutual

*** Societe Genrale, Citigroup, and Portigon AG were terminated on May 12, 2016 as part of the Clean Water 2016AR bond issue

State & Local Government Series (SLGS)	\$ 78,928,764	45%
COLOTRUST/Federated Government Obligations (Money Market) *	\$ 76,659,537	44%
Total	\$ 155,588,301	89%

Grand Total	\$ 175,211,878	100%
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* All Federated Prime Money Market funds were transferred to Federated Government Obligations Money Market funds on September 13, 2016, per new SEC regulations.

Investment Provider Ratings Spreadsheet
February 8, 2018

Investment Provider	Moody's Rating	Moody's Outlook	S&P Rating	S&P Outlook	Fitch Rating	Fitch Outlook
Assured Guaranty Municipal Corp. ¹	A2	Stable	AA	Stable	NR	N/A
Mass Mutual ²	Aa2	Negative	AA+	Stable	AA	Stable
AIG ³	Baa1	Stable	BBB+	Negative	A-	Negative

¹ Formerly known as FSA

² Formerly known as Trinity

³ Fitch does not directly rate AIG Matched Funding Corp. However, the Issuer Default Rating for its parent company, AIG International Group Inc., is A-

Negative Outlook - Means there is a 1 in 3 chance that ratings could be downgraded in the next 18-24 months

Negative Watch - Means there is a 1 in 2 chance that ratings could be downgraded in the next 3 months

Positive - Means that the rating is likely to be upgraded over a 1 to 2 year period

NR - Not rated



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MEMORANDUM

February 23, 2018

TO: Board of Directors and Karl Ohlsen

FROM: Mike Brod, Executive Director

RE: Water Revenue Bond Program ("WRBP")
Cost of Issuance Subsidy Policy Discussion

The Authority's WRBP provides financing to local governments in Colorado for a wide range of water resource projects (water storage and treatment, water rights purchases, wastewater, hydroelectric, etc.). The Authority issues bonds then loans the bond proceeds to a local government at its market rate of interest. Unlike the two revolving fund programs, the WRBP interest rate is not subsidized. The market rate of interest is based on the local government's credit quality and the term structure of the bonds.

The Authority currently provides a subsidy of up to \$250,000 per borrower, per project to cover the costs associated with issuance of the bonds. Cost of Issuance or "COI" includes, but is not limited to, attorney fees, underwriter's discount, financial advisor fees, rating agency fees, bond insurance and other fees directly associated with selling bonds. Generally, COI ranges from 1.5% to 2.0% of the total principal amount of the financing. A financing of \$17 million would likely absorb all of our per project subsidy (\$17M x 1.5% = \$255,000). The Authority budgets a total of \$1 million per year to this COI subsidy.

In light of several large water resource projects on the horizon in Colorado (eg.: Windy Gap, Northern Integrated Supply Project, Lower Arkansas Conduit) Authority staff would like to review and discuss the WRBP subsidy policy. Many of the larger projects on the horizon include multiple local government participants, and total project costs of more than \$350 million. The two WRBP policy points of discussion include:

- Is \$250,000 per borrower, per project for COI expenses adequate?
- Is the \$1,000,000 total annual budget for the COI subsidy adequate?

**COLORADO WATER RESOURCES
&
POWER DEVELOPMENT AUTHORITY**

**PROJECT FINANCE COMMITTEE
MEETING AGENDA**

February 27, 2018

**Committee meeting at 9:00 a.m.
Conference Call**

Project Finance Committee Members: Bruce Smith (Chair), Roy Heald (ex-officio), Steve Price, Steve Vandiver, Mike Berry

Authority Staff: Michael Brod, Keith McLaughlin, Jim Griffiths, Wes Williams, John Williams, Beth Fox, Ian Loffert

Others present: Scott Olene, Joe McConnell

AGENDA

1. DWRF Loan Applications

- Town of Eagle – John (**Board action**)
- Town of Silverton – Beth (**Board Action**)

2. WPCRF Loan Application

- Town of Antonito Interim Loan – Ian (**Board action**)

Note: A telephone conference call has been scheduled for Tuesday, 9:00 a.m. February 27, 2018. The call-in number is **303-830-1550**. When the auto-attendant answers press **8** and the access code is: **0167570#**.

**COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY**

BOARD RETREAT

March 1, 2018

Retreat 1-4 p.m. (lunch provided 12-1 p.m.)

Authority Conference Room

1580 Logan St. Ste. 610, Denver, CO 80203

Board Members: Webb Jones, Judy Skram, Steve Price, Roy Heald, Bob Wolff, Bruce Smith, George Corkle, Mike Berry and Steve Vandiver

Authority Staff: Michael Brod, Keith McLaughlin, Justin Noll, Jim Griffiths, Wesley Williams, John Williams and Sabrina Speed

Others present: Scott Olene (DOLA), Michael Beck (WQCD)

AGENDA

- 1) Memorandum of Agreement (MOA)/Budget Review – Board discussion (Mike)



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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MEMORANDUM

March 1, 2018

TO: Board of Directors and Karl Ohlsen

FROM: Mike Brod, Executive Director

RE: Board Retreat - Memorandum of Agreement ("MOA") Discussion
Water Pollution Control Revolving Fund ("WPCRF")
Drinking Water Revolving Fund ("DWRF")

Colorado's DWRF and WPCRF were created by State Statute, and are operated by three State agencies. Duties and responsibilities of each of the three agencies are documented in two SRF MOAs. The two SRF MOAs have been amended from time to time and the most recent versions are attached for review.

The three State agencies are as follows:

- Water Quality Control Division ("WQCD") of the State Health Department;
- Division of Local Government ("DLG") of the Department of Local Affairs;
- Colorado Water Resources and Power Development Authority ("CWRPDA").

Authority Staff will lead a discussion of the MOAs including the interworking of the three agency budget process as it relates to the MOA duties and responsibilities. A "Prezi" presentation will accompany the MOA discussion and a link to the presentation will be provided separately in advance of the retreat.

MEMORANDUM OF AGREEMENT
FOR THE OPERATION OF THE WPCRF PROGRAM

THIS MEMORANDUM OF AGREEMENT ("MOA") is entered into this 3rd day of March 2017 by and between the Colorado Department of Local Affairs through the Division of Local Government ("DLG"), the Colorado Department of Public Health and Environment, Division of Administration (otherwise known as the Water Quality Control Division, ("WQCD")), and the Colorado Water Resources and Power Development Authority ("Authority").

Section 1. Background and Purpose.

Title VI of the 1987 Amendments to the Clean Water Act (the "Act") created a state revolving fund program for the funding of construction of publicly-owned treatment works and nonpoint source pollution control projects. Under this program, pursuant to an Operating Agreement and annual Capitalization Grant Agreements, the United States Environmental Protection Agency ("EPA") awards capitalization grants to the State of Colorado (the "State") for a revolving fund to provide assistance for construction of publicly owned treatment works as defined in Section 212 of the Act, and for developing and implementing a conservation and management plan, and funding projects, under Section 319 of the Act relating to nonpoint source pollution control. The State established a revolving fund, the Water Pollution Control Revolving Fund ("WPCRF") in accordance with the requirements of the Act. In addition, the State, acting through the Authority, has provided and continues to provide matching monies, consisting of at least 20% of the capitalization grants provided to the State by the EPA, into the fund. These matching funds may be provided from the proceeds of revenue bonds or other available resources of the Authority.

Money in the WPCRF must be used by (1) providing loans and other types of assistance for projects at or below market interest rates for terms no longer than twenty years (and thirty years for disadvantage communities unless otherwise approved by the Authority Board), after completion of construction; (2) purchasing or refinancing debt obligations of municipalities incurred after March 7, 1985 for construction initiated after March 7, 1985; (3) guaranteeing or purchasing insurance for bond issues by governmental agencies constructing treatment works; (4) pledging funds as a source of revenue or as security for payment of principal and interest on bonds issued by the Authority for these purposes; (5) earning interest on the fund accounts; and (6) providing for reasonable costs of administering the fund (except that such amounts may not exceed 4% of all grant awards).

Projects to be assisted from the fund include publicly-owned treatment works that are included on the state's project priority list under Section 216 of the Act. In addition, under Section 319 of the Act, fund money may be used for the development and implementation of nonpoint source pollution control programs and for loans for nonpoint source pollution control projects that are included on the state's priority list, except that money must first be used to assure maintenance of progress toward compliance with enforceable deadlines, goals, and requirements of the Act, including the municipal compliance deadline.

Senate Bill 87-50, 1987-1988 session, codified at C.R.S. § 37-95-103 (4.5, 10.5), and 37-95-107.6 was enacted to allow the State to meet the requirements of the new program. The statute created the WPCRF as required by the Act, to be held and administered by the Authority. Further, the statute provides for the participation of three entities in the WPCRF program: the WQCD and the DLG, both state agencies, and the Authority, a political subdivision of the State.

Under the statute, the Authority issues revenue bonds or utilizes other available resources of the Authority to provide the State match for the WPCRF, and uses the WPCRF money to provide financial assistance to governmental agencies for construction of publicly-owned treatment works, and for nonpoint source control programs or projects, that are included upon the project eligibility list adopted by the Water Quality Control Commission (WQCC), and then approved by the Colorado Legislature in a joint resolution signed by the Governor, all as required by Senate Bill 50. The project eligibility list includes publicly-owned treatment works projects prioritized in accordance with Section 216 of the Act, and nonpoint source pollution control programs or projects identified in accordance with Section 319 of the Act.

On June 16, 1989, the WQCD, DLG, and Authority entered into a Memorandum of Agreement to identify their respective roles and responsibilities in connection with the operation of the WPCRF program ("Program"), recognizing that the successful implementation of the Program requires cooperation and coordination by all parties with respect to all aspects of the Program.

Subsequent to the execution of the original 1989 Memorandum of Agreement, the parties' respective roles and responsibilities with regard to the Program have evolved and been refined. Accordingly, in recognition of the emerging trends of the Program over the last twenty-seven years, this revised Memorandum of Agreement is to restate the respective roles and responsibilities of the DLG, the WQCD, and the Authority in connection with the operation of the Program, and to specify the terms and conditions under which administrative costs of the DLG, the WQCD, and the Authority, in fulfillment of their duties pursuant to this MOA for the program will be reimbursed by the Authority from available funds in the WPCRF administrative fee account of the WPCRF (the Clean Water Act allows certain funds to be used to cover the reasonable costs of administering the WPCRF).

Section 2. Operation of the Program.

The operation and administration of the Program encompasses the following general activities: (1) budgeting, accounting, and administrative expense reimbursement; (2) periodic modification of the WPCRF Rules adopted by the WQCC and annual modifications to the Intended Use Plan (the "IUP"), which includes the Project Priority List and the Project Eligibility List (the "PEL"); (3) working with eligible systems to assist with project development; (4) establishing, reviewing and periodically updating borrower affordability criteria; (5) processing and administering project applications and loans, including financial and technical review, and monitoring and approving project expenditures in accordance with the loan agreements; (6) annual approval of the capitalization grant agreement, annual reports, audits, annual updates to the IUP, periodic updates to the operating agreement with EPA, and liaison with EPA; (7) marketing the WPCRF program; and (8) loan servicing, covenant monitoring, securities compliance, continuing disclosure and other life-of-the-loan activities. Further definition of the role and responsibility of each party hereto with respect to the general activities of the Program is set forth in sections 3 and 4 below.

Section 3. Roles and Responsibilities of the Parties.

3.1 WQCD.

3.1.1 Budget.

The WQCD shall provide a proposed detailed budget for its WPCRF administrative costs for the following calendar year to the Authority by August 21 of each year. The WQCD's budget for WPCRF administrative costs, including the activities outlined in subsections 3.1.1 through 3.1.5 of this section shall be limited to no more than 11.05 FTE. The current FTE authorized by the Authority Board are for the following tasks that directly support the WPCRF: technical assistance for project development/management, engineering reviews, administrative, data entry, GIS, and measurable results. Subsequent annual WPCRF budgets for the WQCD shall be adjusted by a factor reflecting: (1) State Annual Compensation Survey results as implemented by the General Assembly; (2) any change in responsibilities among the parties; and (3) any change in indirect costs or in responsibilities resulting from changes in federal or state laws, regulations, directives from, or requirements imposed by, the General Assembly in developing the budget for state agencies. A material change to federal funding levels for this program shall require a review and revision to budgeting provisions of this MOA.

3.1.1.1 Multiple Year Appropriation

The WQCD budget may include a request for multiple-year expenditures for projects or limited term FTE to support the mission of the WQCD under the WPCRF. The WQCD will identify in its annual budget the multiple-year expenditures and will seek approval from the Authority Board of Directors for multiple-year expenditures that are subject to Authority annual appropriation. For tracking purposes, the WQCD will include in its annual budget request the total multiple-year expenditure amount, the amount that the WQCD expects to expend within the budgeted year, and the remaining balance of any multiple-year expenditure that will be expended in subsequent year(s). Because of the WQCD's budget due date identified in 3.1.1 and the potential for additional expenditures through the remainder of the year, the WQCD will submit a revised proposed budget to the Authority no later than November 15 of the calendar year. Only funds generated by loan administration fees may be appropriated and expended in subsequent year(s), and may be used only for the following purposes: WPCRF administration, including the activities outlined in subsections 3.1.1 through 3.1.5 of this section; Division administrative services including federal grants administration, state contracts oversight, and general administrative support; water quality monitoring; developing total maximum daily loads (TMDLs); water quality restoration plans; wastewater facility inspections; wastewater facility data systems improvements, and other approved projects that support water quality initiatives.

3.1.2. Project Priority List and Project Eligibility List.

In consultation with the DLG and the Authority, the WQCD shall annually survey wastewater management agencies to estimate the project funding demands from the WPCRF for subsequent years. With the information collected from the survey, the WQCD shall develop proposed additions and modifications to the PEL in accordance with the "State of Colorado Water Pollution Control Revolving Fund Rules," 5 CCR 1002-51 as amended. Projects will be prioritized according to the Rules if the WPCRF lacks sufficient funds to cover loans for all eligible projects that are ready to proceed within the funding year.

On or before September 30 of each year the WQCD shall submit the PEL to the Commission for review and adoption. The WQCD shall provide technical back-up information on additions and modifications to the PEL to the Authority, and, as appropriate, provide testimony to the General Assembly in support of a Joint Resolution on such additions and modifications.

3.1.3. Loan Processing and Administration.

3.1.3.1. Project Development and Loan Applications.

The WQCD shall provide staff to support and participate in project development activities to ensure funding requests are from applicants that are eligible for the program, and project costs and technology are appropriate for the WPCRF program. The WQCD will assist potential applicants with pre-applications, applicant pre-qualification, project needs assessments, and engineering reviews as appropriate. Additionally, decisions related to planning grants, and design and engineering grants will be reviewed by the staff of each of the three agencies.

The WQCD shall be the primary contact for a project loan applicant. The WQCD along with DLG and the Authority shall acquaint applicants with all requirements and the procedures to be followed in seeking assistance from the WPCRF, assist applicants in preparing loan applications or other requests for assistance, and coordinate the preparation and review of all supporting environmental and financial documentation. WQCD shall forward each completed loan application to the DLG and the Authority for review and processing.

3.1.3.2. Financial and Technical Review.

The WQCD will inform applicants about the planning, environmental assessments, design, and applicable data collection required to assure that projects comply with the Title VI documentation requirements of the Act, as well as with the Colorado Water Quality Control Act, C.R.S. § 25-8-101 *et seq.* The WQCD will provide technical project reviews, determine eligible and reasonable costs, and provide engineering and environmental reviews.

3.1.3.3. Monitoring Project Expenditures.

The WQCD shall authorize reimbursement of expenditures for projects for which loan assistance is provided. The WQCD shall monitor loan projects including periodic, or at a minimum, final construction inspections. Loan recipients shall send all requests for disbursement of loan funds for incurred costs to the WQCD, with a copy to the Authority. The WQCD shall approve or deny all such requests for disbursement within five (5) working days of the receipt of the request. If the WQCD denies a request, it shall provide the reasons to the loan recipient and the Authority within such five (5) working day period. Upon approval of each request, the WQCD shall forward the approved request for disbursement to the Authority within the five (5) working day period. All project costs that have been approved by the WQCD shall be subject to audits required by the Operating Agreement and the loan agreement with the project applicant.

3.1.3.4. Files Maintenance and Data Management

The WQCD shall maintain official project files for all projects receiving assistance under the WPCRF. The WQCD shall make such files available to the DLG, the Authority, and EPA for review at the WQCD's offices upon reasonable notice. The WQCD will

also maintain, update and populate the technical and project information in the Authority/WQCD shared portal.

3.1.3. Program Compliance, Reports, Certification, and Liaison.

The WQCD shall serve as the primary contact with the EPA for the programmatic aspects of the Capitalization Grant Agreement required under Title VI of the Clean Water Act and the WPCRF Operating Agreement. The WQCD shall prepare the Third Quarter Estimate of Disbursements required under the Operating Agreement and submit it to the EPA and the Authority. The WQCD shall provide all certifications or other documentation required by EPA that relate to programmatic elements of the WPCRF or of the projects financed thereby. The WQCD, as necessary, shall approve in writing any capitalization grant or agreement between the EPA and the Authority with respect to the WPCRF. The WQCD shall coordinate closely with the Authority in structuring Capitalization Grant Payment Schedules. In addition, in cooperation with the DLG and the Authority, the WQCD shall develop annual IUPs describing the activities proposed for the WPCRF. The annual IUP is adopted by the Commission and submitted to the EPA. In addition, the WQCD, with assistance from the Authority and the DLG, initially prepares an annual report for review by the WPCRF Committee.

The WQCD shall assist the Authority in preparing the annual National Information Management System ("NIMS") report and the required information for completing the Financial Funding Accountability and Transparency Act (FFATA) database for the EPA. The NIMS report provides financial and programmatic information on the activities of the WPCRF and other related loan and grant programs administered by the State.

So long as planning and design and engineering grants remain authorized, and funds are available for them in the WPCRF, the WQCD shall forward requests for such funds, along with a notification of eligibility and recommendation to approve or reject, to the Authority and DLG as necessary. It is the responsibility of the three agencies to approve the request.

3.1.5 Needs Survey.

The WQCD shall participate in the national needs survey with the EPA that determines the State's allocation of funding for the WPCRF. The WQCD and Authority acknowledges the importance of this internal activity.

The WQCD shall annually conduct a State needs survey of wastewater systems, as part of the annual IUP process, to identify eligible projects for the PEL and to estimate the funding demands from the WPCRF for the following five years.

3.1.7. Disadvantaged Communities Activities.

The WQCD shall assist DLG with DLG's responsibility to administer and implement any disadvantaged community program duly established in accordance with the Federal Clean Water Act (and amendments).

3.1.8. Compliance

The WQCD is responsible for ensuring that projects funded through the DWRF has an understanding of the compliance aspects of the program.

3.2 DLG.

3.2.1. Budget.

The DLG shall provide a proposed detailed budget for its WPCRF administrative costs for the following calendar year to the Authority by August 21 of each year. The DLG's budget shall be limited to 1.25 FTE. The duties of the current FTEs include outreach and education, project development, credit reports, review and updating of affordability criteria, publications, and direct loan portfolio monitoring. Subsequent budgets shall be adjusted by a factor reflecting: (1) State Annual Compensation Survey results as implemented by the General Assembly; (2) any change in responsibilities among the parties; and (3) any change in indirect costs or in responsibilities resulting from changes in federal or state laws, regulations, directives from, or requirements imposed by the General Assembly in developing the budget for state agencies. A material change to federal funding levels for this program shall require a review and revision to the budgeting provisions of this MOA. Prior to June 30, 2020, the Authority Board, in consultation with the DLG, shall establish such FTE cap as is warranted by the facts of record at that time; provided, however, that in no case shall the number of FTE's fall below 1.0 absent justification therefore under the above-referenced adjustment factors.

3.2.2. Project Priority List and Project Eligibility List.

As needed, the DLG shall assist the WQCD in assigning points based on a priority system involving financial need, when the WPCRF lacks sufficient funds to cover loans for all eligible projects that are ready to proceed in accordance with the WPCRF Rules (51.6 (3)). The DLG shall be available to consult with the WQCD and the Authority in the preparation of the PEL. The DLG shall provide financial back-up information on additions and modifications to the PEL to the Authority, and, as appropriate, provide testimony to the General Assembly regarding the Joint Resolution on such additions and modifications.

3.2.3. Loan Processing and Administration.

3.2.3.1. Project Development and Loan Applications.

The DLG shall provide staff to support and participate in project development activities to ensure funding requests are from applicants that are eligible for the program, and project costs and technology are appropriate for the WPCRF program. The DLG will assist potential applicants with pre-applications, applicant pre-qualification, project needs assessments, and engineering reviews as appropriate. Additionally, decisions related to planning grants, and design and engineering grants will be reviewed by the staff of each of the three agencies.

The DLG shall assist potential loan applicants with project development and financial planning support; shall provide project loan applicants with information concerning the financial disclosure requirements of the loan application; and shall acquaint such applicant with the financial procedures and requirements for receiving assistance from the WPCRF. In the event that the project loan applicant does not have the required financial information available, the DLG will work with the applicant to assemble such data. The DLG shall prepare a preliminary credit report and a credit report to analyze each project loan applicant's ability to repay a loan and submit such report for review before the WPCRF Committee. This analysis shall examine existing revenue

streams for the wastewater system (taxes, tap fees, user charges and other revenue sources) and expenditures such as existing debt repayment (all existing debt including overlapping jurisdictions) and operation and maintenance costs.

During the pre-application phase, if the WPCRF Committee has reason to believe that a project loan applicant is financially unable to repay a loan, the DLG shall review other State and Federal programs for the availability of grants and/or low interest loans to enhance the applicant's repayment capability and include any information developed in the WPCRF Committee findings to be forwarded to the Authority Board.

3.2.3.2. Outreach, Education, Marketing and Assistance.

The DLG will conduct WPCRF outreach education, marketing and assistance efforts. This may include development of and participation in workshops and conferences relevant to the WPCRF, providing financial and managerial assistance to wastewater systems, coordination of funding activities through the Funding Coordination Committee, and promotion of the SRF's to make potential project loan applicants aware of the availability of WPCRF monies. The outreach, education, marketing and assistance program will be coordinated with the staffs of the Authority and the WQCD. The DLG shall develop and maintain the outreach, education, marketing and assistance workplan and continue to review and implement the identified activities. The outreach, education, marketing and assistance plan shall be made available for review by other members of the WPCRF Committee at such time as to permit a summary to be incorporated into the annual IUP. The outreach program will be summarized in the IUP and the annual report.

3.2.3.3. Monitoring Project Expenditures.

The DLG shall not be responsible for monitoring project expenditures.

3.2.3.4. Loan Surveillance.

The DLG shall annually review all WPCRF direct loan borrowers' financial statements and establish financial trends for the WPCRF direct loan borrowers and annually issue a report with copies to the Authority and the WQCD. Financial statement information may be supplemented by other documentation and personal communication with borrower representatives. The DLG serves as a liaison with the local governments utilizing the loan program and analyzes local fiscal and management capacity by using the data it maintains.

The DLG will also support the Authority in its efforts to monitor leveraged loan borrowers through the provision of copies of financial audits and other materials and support as requested. The DLG will also notify the Authority of any missed payments or other defaults on its loans if the borrower has or is considering a WPCRF loan.

3.2.4. Reports and Liaison.

The DLG shall participate with the WQCD and the Authority in the drafting and reviewing of an annual IUP, additions and modifications to the PEL, and the development of an annual report.

The DLG (and WQCD) shall assist the Authority in preparing the annual NIMS report to the EPA.

3.3. Authority

3.3.1. WPCRF Administration.

The Authority shall administer the WPCRF, and to that end shall be responsible for the financial structure of the WPCRF, investments, and disbursements of funds for administrative and project costs.

3.3.2. Budget.

The Authority staff shall prepare a proposed WPCRF budget for the following calendar year based on the budget information provided by the WQCD and the DLG and on information developed internally (the Authority's budget for internal administrative costs including personnel and overhead). Subsequent annual internal administrative WPCRF budgets for the Authority shall be adjusted by a factor reflecting: (1) Board authorizations for a) personnel costs covering staff and associated benefits as well as annual salary adjustments, and b) overhead costs covering rent, utilities, equipment, furniture and fixtures, insurance, etc.; (2) any change in responsibilities resulting from changes in federal or state laws, regulations, directives from, or requirements imposed by, the General Assembly in developing the budget for state agencies. A material change to federal funding levels for this program shall require a review and revision to the budgeting provisions of this MOA. Outside consulting needs for required, but specific, services will be presented separately from the Authority's WPCRF internal administrative budget as part of the standard budget documentation and shall be adjusted to reflect anticipated increases or decreases in the cost of the services. The proposed WPCRF budget incorporating the administrative expenses of the DLG, the WQCD and the Authority for the ensuing calendar year shall be accompanied by the narrative descriptions provided by the WQCD and DLG, and a similar narrative prepared by the Authority staff for the Authority's portion of the proposed WPCRF budget explaining changes in the amounts compared to the previous year, and specifically identifying those costs that are eligible for grant reimbursement.

Once the proposed WPCRF budget has been drafted, it will be incorporated as a component of the Authority's overall proposed Budget for the ensuing calendar year, and a copy will be sent to the WQCD and the DLG at the same time that the proposed overall Authority Budget is forwarded to the Authority's Board for review, usually about the last week of September. From that point in time until the Authority's Board adopts the overall Authority Budget in December (typically around the first Friday in December), the WQCD and the DLG may submit written comments on the proposed WPCRF budget component to the Authority.

Subject to the aforementioned provisions of this MOA, by December 31 of each year, the Authority Board shall review, approve or revise as necessary, and in its sole discretion, adopt the WPCRF budget as a component of the Authority's overall Budget for the ensuing calendar year. The WPCRF component of the Authority's Budget shall be annotated as necessary to identify the FTE's to be funded thereby for the DLG and WQCD.

If as a result of unexpected circumstances, arising after the budget has been adopted, any party believes that additional resources are required over budgeted amounts, such party may request that the Authority amend the budget appropriately.

Within two (2) weeks of the Authority Board's adoption of the WPCRF budget and any amendments thereto, the Authority controller shall confirm to the WQCD and DLG the amounts included in the detailed budget request and the total amount that was included in the WPCRF administrative budget approved by the Authority's Board. The budget confirmation will be emailed to the appropriate managers at the WQCD and DLG.

3.3.3. Project Eligibility List.

The Authority shall participate with the WQCD and the DLG in the establishment of additions and modifications to the PEL. The Authority shall be the lead entity in securing the joint resolution from the Colorado General Assembly authorizing such additions or modifications to the PEL as are adopted by the Commission. To that end, the Authority shall seek sponsors for a joint resolution and have such resolution introduced into the General Assembly by January 15th of each year.

3.3.4. Loan Processing and Administration.

3.3.4.1. Project Development and Loan Applications.

The Authority shall provide staff to support and participate in project development activities to ensure funding requests are from applicants that are eligible for the program, and project costs and technology are appropriate for the DWRP program. The Authority will assist potential applicants with pre-applications, applicant pre-qualification, project needs assessments, and engineering reviews as appropriate. Additionally, decisions related to planning grants, and planning & design grants will be reviewed by the staff of each of the three agencies.

The Authority Board and staff shall review applications for financial assistance from the WPCRF, using the financial analysis of the DLG and the technical analyses of the WQCD. The Authority Board shall approve or disapprove all applications for project loans or other financial assistance. If the Authority Board denies a project loan application, the Authority Board's meeting minutes shall reflect the reasons for denial. The Authority Board shall determine the loan structure, including interest rate and security provisions, for each loan financed by the WPCRF, as well as all other loan provisions and conditions.

3.3.4.2. Financial Services.

The Authority shall negotiate and execute loan agreements for each WPCRF loan. The Authority shall procure all services associated with the issuance of its bonds and the execution of the loan agreements. Such services may include, but will not be limited to, those provided by financial advisers, bond and disclosure counsel, underwriter, general counsel, auditor, accountant, consulting engineer, and trustee, the solicitation of credit ratings, and the selection of bond insurers.

3.3.4.3. Disbursements and Monitoring Project Expenditures.

After the project loan agreements are executed, the Authority shall rely upon the WQCD's approval of requests for payment as set forth in Paragraph 3.1.3.3. above prior to authorizing any loan disbursements to any borrower. Upon approval of requisition requests by the WQCD, the Authority shall be authorized to make disbursements to the loan recipient.

Requisitions shall be reviewed by the Authority for compliance with the loan agreement, if applicable, and shall be approved or denied within five (5) working days of receipt. If a requisition is denied, the Authority shall provide notification of the basis for denial, and confer with the WQCD concerning the same.

If the Authority determines that a loan recipient is in default, it shall be authorized to withhold funds, and will provide the reasons funds are withheld within three (3) working days of receipt of an approved request for disbursement from the WQCD. In addition, the Authority shall be under no obligation to make a disbursement to a loan recipient, whose loan is supported by federal monies, until such time as the cash draw from the EPA automated clearing house (ACH) has been received and deposited into accounts held or caused to be held by the Authority. In the case of approval (by WQCD and the Authority) of requests for disbursement for loans that are supported by federal monies (e.g., EPA ACH cash draws) the Authority shall request ACH cash draws from the United States Treasury within a three (3) working day period. The Authority will also notify the DLG and WQCD of any missed payments or other defaults of its loans.

The Authority shall record payments for project expenditures and fund balances and record fund balances for each project receiving assistance from the WPCRF in accordance with generally accepted procedures.

3.3.4.4. Files Maintenance and Data Management.

The Authority will maintain, update, and populate the basic and financial information on the EPA database and shared DLG/WQCD/Authority database and will also maintain the supporting computer system.

3.3.5 Outreach, Education, Marketing and Assistance.

The Authority, in coordination with the DLG and the WQCD, will assist with the execution of the outreach, education, marketing and assistance program including as developed in section 3.2.3.2 above.

3.3.6. Annual Reports and Liaison with EPA.

The Authority shall serve as primary contact with the EPA for all financial issues involved with the Capitalization Grant Agreement and the Operating Agreement for the WPCRF. The Authority shall participate with the DLG and the WQCD to establish an annual IUP. The Authority will prepare annual financial statements covering all activities of the WPCRF enterprise fund, which will then be audited by an independent, certified public accounting firm as required under Section 606(d) of the Clean Water Act. The annual audit is to be included in the annual report. The Authority shall assist the WQCD in developing the annual report for review by the WPCRF Committee. (The annual report is prepared every year and covers the financial aspects of the WPCRF.) Once the report has been reviewed by the WPCRF Committee, the Authority shall submit the annual report to the EPA on behalf of the State on or before April 30.

The Authority with assistance from the WQCD and the DLG will prepare the annual NIMS report to EPA. The NIMS report provides financial and programmatic information on the activities of the WPCRF and other related loan and grant programs administered by the State.

3.3.7. Operating Agreement and Capitalization Grant Agreement.

Pursuant to C.R.S. §37-95-107.6(7), with the written consent of the Department of Public Health and Environment, the Authority, on behalf of the State of Colorado, shall execute all Operating Agreements and Capitalization Grant Agreements with EPA, and any revisions thereto.

Section 4. WPCRF Committee.

A WPCRF Committee, (the "Committee"), to be composed of a designated representative from the WQCD, the DLG, and the Authority, shall be formed to coordinate the WPCRF. The Committee shall meet as needed. The primary activities of the Committee shall be reviewing loan applications, reviewing the progress of the WPCRF in meeting the goals stated in the IUP and reviewing and recommending policy changes involving the WPCRF. The Committee shall act by unanimous vote of its duly designated members.

4.1. Duties of the Committee.

4.1.1. WPCRF Review.

The Committee shall review: (a) progress on short and long term goals; (b) drafts of the annual report to the EPA; (c) recommend additions and modifications to the PEL and the annual IUP; (d) the Authority's financial statements on the status of the WPCRF; (e) the content and effectiveness of the outreach and marketing programs; (f) make recommendations on policy changes for the WPCRF to the Authority Board and the Water Quality Control Commission; and make recommendations for changes to the funding coordination of the WPCRF.

4.1.2. Project Review.

The Committee shall review each loan application received and the financial analysis and technical information (including but not limited to planning review, plans and specifications review, environmental review and the project sponsor's ability to operate and maintain the system) provided on each such loan application by the DLG and the WQCD respectively, and upon review of such information, forward its findings and recommendations to the Authority Board.

Section 5. Reimbursement of Expenses

5.1. Reimbursable Expenses.

Reimbursable administrative expenses for the Program shall consist of all costs, including salary and benefits and related indirect costs, and other direct costs of all personnel providing services supporting the WPCRF, and the roles and responsibilities of the parties set forth in this MOA. Direct costs shall include operating (e.g., supplies, telecommunications, travel, legal services, workers' compensation insurance, risk management, insurance, rent, incidental expenses, and equipment (e.g., computers, etc.)) costs.

5.2. Rates for Reimbursement.

5.2.1. Reimbursements for salary and benefits and related indirect costs of the parties' personnel fulfilling the roles and responsibilities for the WPCRF as set forth in this MOA shall be for the total indirect and direct hourly salary costs of employees for all hours directly devoted to fulfillment of the responsibilities for the WPCRF pursuant to this MOA.

5.2.2. Reimbursement of other direct costs of the DLG and the WQCD shall be according to the rates and terms of the State of Colorado Fiscal Rules for Travel, Personnel Pay, Allowances and Benefits as they exist on the date of this agreement and any future amendments during the term of this agreement. (The current Rules are found at 1 CCR 101-1 and 1 CCR 101-2.) The Authority shall be reimbursed for other direct costs based on the reimbursement policies adopted by the Authority Board of Directors for the Authority's personnel. Reimbursement from federal grant funds for computers and other equipment shall follow federal regulations associated with the use of grant funds for the purchase of such equipment.

5.3. Reimbursement Procedures.

5.3.1. The parties shall prepare monthly requests for reimbursement and submit them quarterly, in a timely manner, to the Authority's controller. Each request shall be accompanied by supporting documentation in an easily understandable format: (1) indicating the nature of the expenses for which reimbursement is being sought; (2) certifying that employee salary expenses (including benefits and related indirect costs) were determined using OMB Circular A-87 procedures (only if reimbursement is sought from federal funds); (3) certifying that the purpose of all costs for which reimbursement is sought is consistent with WPCRF activities. The DLG and the WQCD shall maintain and shall make available to the Authority, upon request, time sheets or other documentation sufficient to verify employee salary expenses, and receipts, invoices, or other documentation sufficient to verify other direct costs. Reimbursement of salary, benefits, and related indirect costs to be funded by federal grant moneys will be made only after written assurance from the EPA that the time and effort documentation process is satisfactory.

5.3.2. The Authority shall review all requests for reimbursement and shall pay all requests that are accompanied by satisfactory documentation within thirty (30) days. In order for the Authority to prepare annual financial statements in a timely manner, the monthly requests for October and November shall be submitted to the Authority's controller by January 15 of the following year. However, the Authority shall not be required to pay any requests for administrative reimbursement that exceed the overall annual amount budgeted for that party for the WPCRF for the applicable year, or for which money is not available in the WPCRF (from the federal grant or from loan administrative surcharge fees) or the payment of which would violate the terms of C.R.S. § 37-95-107.6, the Clean Water Act, the Operating Agreement or Capitalization Grant Agreement between the United States and the State of Colorado, the MOA, or any other statute, agreement, regulation, covenant, or other document governing the WPCRF. The Authority shall provide 90 days' notice to the DLG and the WQCD if funds are not available in the WPCRF to pay administrative costs.

Section 6. Term.

This MOA shall be in effect from the date of execution until termination by any party for cause by written notice to all other parties hereto, or until statutory revisions to the WPCRF require adjustments to the MOA; provided, however, that if adjustments are required because of statutory

revisions, those portions, if any, of this MOA that are consistent with such statutory revisions shall remain effective until a revised MOA has been executed. This MOA shall be reviewed by all parties at least every five years, but no later than December 31, 2021.

Section 7. Amendments.

The MOA may be amended from time to time to reflect changes in the responsibilities of any Party upon the approval of the WQCD, the DLG, and the Authority.

Section 8. Notices.

All notices required or permitted to be given hereunder shall be in writing and sent by registered or certified mail, and shall be delivered upon deposit in the United States mail as follows:

If to the WQCD: Division Director
 Water Quality Control Division
 Colorado Department of Public Health and Environment
 4300 Cherry Creek Dr. South
 Denver, Colorado 80246-1530

If to the DLG: Executive Director
 Department of Local Affairs
 1313 Sherman Street, Room 521
 Denver, Colorado 80203

If to the Authority: Executive Director
 Colorado Water Resources & Power Development Authority
 1580 Logan Street, Suite 620
 Denver, Colorado 80203-1942

These addresses may be changed by written notice.

COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

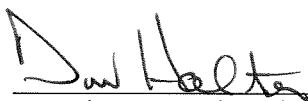
By: _____

Dr. Larry Wolk , MD, MSPH
Executive Director

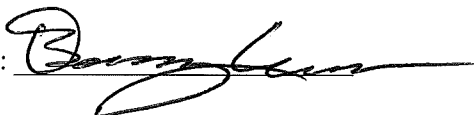
Attest: _____

DEPARTMENT OF LOCAL AFFAIRS

By: _____


Irv Halter, Executive Director

Attest: _____



COLORADO WATER RESOURCES & POWER
DEVELOPMENT AUTHORITY

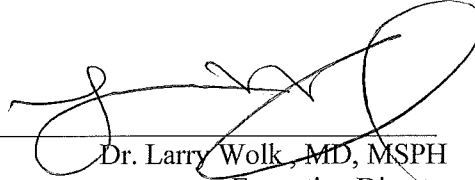
By: _____

Roy Heald, Chair

Attest: _____
Secretary

COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

By:



Dr. Larry Wolk, MD, MSPH
Executive Director

Attest: _____

DEPARTMENT OF LOCAL AFFAIRS

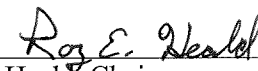
By:

Irv Halter, Executive Director

Attest: _____

COLORADO WATER RESOURCES & POWER
DEVELOPMENT AUTHORITY

By:



Roy Heald, Chair

Attest:



Secretary

MEMORANDUM OF AGREEMENT
FOR THE OPERATION OF THE DWRF PROGRAM

This MEMORANDUM OF AGREEMENT ("MOA") is entered into this 3rd day of March 2017, by and between the Colorado Department of Local Affairs, Division of Local Government (DLG), the Colorado Department of Public Health and Environment, Division of Administration (known as the Water Quality Control Division ("WQCD")), and the Colorado Water Resources and Power Development Authority ("Authority").

Section 1. Background and Purpose.

Section 1452 of the Safe Drinking Water Act (the "SDWA") created, and funded through capitalization grants issued to states pursuant to Operating Agreements and Capitalization Grant Agreements, a program to: (1) assist public water systems with financing the costs of infrastructure needed to achieve or maintain compliance with the SDWA's requirements; (2) ensure new and existing system capacity; (3) ensure source water protection; (4) improve operator certification programs; and (5) provide funding to implement the Drinking Water Program. The State of Colorado ("State") established the Drinking Water Revolving Fund ("DWRF") to provide low cost loans and other types of assistance to eligible public water systems and to carry out certain other facets of the Drinking Water Program in accordance with the requirements of the SDWA. To qualify for a capitalization grant, the State must deposit into the DWRF matching monies, in an amount equal to 20% of the capitalization grants provided to the State by the United States Environmental Protection Agency ("EPA"). These matching funds may be provided from the proceeds of revenue bonds or other available resources of the Authority.

As set forth in Title 40 of the Code of Federal Regulations, Part 35.3525, money deposited in the DWRF may be used: (1) to provide loans to be used for eligible purposes at or below market interest rates for terms no longer than 20 years after completion of construction, (except, and as set by the Authority Board, that loans to disadvantaged communities may be for terms up to 30 years after project completion); (2) to purchase or refinance debt obligations of municipalities incurred after July 1, 1993, for construction initiated after July 1, 1993; (3) to guarantee or purchase insurance for local obligations, the proceeds of which finance eligible projects, in order to improve credit access or lower interest rates; (4) as a source of revenue or as security for payment of principal and interest on bonds issued by the Authority, the proceeds of which are deposited in the DWRF; and (5) to earn interest on the fund prior to disbursement of assistance, though monies deposited must not remain in the fund primarily to earn interest.

The SDWA allows certain monies to be set aside from the Capitalization Grant for other Drinking Water Program functions on an annual basis as described in the SDWA as follows:

up to 4% may be used to cover the reasonable costs of administering ("Admin") the DWRF and to provide technical assistance to public water systems;

up to 10% of the grant may be used: (1) for public water system supervision ("PWSS") programs; (2) to administer or provide technical assistance through source water protection programs; (3) to develop and implement a capacity development strategy; and (4) for an operator certification program; provided that the state matches such expenditures with at least an equal amount (100 percent match requirement) of state funds as specified by SDWA Section 1452 (g)(2);

up to 2% may be used to provide technical assistance to public water systems serving 10,000 people or fewer ("SSTTA");

up to 15% may be used as specified in SDWA 1452 (k): (1) to provide loans to public water systems to acquire land or conservation easements if the purpose is to protect the source water of the system from contamination, or to any community water system to implement local, voluntary source water protection ("SWAP") measures, or to any community water system to provide funding in accordance with Section 1454(a)(1)(B)(i); (2) to provide assistance, including technical and financial assistance, to public water systems as part of a capacity development ("Capacity Development") strategy; (3) to delineate and assess source water protection areas (fiscal years 1996 and 1997 only, or as otherwise authorized by federal law); and (4) to establish and implement wellhead ("Wellhead") protection programs, provided that each such activity may not exceed 10% of the Capitalization Grant annually.

Collectively, these activities and the associated funding authorized under the SDWA are referred to as the "Set-Asides."

Senate Bill 95-083, codified at C.R.S. §37-95-103(4.8), (12.2), §37-95-107.8 and §25-1.5-203(1)(e) was enacted in the 1995 session to allow Colorado to establish a DWRF to meet the requirements of the Drinking Water Program under the SDWA. The statute established and provided for the participation of three entities in the DWRF: the WQCD and DLG, both State agencies, and the Authority, a political subdivision of the State. The Authority is the recipient of the capitalization grants and is responsible, with assistance from WQCD and DLG, for compliance with the capitalization grant agreements.

The arrangement of three entities sharing SDWA Section 1452 program responsibilities, as reflected in this MOA, is intended to capitalize on each entity's expertise to operate an effective, sustainable, and compliant DWRF program to protect public health. The WQCD is the entity responsible for achieving and maintaining primary enforcement responsibility or "primacy" for the public water system supervision (PWSS) program in Colorado (referred to as the "Drinking Water Program") Further, the WQCD is responsible for managing the DWRF set-asides that are used to support the drinking water program. The Authority provides administrative and financial administration of the DWRF capitalization grant, provides the capitalization grant match required by the federal program as the recipient of the capitalization grant, and issues bonds to leverage the capitalization grants and other funds in the DWRF program. The DLG serves as a liaison with the local governments utilizing the loan program and analyzes local fiscal and management capacity by using the data it maintains. The DLG is also responsible for conducting outreach and financial assistance to promote the use of the DWRF and other subsidized financing. The WQCD, DLG and Authority work together to establish assistance priorities and carry out oversight and related activities with respect to community project development.

The Authority uses the funds received in the capitalization grants to capitalize the DWRF and to fund the set-asides. The Authority uses the monies deposited in the DWRF to provide financial assistance to governmental agencies for eligible projects that are included on the annual project eligibility list adopted by the Water Quality Control Commission (WQCC,) and then approved by the Colorado Legislature in a Joint Resolution (the "Joint Resolution") signed by the Governor, all as required by C.R.S. §37-95-108.8.

On September 15, 1997, the parties entered into a Memorandum of Agreement to identify their respective roles and responsibilities in connection with the operation of the DWRF, recognizing that the successful use of the capitalization grant to fund the DWRF and Set-Asides requires cooperation and coordination by all parties.

Since adoption of the original 1997 Memorandum of Agreement, the duties and coordination of the parties have developed and evolved, and the parties now wish to amend and restate their agreement on this MOA to define further their respective roles and responsibilities with regard to the DWRF and the set-asides.

Section 2. Operation of the DWRF and Set-Asides.

The operation and administration of the DWRF and set-asides encompasses the following general activities: (1) budgeting, accounting, and administrative expense reimbursement; (2) periodic modifications to the DWRF rules and annual modifications to the IUP that includes the Project Eligibility List ("PEL"); (3) working with eligible water systems to assist with project development; (4) establishing, reviewing and periodically updating borrower affordability criteria; (5) processing and administering loan applications and loans, including financial and technical review and monitoring and approving project expenditures in accordance with the loan agreements; (6) administration and execution of the set-asides; (7) financial summary and biennial reports; and (8) annual audits, annual updates to the Intended Use Plan (the "IUP"), periodic updates to the Operating Agreement, annual approval of capitalization grant agreements and compliance with capitalization grant requirements; and liaison with EPA. Further definition of the roles and responsibilities of each party hereto with respect to the general activities of the DWRF and Set-Asides is set forth in Sections 3 and 4 below.

Section 3. Roles and Responsibilities of the Parties.

3.1. WQCD.

3.1.1. Budget.

The WQCD shall provide a proposed detailed budget for its DWRF administrative costs and for the set-asides for the following calendar year to the Authority by August 21 of each year. The WQCD's budget for administrative costs, including the activities outlined in subsections 3.1.1 through 3.1.7 of this section shall be limited to no more than 10.55 FTE. The current FTE authorized by the Authority Board are for the following tasks that directly support the DWRF: technical assistance for project development/management, engineering reviews, administrative, data entry, GIS, and set-aside contracting. Subsequent annual DWRF budgets for the WQCD shall be adjusted by a factor reflecting: (1) State Annual Compensation Survey results as implemented by the General Assembly; (2) any change in responsibilities among the parties; and (3) any change in indirect costs or in responsibilities resulting from changes in federal or state laws, regulations, directives from, or requirements imposed by, the General Assembly in developing the budget for state agencies. A material change to federal funding levels for this program shall require a review and revision to budgeting provisions of this MOA.

3.1.1.1 Multiple Year Appropriation

The WQCD's budget may include a request for multiple-year expenditures for projects or limited term FTE to support the mission of the WQCD under the DWRF. The WQCD will identify in its annual budget the multiple-year expenditures and will seek approval from the Authority Board of Directors for multiple-year expenditures that are subject to Authority annual appropriation. For tracking purposes, the WQCD will include in its annual budget request the total multiple-year expenditure amount, the amount that the WQCD expects to expend within the budgeted year, and the remaining balance of any multiple year expenditure that will be expended in subsequent year(s). Because of the WQCD's budget due date identified in 3.1.1 and the potential for additional expenditures through the remainder of the year, the WQCD will submit a revised proposed budget to the Authority no later than November 15 of the

calendar year. Only funds generated by loan administration fees may be appropriated and expended in subsequent year(s), and may be used only for the following purposes: DWRF administration, including the activities outlined in subsections 3.1.1 through 3.1.7 of this section; WQCD administrative services, federal grants administration, state contracts oversight, and general administrative support; water quality monitoring; drinking water treatment facility sanitary surveys (inspections); drinking water treatment facility design reviews; providing technical assistance to drinking water treatment facilities, including operations and technology application guidance; drinking water sampling; TMF capacity reviews for new public water systems – developing, managing and implementing training on regulations and operations to public water systems and operators; assistance for the Drinking Water Excellence program; drinking water data management system support, and other approved projects that support the protection of public health. The set-asides expenditures will be administered per the EPA guidance.

3.1.2. Project Eligibility List (PEL).

The WQCD shall update the PEL as part of the annual IUP by assigning categories to projects in accordance with the “State of Colorado Drinking Water Revolving Fund Rules” adopted by the WQCC, as amended from time to time, and by deleting projects that have been completed or come into compliance. Further, in consultation with the DLG and the Authority, the WQCD shall develop additions and modifications to the PEL. The WQCD shall include priority points to projects on the Priority/Fundable List (required by EPA) once public water systems have submitted the annual eligibility survey and have indicated a need for financing in the following year’s IUP. The WQCD may revise the priority points once a planning or pre-planning document and an eligibility review had been completed.

The WQCD shall annually submit the PEL to the WQCC for its adoption by September 15th of each year. The WQCD shall provide the Authority assistance for any of the additions and modifications to the PEL, and as appropriate, provide testimony to the General Assembly in support of a Joint Resolution on such additions and modifications.

3.1.3. Set-Asides.

From each capitalization grant, the WQCD shall determine the amount of funds necessary to be set aside to develop and carry out the set-asides. The WQCD shall develop and update as necessary, detailed work plans for the set-asides, in substantial conformance with the activities identified in the annual IUP, for EPA review and approval. Upon EPA approval, the WQCD shall be responsible for implementing the work plan for the set-asides. The WQCD shall submit to the Authority in a timely manner requests for disbursements for set-asides, with appropriate documentation and certification by the WQCD that the requests are accurate and appropriate for payment under the approved work plans.

The WQCD shall provide the 100 percent state match required by the PWSS (Program Management Activities), and shall annually certify by letter that it has provided or will be able to provide the 100 percent match requirement for the PWSS (program management activities) set-aside prior to receipt of PWSS set-aside funds from a capitalization grant.

3.1.4. Loan Processing and Administration.

3.1.4.1. Project Development and Loan Applications.

The WQCD shall provide staff to support and participate in project development activities to ensure funding requests are from applicants that are eligible for the program, and project costs and technology are appropriate for the DWRF program. The WQCD will assist potential applicants with pre-

applications, applicant pre-qualification, project needs assessments, and engineering reviews as appropriate. Additionally, decisions related to planning grants, and planning & design grants will be reviewed by the staff of each of the three agencies.

The WQCD shall be the primary contact for a project loan applicant or for a Section 1452(k)(1)(A) set-aside loan applicant. The WQCD shall acquaint applicants with all requirements and the procedures to be followed in seeking assistance from the DWRP, or from the set-asides; assist applicants in project development, determining needs, preparing loan applications; and coordinate the preparation and review of all supporting environmental and financial documentation. WQCD shall forward each completed loan application to the DLG and the Authority for review and processing.

3.1.4.2. Design and Technical, Managerial and Financial (TMF) Capacity Review.

The WQCD shall inform applicants of their responsibility to obtain and demonstrate sufficient TMF capacity to ensure compliance with all applicable SDWA requirements; the criteria to be used to assess the applicant's TMF capacity; and the process for performing the TMF capacity analysis required by the SDWA.

The WQCD is also responsible for conducting engineering design reviews on the proposed project in accordance with the Colorado Primary Drinking Water Regulations and the approved hand book of procedures (HOP); evaluating eligible and reasonable costs; and providing environmental reviews.

3.1.4.3. Monitoring Project Expenditures.

The WQCD shall authorize reimbursement of expenditures for projects for which loan assistance is provided (including project loans and Section 1452(k)(1)(A) set-aside loans). The WQCD shall monitor loan projects including periodic, or at a minimum, final construction inspections. Loan recipients shall send all requests for disbursement of loan funds for incurred costs to the WQCD, with a copy to the Authority. The WQCD shall approve or deny all such requests for the disbursement within five (5) working days of the receipt of the request. If the WQCD denies a request, it shall provide the reasons to the loan recipient and the Authority within such five (5) working day period. Upon approval of each request, the WQCD shall forward the approved request for disbursement to the Authority within the five (5) working day period. All project costs that have been approved by the WQCD shall be subject to audits required by the operating agreement and the loan agreement with the project applicant.

3.1.4.4. Files Maintenance and Data Management

The WQCD shall maintain official project files for all projects receiving assistance under the DWRP. The WQCD shall make such files available to the DLG, the Authority, and the EPA for review at the WQCD's offices on reasonable notice. The WQCD will also maintain, update and populate the technical and project information in the Authority/WQCD/DLG shared portal.

3.1.5. Program Compliance, Reports, Certification, and Liaison.

The WQCD shall serve as the primary contact with the EPA for the programmatic aspects of the DWRP operating agreement. The WQCD shall provide all certifications or other

documentation required by the EPA that directly relates to the programmatic elements of the DWRF or for projects financed thereby. The WQCD, as necessary, shall approve in writing any capitalization grant or agreement between the EPA and the Authority with respect to the DWRF. The WQCD shall coordinate closely with the Authority in structuring capitalization grant payment schedules. In addition, and in cooperation with the Authority and the DLG, the WQCD shall develop annual IUP's describing the activities proposed for the DWRF and set-asides. The annual IUP is adopted by the WQCC and submitted to the EPA. In addition, the WQCD, with assistance from the Authority and the DLG, initially prepares a biennial report for review by the DWRF Committee. The biennial report is due to the EPA no later than April 30th in which the year it is due.

The WQCD shall assist the Authority in preparing the annual National Information Management System ("NIMS"), Federal Funding Accountability and Transparency Act ("FFATA") report and other necessary reports to the EPA. The NIMS report provides financial and programmatic information on the activities of the DWRF and other related loan and grant programs administered by the State.

So long as planning and design and engineering grants remain authorized, and funds are available for them in the DWRF program, the WQCD shall forward requests for such funds, along with a notification of eligibility and recommendation to approve or reject, to the Authority and DLG. It is the responsibility of the three agencies to approve the request.

3.1.6. Needs Surveys.

The WQCD shall participate in the national needs survey with the EPA that determines the State's allocation of funding for the DWRF. The WQCD and Authority acknowledges the importance of this internal activity.

The WQCD shall annually conduct a State needs survey of drinking water systems, as part of the annual IUP process, to identify eligible projects for the project eligibility list and to estimate the funding demands from the DWRF for the following twenty years.

3.1.7. Disadvantaged Communities Activities.

The WQCD shall assist DLG with DLG's responsibility to administer and implement any disadvantaged community program duly established in accordance with SDWA Section 1452(d).

3.1.8. Compliance

The WQCD is responsible for ensuring that projects funded through the DWRF has an understanding of the compliance aspects of the program.

3.2. DLG.

3.2.1. Budget.

The DLG shall provide a proposed, detailed budget for its DWRF administrative costs for the following calendar year to the Authority by August 21st each year. The DLG's budget for administrative costs shall be limited to FTE. The duties of the current FTEs include outreach and education, project development, credit reports, review and updating of affordability criteria, publications, and direct loan portfolio monitoring. Subsequent budgets shall be adjusted by a factor reflecting: (1)

State Annual Compensation Survey results as implemented by the General Assembly; (2) any change in responsibilities among the parties; and (3) any change in indirect costs or in responsibilities resulting from changes in federal or state laws, regulations, directives from, or requirements imposed by, the General Assembly in developing the budget for state agencies. A material change to federal funding levels for this program shall require a review and revision to the budgeting provisions of this MOA. Prior to June 30, of each year, the Authority Board, in consultation with the DLG, shall establish such FTE cap as is warranted by the facts of record at that time; provided, however, that in no case shall the number of FTE's fall below 1.0 absent justification therefore under the above-referenced adjustment factors.

3.2.2. Project Eligibility List.

As needed, the DLG shall assist the WQCD in assigning points under the Financial Need section of the DWRF Rules. The DLG shall consult with the WQCD and the Authority in the preparation of the PEL. The DLG shall provide supporting financial information on additions and modifications to the PEL, and as appropriate, provide testimony to the General Assembly regarding the Joint Resolution on such additions and modifications.

3.2.3. Set-Asides.

The DLG will assist the WQCD and the Authority, as requested, with financial and management reviews associated with the set-asides.

3.2.4. Loan Processing and Administration.

3.2.4.1. Project Development and Loan Applications.

The DLG shall provide staff to support and participate in project development activities to ensure funding requests are from applicants that are eligible for the program, and project costs and technology are appropriate for the DWRF program. The DLG will assist potential applicants with pre-applications, applicant pre-qualification, project needs assessments, and engineering reviews as appropriate. Additionally, decisions related to planning grants, and planning & design grants will be reviewed by the staff of each of the three agencies.

The DLG shall assist potential loan applicants with project development and financial planning support; shall provide project loan applicants with information concerning the financial disclosure requirements of the loan application; and shall acquaint such applicant with the financial procedures and requirements for receiving assistance from the DWRF. In the event that the project loan applicant does not have the required financial information available, the DLG will work with the applicant to assemble such data. The DLG shall prepare a credit report to analyze each project loan applicant's ability to repay a loan and submit such report for review before the DWRF Committee. This analysis shall examine existing revenue streams for drinking water (taxes, tap fees, user charges and other revenue sources) and expenditures such as existing debt repayment (all existing debt including overlapping jurisdictions) and operation and maintenance costs.

If the DWRF Committee has reason to believe that a project loan applicant is financially unable to repay a loan, the DLG shall review other State and Federal programs for the availability of grants and/or low interest loans to enhance the applicant's repayment capability and include any information developed in the DWRF Committee findings to be forwarded to the Authority Board. The DLG shall assist the Authority in the acquisition of necessary financial data to be presented in any official statement for Authority bond issues under the DWRF.

3.2.4.2. Outreach, Education, Marketing and Assistance

The DLG will conduct DWRF outreach efforts that have been developed and included in the outreach, education, marketing and assistance plan (the "Plan"). This may include development of and participation in workshops and conferences relevant to the DWRF, providing financial and managerial assistance to public water systems, coordination of funding activities through the Funding Coordination Committee and promotion of the SRFs to make potential project loan applicants aware of the availability of DWRF monies. The outreach, education, marketing and assistance program will be coordinated with the staffs of the Authority and the WQCD. The DLG shall develop and maintain the Plan and continue to review and implement the identified activities. The Plan shall be made available for review by other members of the DWRF Committee at such time as to permit a summary to be incorporated into the annual IUP. The outreach program will be summarized in the IUP and the biennial report.

3.2.4.3. Monitoring Project Expenditures.

The DLG shall not be responsible for monitoring project expenditures.

3.2.4.4. Loan Surveillance

The DLG shall annually review all DWRF direct loan borrowers' financial statements and establish financial trends for the DWRF direct loan borrowers and annually issue a report with copies to the Authority and the WQCD. Financial statement information may be supplemented by other documentation and personal communication with borrower representatives. The DLG serves as a liaison with the local governments utilizing the loan program and analyzes local fiscal and management capacity by using the data it maintains.

The DLG will also support the Authority in its efforts to monitor leveraged loan borrowers through the provision of copies of financial audits and other materials and support as requested. The DLG will also notify the Authority of any missed payments or other defaults of its loans if the borrower has or is considering a DWRF loan.

3.2.5. Reports and Liaison.

The DLG shall participate with the WQCD and the Authority in the drafting and reviewing of the annual IUP, additions and modifications to the PEL, and the development of a financial summary or biennial report.

The DLG shall assist the Authority in preparing the annual NIMS report to the EPA.

3.3. Authority.

3.3.1. DWRF Administration.

The Authority shall administer the DWRF, and to that end shall be responsible for the financial structure of the DWRF, investments, and disbursements of funds for administrative and project costs.

3.3.2. State Match.

The Authority shall provide the 20 percent state match required under the SDWA for receipt of the capitalization grant. The Authority Board may issue bonds, utilize administrative surcharges, or other available resources, to provide the state match. The state match is deposited into the DWRF and is not used for funding the set-asides. The Authority shall, from time to time and when funds are available, reimburse themselves for the zero-percent State Match loan provided from Authority resources. Reimbursement shall come from administrative fees charged on DWRF and WPCRF loans.

3.3.3. Budget.

The Authority staff shall prepare a proposed DWRF budget for the following calendar year based on the budget information provided by the WQCD and the DLG and on information developed internally. Subsequent annual internal administrative DWRF budgets for the Authority shall be adjusted by a factor reflecting: (1) Board authorizations for a) personnel costs covering staff and associated benefits as well as annual salary adjustments, and b) overhead costs covering rent, utilities, equipment, furniture and fixtures, insurance, etc.; (2) any change in responsibilities among the parties; and (3) any change in responsibilities resulting from changes in federal or state laws, regulations, directives from, or requirements imposed by, the General Assembly in developing the budget for state agencies. A material change to federal funding levels for this program shall require a review and revision to the budgeting provisions of this MOA. Outside consulting needs for required, but specific, services will be presented separately from the Authority's DWRF internal administrative budget as part of the standard budget documentation and shall be adjusted to reflect anticipated increases or decreases in the cost of the services. The proposed DWRF budget incorporating the administrative expenses of the DLG, the WQCD and the Authority for the ensuing calendar year shall be accompanied by the narrative descriptions, provided by the WQCD and the DLG, and a similar narrative prepared by the Authority staff for the Authority's portion of the proposed DWRF budget, explaining changes in the amounts compared to the previous year and specifically identifying those costs that are eligible for grant reimbursement.

Once the proposed DWRF budget has been drafted, it will be incorporated as a component of the Authority's overall proposed budget for the ensuing calendar year, and a copy will be sent to the WQCD and the DLG at the same time that the proposed overall Authority budget is forwarded to the Authority's Board for review, typically around the last week of September. From that point in time until the Authority's Board adopts the overall Authority budget in December (usually the first Friday in December), the WQCD and the DLG may submit written comments on the proposed DWRF budget component to the Authority.

Subject to the aforementioned provisions of this MOA, by December 31st of each year, the Authority Board shall review, approve or revise as necessary, and in its sole discretion, adopt the DWRF budget as a component of the Authority's overall budget for the ensuing calendar year. The DWRF component of the Authority's budget shall be annotated as necessary to identify the FTE's to be funded thereby for the DLG and the WQCD.

If, as a result of unexpected circumstances arising after the budget has been adopted, any party believes that additional resources are required over budgeted amounts, such party may request that the Authority amend the budget appropriately.

Within two (2) weeks of the Authority Board's adoption of the DWRF budget and any amendments thereto, the Authority controller shall confirm to the WQCD and DLG the amounts included

in the detailed budget request and the total amount that was included in the DWRF administrative budget approved by the Authority's Board. The budget confirmation will be emailed to the appropriate managers at the WQCD and DOLA.

3.3.4. Project Eligibility List.

The Authority shall participate with the WQCD and the DLG in the establishment of additions and modifications to the PEL. The Authority shall be the lead entity in securing the Joint Resolution from the Colorado General Assembly authorizing such additions or modifications to the PEL as are adopted by the WQCC. To that end, the Authority shall seek sponsors for a Joint Resolution and have such Resolution introduced into the General Assembly by January 15th of each year.

3.3.5. Set-Asides.

The Authority, as the capitalization grant recipient, will receive and administer disbursement of all grant funds, including funds used for administrative costs, for financial assistance from the DWRF, and for the set-asides. Disbursements from grant funds or administrative loan surcharge fees for administrative costs shall be made upon submission of invoices (in accordance with section 5 below) from the party incurring such administrative costs. Disbursements for the set-asides shall be made upon request and certification by the WQCD that expenditures are consistent with EPA-approved work plans.

In order to assist the WQCD with the utilization and distribution of the set-aside grant funds, the Authority may be a party to memoranda of understanding ("MOU's") to facilitate the expenditure and commitment of the Set-Aside grant funds. The Authority Board may set specific administrative requirements for review and execution of such MOU's.

3.3.6. Loan Processing and Administration.

3.3.6.1. Project Development and Loan Applications.

The Authority shall provide staff to support and participate in project development activities to ensure funding requests are from applicants that are eligible for the program, and project costs and technology are appropriate for the DWRF program. The Authority will assist potential applicants with pre-applications, applicant pre-qualification, project needs assessments, and engineering reviews as appropriate. Additionally, decisions related to planning grants, and planning & design grants will be reviewed by the staff of each of the three agencies.

The Authority Board and staff shall review applications for financial assistance from the DWRF, using the financial analysis of the DLG and the technical analyses of the WQCD. The Authority Board shall approve or disapprove all applications for project loans. If the Authority Board denies a project loan application, the Authority Board's meeting minutes shall reflect the reasons for denial. The Authority Board shall determine the loan structure, including interest rate and security provisions, for each loan financed by the DWRF, as well as all other loan provisions and conditions.

3.3.6.2. Financial Services.

The Authority shall negotiate and execute loan agreements for each DWRF loan. The Authority shall procure all services associated with the issuance of its bonds and the execution of the loan agreements. Such services may include, but will not be limited to, those provided by financial advisers, bond and disclosure counsel, underwriter, general counsel, auditor, accountant, consulting engineer, and trustee, the solicitation of credit ratings, and the selection of bond insurers.

3.3.6.3. Disbursements and Monitoring Loan Expenditures.

After the project loan agreements or Section 1452(k)(1)(A) set-aside loan agreements are executed, the Authority shall rely upon the WQCD's approval of requests for payment as set forth in Paragraph 3.1.4.3 above prior to authorizing any loan disbursements to any borrower. Upon approval of requisition requests by the WQCD, the Authority shall be authorized to make disbursements to the loan recipient. Requisitions shall be reviewed by the Authority for compliance with the loan agreement, if applicable, and shall be approved or denied within 5 working days of receipt. If a requisition is denied, the Authority shall provide notification of the basis for denial, and confer with the WQCD concerning the same.

If the Authority determines that a loan recipient is in default, it shall be authorized to withhold funds, and will provide the reasons funds are withheld, within five (5) working days of receipt of an approved request for disbursement from WQCD. In addition, the Authority shall be under no obligation to make a disbursement to a loan recipient, whose loan is supported by federal monies, until such time as the cash draw from the EPA automated clearing house (ACH) has been received and deposited into accounts held or caused to be held by the Authority. In the case of approval (by WQCD and the Authority) of requests for disbursement for loans that are supported by federal monies (e.g., EPA ACH cash draws) the Authority shall request ACH cash draws from the United States Treasury within a three (3) working day period. The Authority will also notify the DLG and WQCD of any missed payments or other defaults of its loans.

The Authority shall record payments for loan expenditures for each project loan or Section 1452(k)(1)(A) set-aside loan in accordance with generally accepted accounting procedures.

3.3.7. Annual Reports and Liaison with EPA.

The Authority shall serve as the primary contact with the EPA for all financial issues involved with the capitalization grant agreement required under Section 1452 of the SDWA and the Operating Agreement for the DWRF. The Authority shall participate with the DLG and the WQCD to establish an annual IUP. The Authority will prepare annual financial statements covering all activities of the DWRF enterprise fund, which will then be audited by an independent, certified public accounting firm as required under Section 1452 of the SDWA. The annual audit is to be included in the financial summary and biennial reports. The Authority shall assist the WQCD in developing the biennial report and shall prepare the financial summary report for review by the DWRF Committee. (The financial summary report is prepared every other year and covers the financial aspects of the DWRF and set-asides.) Once the reports have been reviewed by the DWRF Committee, the Authority shall submit the financial summary and biennial reports to the EPA on behalf of the State on or before April 30.

The Authority, with assistance from the WQCD and the DLG, will prepare the annual NIMS report and FFATA reporting to EPA. The NIMS report provides financial and programmatic information on the activities of the DWRF and other related loan and grant programs administered by the State.

3.3.8. Operating Agreement and Capitalization Grant Agreement.

Pursuant to C.R.S. §37-95-107.8(7), with the written consent of the Department of Public Health and Environment, the Authority, on behalf of the State of Colorado, shall execute all Operating Agreements and Capitalization Grant Agreements with EPA, and any revisions thereto.

3.3.9. Outreach, Education, Marketing and Assistance.

The Authority, in coordination with the DLG and the WQCD, will assist with the execution of the outreach, education, marketing and assistance program as developed in section 3.2.4.2. above.

3.3.10 Files Maintenance and Data Management

The Authority will maintain, update and populate the basic and financial information on the EPA database and shared DOLA/WQCD/Authority database and will also maintain the supporting computer system.

Section 4. DWRF Committee.

A DWRF Committee, ("Committee"), to be composed of a designated representative from the WQCD, the DLG, and the Authority, shall be formed to coordinate the DWRF. The Committee shall meet as needed. The primary activities of the Committee shall be reviewing loan applications, reviewing the progress of the DWRF in meeting the goals stated in the SRF work plan and reviewing and recommending policy changes involving the DWRF. The Committee shall act by unanimous vote of its duly designated members.

4.1. Duties of the Committee.

4.1.1. DWRF Review.

The Committee shall review: (a) progress on short and long term goals; (b) compliance with EPA's TMF requirements; (c) drafts of the financial summary and biennial reports to EPA; (d) recommend additions and modifications to the PEL and the annual IUP; (e) the Authority's financial statements on the status of the DWRF; (f) the content and effectiveness of the outreach and marketing programs; (g) make recommendations on policy changes for the DWRF to the Authority Board and the WQCC; and (h) make recommendations for changes to the funding coordination of the DWRF.

4.1.2. Project Review.

The Committee shall review each loan application received and the financial analysis and technical information (including but not limited to planning review, plans and specifications review, environmental review and the project sponsor's ability to operate and maintain the system) provided on each such loan application by the DLG and the WQCD respectively, and upon review of such information, forward its findings and recommendation to the Authority Board.

Based on the TMF capacity analyses by the WQCD and the DLG, the Committee shall determine the adequacy of a borrower's TMF capacity to receive project funding.

4.1.3. Disadvantaged Communities Activities.

When appropriate, the Committee shall develop criteria to define disadvantaged communities and to establish a system that awards disadvantaged communities a higher funding priority or other assistance as authorized by SDWA Section 1452 (d).

Section 5. Reimbursement of Expenses.

5.1 Reimbursable Expenses

Reimbursable administrative expenses from the DWRF shall consist of all costs, including salary and benefits and related indirect costs, and other direct costs of all personnel providing services supporting the DWRF and set-aside activities, and the roles and responsibilities of the parties set forth in this MOA. Direct costs shall include operating (e.g. supplies, telecommunications, travel, legal services, workers' compensation insurance, risk management, insurance, rent, incidental expenses, and equipment (e.g. computers, etc.) costs.

5.2. Rates for Reimbursement.

5.2.1. Reimbursements for salary and benefits and related indirect costs of the parties' personnel fulfilling the roles and responsibilities for the DWRF and the set-asides as set forth in this MOA shall be for the total indirect and direct hourly salary costs of employees for all hours directly devoted to fulfillment of the responsibilities for the DWRF pursuant to this MOA.

5.2.2. Reimbursement of other direct costs of the WQCD and the DLG shall be according to the rates and terms of the State of Colorado Fiscal Rules for Travel, Personnel Pay, Allowances and Benefits as they exist on the date of this agreement and any future amendments during the term of this agreement. (The current Rules are found at 1 CCR 101-1 and 1 CCR 101-2.) The Authority shall be reimbursed for other direct costs based on the reimbursement policies adopted by the Authority Board of Directors for the Authority's personnel. Reimbursement from federal grant funds for computers and other equipment shall follow federal regulations associated with the use of grant funds for the purchase of such equipment.

5.3 Reimbursement Procedures.

5.3.1. The parties shall prepare monthly requests for reimbursement and submit them quarterly, in a timely manner, to the Authority's controller. Each request shall be accompanied by supporting documentation in an easily understandable format: (1) indicating the nature of the expenses for which reimbursement is being sought; (2) certifying that employee salary expenses (including benefits and related indirect costs) were determined using OMB Circular A-87 procedures (only if reimbursement is sought from federal funds); (3) certifying that the purpose of all costs for which reimbursement is sought is consistent with DWRF activities. The DLG and the WQCD shall maintain and shall make available to the Authority, upon request, time sheets or other documentation sufficient to verify employee salary expenses, and receipts, invoices, or other documentation sufficient to verify other direct costs. Reimbursement of salary, benefits and related indirect costs to be funded by federal grant moneys will be made only after written assurance from the EPA that the time and effort documentation process is satisfactory.

5.3.2. The Authority shall review all requests for reimbursement and shall pay all requests that are accompanied by satisfactory documentation within thirty (30) days. In order for the Authority to prepare annual financial statements in a timely manner, the monthly requests for October and November shall be submitted to the Authority's controller by January 15 of the following year. However, the Authority shall not be required to pay any requests for administrative reimbursement that exceed the overall annual amounts budgeted for that party for the DWRF for the applicable year, or for which money is not available in the DWRF (from the federal grant or from loan administrative surcharge fees) or the payment of which would violate the terms of C.R.S. §37-95-107.8 (SB95-083), the Safe Drinking Water Act, the Operating Agreement and Capitalization Grant between the United States and the State of Colorado, the MOA, or any other statute, agreement, regulation, covenant, or other document governing the DWRF. The Authority shall provide 90 days' notice to the DLG and the WQCD if funds are not available in the DWRF to pay administrative costs.

Section 6. Term.

This MOA shall be in effect from the date of execution until termination by any party for cause by written notice to all other Parties hereto, or until statutory revisions to the DWRF require adjustments to the MOA; provided however, that if adjustments are required because of statutory revisions, those portions, if any, of this MOA that are consistent with such statutory revisions shall remain effective until a revised MOA has been executed. This MOA shall be reviewed by all parties at least every five years, but no later than December 31, 2021

Section 7. Amendments.

The MOA may be amended from time to time to reflect changes in the responsibilities of any Party, upon the approval of the WQCD, the DLG and the Authority.

Section 8. Notices.

All notices required or permitted to be given hereunder shall be in writing and sent by registered or certified mail, and shall be delivered upon deposit in the United States mail as follows:

If to the WQCD:	Division Director Water Quality Control Division Colorado Department of Public Health and Environment 4300 Cherry Creek Drive South Denver, Colorado 80246-1530
If to the DLG:	Executive Director Department of Local Affairs 1313 Sherman Street – Room 521 Denver, Colorado 80203
If to the Authority:	Executive Director Colorado Water Resources and Power Development Authority 1580 Logan Street – Suite 620 Denver, Colorado 80203-1942

These addresses may be changed by written notice.

COLORADO DEPARTMENT OF PUBLIC
HEALTH AND ENVIRONMENT

By: _____
Dr. Larry Wolk, MD, MSPH
Executive Director

Attest: _____

DEPARTMENT OF LOCAL AFFAIRS

By: Irv Halter
Irv Halter, Executive Director

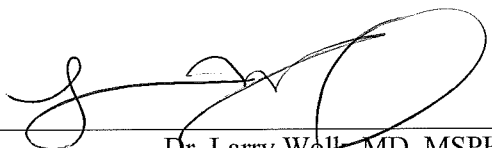
Attest: [Signature]

COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY

By: _____
Roy Heald, Chair

Attest: _____
Secretary

COLORADO DEPARTMENT OF PUBLIC
HEALTH AND ENVIRONMENT

By: 
Dr. Larry Wolk, MD, MSPH
Executive Director

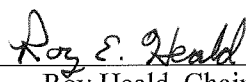
Attest: _____

DEPARTMENT OF LOCAL AFFAIRS

By: _____
Irv Halter, Executive Director

Attest: _____

COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY

By: 
Roy Heald, Chair

Attest: 
Secretary

**COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY**

BOARD PROGRAM WORK SESSION

March 1, 2018

Work Session 4:30 p.m. (dinner provided 5:30-6:30 p.m.)

Authority Conference Room

1580 Logan St. Ste. 610, Denver, CO 80203

Board Members: Webb Jones (Chair), Judy Skram, Steve Price, Roy Heald, Bob Wolff, Bruce Smith, George Corkle, Mike Berry and Steve Vandiver

Authority Staff: Michael Brod, Keith McLaughlin, Justin Noll, Jim Griffiths, Wesley Williams, John Williams and Sabrina Speed

Others present: Scott Olene (DOLA), Michael Beck (WQCD)

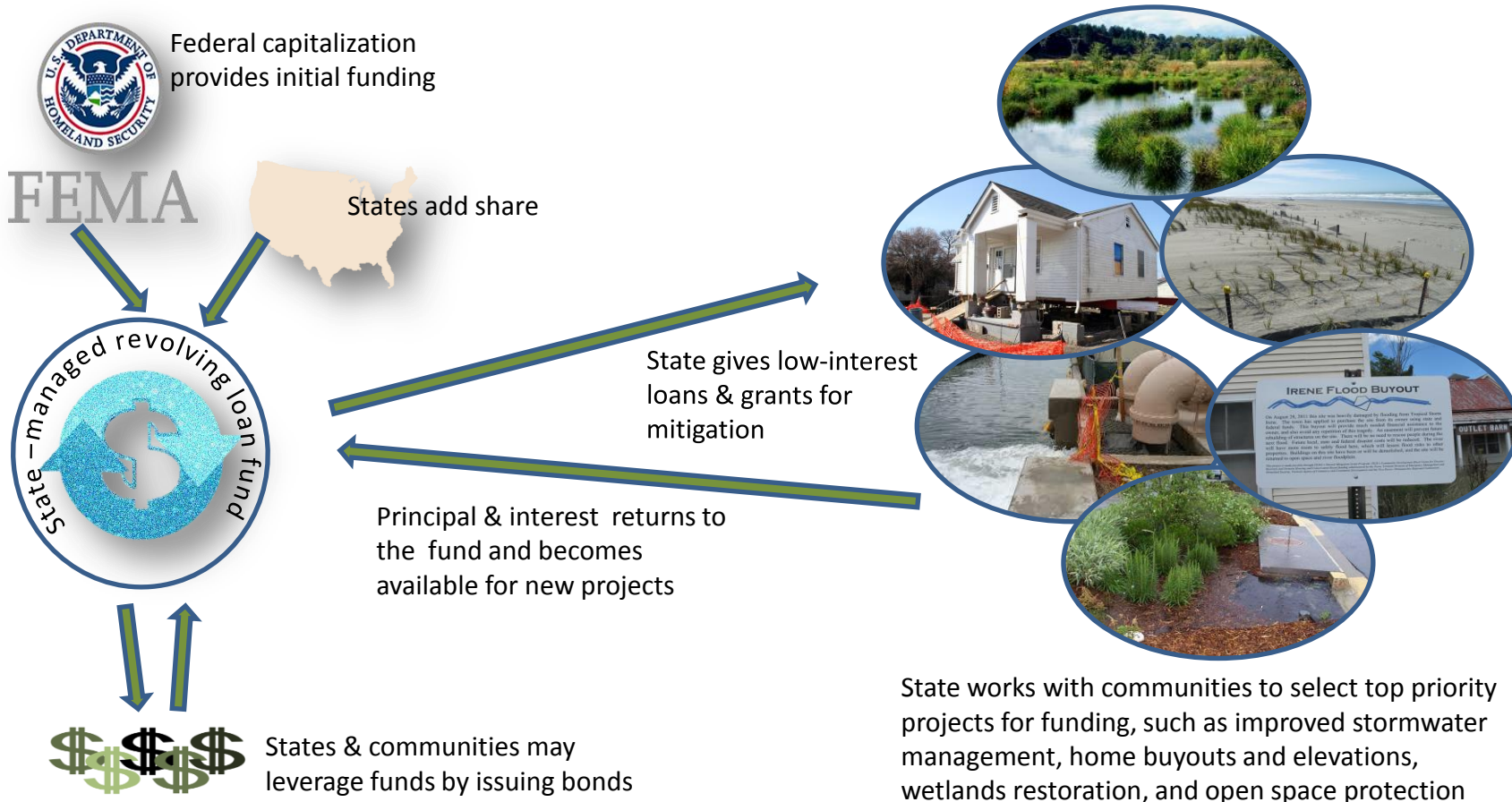
AGENDA

- 1) Green Project Reserve (GPR) Policy – Board discussion and possible Board action (Keith)
- 2) Water Revenue Bond Program (WRBP) Subsidy Policy – Board discussion (Mike)
- 3) State Flood Mitigation Revolving Fund Act – Board discussion (Mike & Keith)
- 4) Other Items at the Board's pleasure

State Revolving Loan Fund for Flood Mitigation



Numerous studies have shown that flood mitigation actions taken before a storm can save lives and dollars. But while payoff for pre-disaster mitigation can run upwards from \$4 for every \$1 invested, federal spending for post-disaster recovery still far exceeds pre-disaster spending. New proposals to fund state-run revolving loan funds would help to shift the focus of federal disaster spending and allow states to plan for and implement priority projects to prevent flood damages. Though new to the Federal Emergency Management Agency (FEMA), the revolving loan fund model has been used with great success by many states to upgrade drinking water infrastructure and improve water quality.



House and Senate Lawmakers Look to Boost Water and Sewer Financing



Aging pipes and valves at a water treatment plant near Pocahontas, Virginia ROUTE FIFTY / BILL LUCIA

By [Bill Lucia](#),
Senior Reporter

Connecting state and local government leaders

FEBRUARY 4, 2018

Sen. John Boozman, an Arkansas Republican, says new legislation is meant to help communities "of all sizes, in every state secure loans so they can improve their crumbling infrastructure."

- [INFRASTRUCTURE](#)
- [FINANCE](#)
- [STATE AND FEDERAL RELATIONS](#)
- [WATER](#)

[PUBLIC WORKS](#)

WASHINGTON — States could gain new access to federal funding to provide low-cost loans for water and sewer projects under a pair of companion bills introduced last week on Capitol Hill.

Lawmakers described the bipartisan legislation as a way to combine beneficial parts of two existing federally-backed financing programs for drinking water and wastewater infrastructure: state revolving funds and the Water Infrastructure and Innovation Act, or WIFIA.

The new bills in the House and Senate would authorize \$200 million annually over five years to support state revolving fund projects.

"We have a more than \$500 billion shortfall for water infrastructure funding in this country. This is a national emergency," said Sen. John Boozman, an Arkansas Republican and the Senate bill's lead sponsor.

"This legislation is an innovative approach to helping communities of all sizes, in every state secure loans so they can improve their crumbling infrastructure," he added.

With [clean water](#) and [drinking water](#) revolving fund programs, the Environmental Protection Agency awards "capitalization grants" to states, and states contribute a 20 percent match.

States use the funds to provide low-cost loans and other types of financing assistance for water and wastewater utilities to complete projects. As borrowers repay loans, the principal and interest flows back into the revolving funds and can be used for further lending.

Congress established the WIFIA pilot program in 2014. It involves the federal government lending directly for water projects at interest rates aligned with the typically low rates for U.S. Treasury debt. Eligible borrowers include states, localities, corporations, and joint ventures—although private entities need a public sponsor to access the program.

Beyond low interest rates, WIFIA borrowers stand to benefit from perks that have to do with the timeframe for repaying loans.

Lawmakers gave both EPA and the Army Corps of Engineers authority to set up similar WIFIA lending programs for different types of projects. EPA [said last year](#) it was inviting 12 entities, with projects in nine states, to apply for more than \$2 billion in loans.

Proponents of WIFIA see the program as a way for the federal government to subsidize water infrastructure investments without putting a sizable dent in the nation's budget.

But critics say that, compared to the revolving funds, WIFIA shifts power from states to the federal level when it comes to deciding which projects get financing assistance. Some also question WIFIA's special focus on bigger and costlier water projects, when many needed upgrades around the U.S. involve smaller systems.

The bills introduced last week would effectively extend WIFIA lending terms to the state revolving funds, so that states could offer revolving fund loans, with Treasury interest rates, for water and wastewater projects that they've determined to be priorities.

Mike Keegan works on regulatory and legislative affairs for the National Rural Water Association. "I'm arguing that, really, it'd be preferable for all the money that's being used to fund WIFIA to be dedicated to the Boozman bill," he said. "We're not there yet."

"But what I think is happening now," he added, "is people are starting to understand the argument better and saying: 'well, if my state has the same financial authorities that's in WIFIA, to do what WIFIA does, why wouldn't I want the funding going to my state, where they get to fund what they want, as opposed to giving it to EPA?'"

Under the new legislation, states that receive under 2 percent of the total state revolving fund grants made available in a fiscal year, and states hit by [presidentially declared disasters](#), would be able to access loans at interest rates that are even lower than the Treasury rate.

There are also provisions in the bill to encourage states to bundle projects, including one that would waive a \$100,000 application fee.

Reps. John Katko, a New York Republican, and Earl Blumenauer, an Oregon Democrat, offered [the House legislation](#).

Sens. Cory Booker, a New Jersey Democrat, Jim Inhofe, an Oklahoma Republican, and Dianne Feinstein, a California Democrat, joined Boozman in introducing the Senate version.

Boozman chairs the Environment and Public Works subcommittee on fisheries, water and wildlife.

President Trump has indicated that upgrading the nation's infrastructure is one of his priorities. [In his State of the Union address](#) last week he called for a package that would generate \$1.5 trillion of total investment, incorporating federal, state, local and private dollars.

White House officials have said the administration is supportive of a plan that would involve about \$200 billion of direct federal funding for infrastructure over a decade. But where the federal money for this level of spending would come from remains unclear.

Bill Lucia is a Senior Reporter for *Government Executive's Route Fifty* and is based in Washington, D.C.