

**COLORADO**  
**DRINKING WATER**  
**REVOLVING FUND**  
**BIENNIAL REPORT**  
**VOLUME I**

**JANUARY 1, 2001 – DECEMBER 31, 2002**



**PREPARED BY**  
**THE STATE OF COLORADO**

**APRIL 30, 2003**

**FOR THE ENVIRONMENTAL PROTECTION AGENCY**  
**REGION VIII**

April 30, 2003

**COLORADO DWRF BIENNIAL REPORT**

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# COLORADO DWRF BIENNIAL REPORT

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## COLORADO DWRF BIENNIAL REPORT

### I. INTRODUCTION

The Water Quality Control Division (WQCD), the Colorado Water Resources and Power Development Authority (CWRPDA), and the Division of Local Government (DLG), hereinafter collectively referred to as the State, prepared this biennial report on Colorado's Drinking Water Revolving Fund (DWRF) program. The report describes the activity of the DWRF program for calendar years 2001 and 2002 and provides the DWRF Intended Use Plans (IUPs) and annual program audits for these two years.

This report was developed to comply with the requirements of regulation 40 CFR 35.3570.

### II. LEGAL AUTHORITY AND PROGRAM BACKGROUND

The 1996 Amendments to the Safe Drinking Water Act (SDWA), Title I, Section 130, authorized the establishment of the DWRF program. The program was authorized to assist public water systems construct needed projects through low interest debt financing thereby achieving or maintaining compliance with requirements of the SDWA for the protection of public health. The Environmental Protection Agency (EPA) makes annual capitalization grants to the state for deposit into the DWRF.

Colorado's DWRF program was established by state legislation in May 1995 through CRS 37-95-103 (4.8) and (12.2); CRS 37-95-107.8; and CRS 25-1-107 (1) (gg). This legislation provided authority to the state to promulgate program rules. The formal rule-making process involved forming a working committee to provide expert advice and input. The committee was comprised of members from WQCD, CWRPDA, DLG, EPA, Clean Water Action, the Colorado Rural Water Association, Colorado Special Districts Association, Colorado Municipal League, and the Water Utility Council. The Colorado Board of Health adopted DWRF program rules on October 18, 1995.

Colorado was one of the first states in the country to receive a fully funded capitalization grant for its DWRF program and was the first state to issue Drinking Water Revenue Bonds. **Exhibit A** lists all DWRF program loans executed from the program's inception through December 31, 2002. The loan tables show leveraged loan projects (loans in excess of \$1 million using capitalization grant funds to provide below-market interest rates) and direct loan projects (loans of one million dollars or less using re-loan or "revolved funds" with a pre-established 4% interest rate).

The tables include the borrower's name, loan rate, loan amount, term, interest rate, and as applicable, the federal grant amount allocated, the state match allocated and the DWRF re-loan or "revolved funds" used. See V. "Financial Status of the DWRF" below for further information about leveraged and direct loans. **Exhibit A** also provides information about the State Direct Loan Program that was capitalized using state funds only. This loan pool is kept separate from the federal portion of the DWRF so that loan repayments may be made available for use as state match in the future. The final table in **Exhibit A** is a loan status report for the various types of loans issued. The table shows that all existing loans are current.

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### III. 2001 AND 2002 PROGRAM SUMMARY

From the DWRF program's inception through 2002, the State has received \$77,315,667 in federal capitalization grants and of this amount, \$12,117,246 was set aside for non-project activities eligible for funding under the SDWA. **Exhibit B** shows federal funding binding commitments for 2001 and 2002 while **Exhibit C** shows the federal capital contribution summaries in 2001 and 2002 and funds allocated for program set-asides and for loans issued.

In 2001, the federal capitalization grant received was \$10,480,300 and of this amount, \$1,865,226 was set-aside for non-project related activities. In 2002, the amount of the capitalization grant received was \$13,323,000 and of this amount, \$1,922,080 was set-aside for non-project related activities. (The non-project related activities are described in Section VII. of this report. By subtracting the set-aside amounts for these two years and adding the required state match to the capitalization grants, a total of \$24,776,654 in the DWRF loan account was made available to eligible public entities for project activities. \$22,954,659 was actually loaned to public entities over this two year time period.

The state DWRF program partners collectively develop each IUP. The Colorado State Board of Health adopted the 2001 plan during a formal public hearing on November 15, 2000 and the 2002 plan was adopted on November 14, 2001 at a board public hearing. These plans include a project eligibility list and a list of projects intended to be funded with revolving funds in the planning year (priority/fundable list), the criteria and method for distributing funds, the financial status of the DWRF fund, program goals and a description of non-project activities supported with set-aside funds.

The most critical component of each IUP is the project eligibility list. The list identifies all public entities with drinking water system needs ranked in priority order to identify the most immediate public health issue or compliance problem. In addition, a "priority/fundable" project list, a subset of the eligibility list, describes projects that have been qualified for funding based on the submission and approval by WQCD of a project planning report and a categorical ranking assigned by the state. Each project ranking is based on the affected system's capability to deliver potable water, any and all potential threats to public health or non-compliance with drinking water standards. The 2001 and 2002 IUPs are included in this report as Attachment 1 and Attachment 2.

In 2001, one direct loan was executed for \$1 million. In 2002, nine loans were executed (four were leveraged loans and five were direct loans). The total amount of the 2002 loans was \$21,954,659.

### IV. 2001 AND 2002 IUP GOALS AND ACCOMPLISHMENTS

The goals are listed in block style print and the accomplishments are listed in italics. Unless noted otherwise, the goals and accomplishments listed are from both the 2001 and 2002 IUPs.

## COLORADO DWRF BIENNIAL REPORT

### A. LONG TERM IUP GOALS AND ACCOMPLISHMENTS

Maintain the economic viability of the DWRF while meeting current and projected drinking water system needs in the State of Colorado. Ensure that the DWRF remains viable and is self-perpetuating to meet the long-range needs of the state.

*The DWRF has been established in a manner to be self-perpetuating. The fund will be leveraged to the maximum extent possible to meet the projected drinking water needs of the State and to maintain the fund's solvency. Program participants have two choices based upon funding needs: direct or leveraged loans.*

Provide loans and technical and financial assistance to governmental agencies to facilitate effective planning, design, financing and construction or improvement of facilities to comply with the provisions of the Colorado Primary Drinking Water Regulations.

*Customer service continues to be the program management focus for the three agencies involved with an approach that is conducive to accomplishing successful outcomes for the communities served and to maintain the sustainability of the fund.*

*Administrative fees as well as set-asides from the capitalization grants are sufficient to support state technical assistance for local government clients. Site visits and pre-application meetings are regularly scheduled with communities to assist with planning, scheduling, financing and management.*

*An ongoing outreach program through DLG is assisting community officials manage their systems and achieve compliance. Technical assistance is also provided by DLG through site visits, planning discussions, a plant operator training calendar and various other publications and activities. DLG also coordinates the Water and Sewer Funding Coordination Committee. This is an ongoing effort to assist local utilities by raising awareness of their projects and helping to coordinate funding programs and opportunities so that the most appropriate sources of funding are made available to the diverse projects in the state.*

Maintain compliance with companion local, state and federal laws and the provisions of the Colorado/EPA Joint Operating Agreement."

*The DWRF rules adopted by the Colorado Board of Health are consistent with applicable local, state and federal laws. Application packets provided to prospective loan candidates includes the required instructions for compliance. Application*

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*materials are amended as laws or provisions in the Joint Operating Agreement are changed.*

### **B. SHORT TERM IUP GOALS AND ACCOMPLISHMENTS**

Submit an application for the 2001 and 2002 Capitalization Grant by January of the respective year.

*The application for the FFY 2001 capitalization grant was submitted to EPA on January 23, 2001 and the application for the FFY 2002 capitalization grant was submitted on January 31, 2002.*

Update the Handbook of Procedures and seek approval from EPA for amendments.

*This is an on-going process that reflects the level of experience gained in managing the project funds made available to communities. No formal revisions to the handbook were made during 2001 and 2002. Updates will be made on an as-needed basis.*

Initiate the process for identifying projects in the reporting years in a timely manner.

*The annual needs survey to develop the project eligibility list in the IUP is initiated each spring. The Colorado Board of Health formally adopts the IUP in the fall and the eligibility list is approved by the Colorado General Assembly through the passage of a joint resolution adopted during the succeeding legislative session.*

Submit program audit to EPA on annual basis by April 30 and furnish a biennial report in odd calendar years.

*The audit is submitted to EPA Region VIII each year by April 30. This biennial report is the third report developed. The first report covered the 1997 and 1998 reporting period.*

Reevaluate the DWRF Rules once EPA implements regulations based on any amendments to the Safe Drinking Water Act.

*No rule changes were made during 2001 and 2002 based on amendments to the Safe Drinking Water Act. However, a state statutory change was made in 2002 that established the procedure for adding projects to the eligibility list that were deemed to be emergencies in accordance with provisions in the DWRF Rules. The statute also provided for a notification procedure to the Colorado General Assembly for emergency projects added to the eligibility list.*



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To the extent that there is a sufficient number of eligible projects to fund, the state shall use at least 15 percent of all funds credited to the DWRF account on an annual basis to provide loan assistance to systems serving 10,000 persons or less.

*In 2001 and 2002 there was one drinking water loan (\$3,566,522 for the City of Grand Junction) executed with a community that had a population in excess of 10,000 persons. The remaining nine loans executed in 2001 and 2002 (in the amount of \$19,388,137) benefited communities with a population of 10,000 or less.*

Coordinate with other funding agencies to fund and complete drinking water projects identified in the IUPs.

*The agencies involved in the DWRF administration have worked together and with other applicable state and federal funding agencies. A Funding Coordination Committee meets on a regular basis throughout the year to discuss upcoming projects and the resources available to meet individual drinking water system needs given a community's financial and managerial capability.*

*Funding sources identified to help systems include: the Water Quality Control Division's Drinking Water Grant Program, the Community Development Block Grants, the Colorado Energy and Mineral Impact Program, the Colorado Water Conservation Board and the U.S. Department of Agriculture-Rural Development Program.*

Leverage additional funds for the DWRF beyond the EPA capitalization grant amount to accommodate the estimated demand for eligible projects in 2001, 2002 and thereafter.

*The DWRF was leveraged consistently on a scale of approximately 3 to 1 to ensure that there would be enough monies available to fund anticipated loans in 2001, 2002 and subsequent years.*

The Authority Board of Directors made the following policy changes during 2001 and 2002 in the implementation of the DWRF Program:

*Planning and design grants were initiated in 2001 to help needy systems address front-end project development and engineering expenses. \$50,000 was reserved for this purpose in 2001. Due to the popularity of the grant program, \$100,000 was made available in 2002.*

*In 2001, the interest rate on direct loans was set a 4% for loans not exceeding \$1 million. This interest rate is still in effect.*

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The WQCD will revise the State Environmental Review policy specific to the DWRF program.

*The existing environmental review process in place has proven to be adequate for projects undertaken in 2001 and 2002. However, revisions may be proposed by WQCD in 2003 to provide an enhanced level of simplification.*

The WQCD will investigate a legislative change recommended by the State of Colorado auditors to allow the DWRF program to fund privately owned public water systems.

*This recommendation was proposed to program stakeholders. The Colorado Municipal League expressed concern that broadening the eligibility criteria to include private systems would diminish the pool available to public entities. Until this concern is resolved, it is unlikely that a state legislative change would be successful.*

The DLG is planning to conduct a series of training workshops in 2001 and 2002 to help build financial and managerial capacity of small rural public water systems around the state.

*In May 2002 DLG conducted a series of six water and sewer system management workshops around the state. Subjects covered included water quality regulations, emergency management and utility security, and an update on recent legislative activity and program changes. As a result of the 2002 drought, DLG also worked with the Colorado Rural Water Association to present a series of four drought and water conservation workshops during the month of July.*

*For 2003, DLG has scheduled another series of six water and sewer system management workshops targeting small communities in rural areas throughout the state. Subjects covered will include water resources technical issues, the relationship between geology and water quality, funding programs, and a description of the impacts of the 2002 drought on local utilities. The funding presentation will feature speakers from DLG, WQCD and CWRPDA.*

### C. OTHER PROGRAM ACCOMPLISHMENTS

- Due to a large number of projected loans from the WPCRF and a small number of loans from the DWRF, the WQCD and the Authority met with a stakeholders group on August 6, 2002 to evaluate the feasibility of transferring funds from the DWRF to the WPCRF. Based on the Water Quality Control Commission, the Board of Health, and the Governor's approvals, a transfer of approximately \$8 million dollars (including the state match) will be made from the DWRF into the WPCRF in 2003. No transferred funds will be used for administrative purposes. As described in the table below, \$8,000,000 in grant funds and state match was transferred from the WPCRF to the DWRF in 1999. This transfer would

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return the \$8,000,000 to the WPCRF. The transfer diminishes the loan capacity of the DWRF by approximately \$24 million (leverage ratio of approximately 3 multiplied by \$8.0 million) and increases the loan capacity of the WPCRF by an equal amount. Assuming a FY 2003 WPCRF grant award of \$10.6 million and re-loan funds of over \$10 million, the 2003 loan capacity of the WPCRF (utilizing the transferred funds) is estimated to be over \$80 million. Since several large water pollution projects are expected to need funds in 2003, WPCRF loan demand is expected to utilize all available loan capacity. The long-term need for the WPCRF is more than \$700,000,000.

The following table itemizes the amount of net SRF funds available for transfer between the two programs.

Year	Transaction	Banked Transfer Ceiling	Transferred from WPCRF – DWRF	Transferred from DWRF- WPCRF	WPCRF Funds Available for Transfer	DWRF Funds Available for Transfer
1997	CG Award	\$5.6	-----	-----	\$5.6*	\$5.6*
1998	CG Award	8.8	-----	-----	8.8	8.8
1999	CG Award	12.1	-----	-----	12.0	12.0
1999	Transfer	12.1	\$8.0	-----	4.1	20.1
2000	CG Award	15.6	-----	-----	7.6	23.6
2001	CG Award	19.1	-----	-----	11.1	27.1
2002	CG Award	23.6	-----	-----	15.6	31.6
2003	CG Award	28.0	-----	-----	20.0	36.0
2003	Transfer	28.0	-----	\$8.0	28.0	28.0

\*Transfers could not occur until one year after the DWRF had been established.

- The average effective interest rate on loans issued during 2001 and 2002 was four percent.
- Program management partners streamlined the TMF review process. The revised version includes a user guide for program participants that provides a comprehensive overview of the review process and a step-by-step approach to complying with the necessary documentation demonstrating the system's capability. A specific time schedule for internal review was also developed along with a clear delineation of staffing roles and responsibilities.
- Due to the drought and wildfire events during the summer of 2002, an extensive outreach effort was undertaken to solicit information from public and private water systems impacted. This information was compiled and shared with other state and federal agencies that manage funding assistance programs for public and private non-profit water systems. The needs identified were listed as an attachment in the 2003 Intended Use Plan. WQCD was able to offer emergency assistance through its Supplemental Environmental Program fund and a

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portion of its EPA Performance Partnership Grant program to provide relief to systems most critically affected by these events. Monitoring of the most vulnerable systems continues to occur into 2003.

- WQCD continued its efforts to solicit state general fund appropriations to assist public and private non-profit drinking water systems in both 2001 and 2002. Unfortunately, due to budget constraints caused by a weakening state economy, the budget request has been denied during this period of time. WQCD will continue to seek a general fund appropriation in future years in accordance with state statutory provisions.

### V. FINANCIAL STATUS OF THE DWRF

The DWRF was created by state statute in 1995 prior to the enactment of the 1996 Amendments to the SDWA. Under this legislation the Colorado General Assembly directed the transfer of approximately \$7,253,915 to the DWRF. The final transfer occurred in March 1998. In addition to the funds transferred by the General Assembly, the Authority has appropriated and authorized the transfer of \$17,776,957 to be deposited into the DWRF for a total of \$25,030,872 in state funds. No further transfers of state funds are anticipated.

A federally capitalized DWRF was authorized by the 1996 Amendments to the SDWA and was established in Colorado with the receipt of the first capitalization grant in September 1997. This program requires the state to match the total amount of each federal grant with a 20 percent contribution of state funds. This state match amount must be deposited entirely into the loan fund, which must be maintained in perpetuity. Loan fund amounts are not available for non-project activities.

The CWRPDA has made 17 direct loans for \$5,818,692 utilizing state funds only. These funds are kept separate from the federal portion of the DWRF. This separation allows repayments from these loans to be made available for state match in the future. The remaining \$19,212,180 is available for use as state match. Of this amount, \$13,438,516 has been used for state match through December 31, 2002. As of December 31, 2002, \$10,417,506 is available for state match from the uncommitted funds mentioned above, repayments from state loans and interest earnings.

The DWRF provides both direct loans and leveraged loans to finance projects. Direct loans (up to \$1,000,000) are generally made to smaller projects and borrowers that are not as credit worthy and these loans are funded with re-loan dollars. This allows the program to provide low interest loans to small public water systems without going to the bond market and incurring those associated costs. Based on an effort to keep the rates for direct loans at or below the leveraged loan rate, the interest rate is set at 4.0% (for 2002) that includes a fee of eight tenths of a percent for administration.

Leveraged loans are provided to grade borrowers with projects in excess of \$1 million. A leveraged loan (composed of grant funds, state match funds and bond proceeds with a maximum amount of \$15,000,000 per borrower) uses the reserve fund concept, whereby grant funds and re-loan funds in the DWRF are used

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as the source of security for bonds that are sold to increase the loan capacity. The leveraged loan interest rate is 80% of the market rate on the bonds and includes the administrative fee of eight tenths of a percent per year. The market rate on the bonds is determined on the day of pricing (sale) as the “all-in bond yield” (all costs considered) of the “AAA” rated drinking water revenue bonds.

The administrative surcharge on all loans, eight tenths of a percent, ensures long-term administration of the DWRF and provides potential opportunities for grant assistance to small public water systems. In the future, the funds may be deposited in the DWRF to fund loans. The administrative fee supplements the 4% administrative set-aside from the capitalization grant. The fee is deposited into an account separate from the DWRF and is used for costs associated with the DWRF (i.e., Authority, WQCD and DLG staffing and expenses and other operation expenses of the DWRF). The amount of administrative fees received from DWRF loans for 2001 and 2002 was \$2,228,950. These funds were used to fund direct program costs including legal and accounting fees, trustee fees, and other consultant fees, in addition to labor and overhead allocations of the Authority, WQCD and DLG. Total costs for administration of the DWRF for 2001 and 2002 was \$1,948,698, a portion of which was paid from DWRF set aside grant monies available. Additionally, administrative fee income was used to fund a planning and/or design grant program that will continue into the future.

Following is a table showing the administrative fee account:

Year	Loan Admin Fee Revenue	Cap Grant Draws for Admin Exp.	Other Income		Admin Expenses	Net Income
1997	23,408	84,411	171,149	<sup>1</sup>	(281,642)	(2,674)
1998	251,210	205,130	75,000	<sup>1</sup>	(559,680)	(28,340)
1999	609,066	287,502	88,425	<sup>1</sup>	(735,077)	249,916
2000	931,797	302,679	-		(769,629)	464,847
2001	1,079,384	337,571	-		(999,422)	417,533
2002	1,149,566	322,256	-		(949,276)	522,546
Totals	4,044,431	1,539,549	334,574		(4,294,726)	1,623,828

<sup>1</sup> Transfers from DWF Funding Account or paid from the State Direct Loan Administrative Fee Account

Leveraging the fund is appropriate where financing needs significantly exceed available funds; however, it impacts the DWRF by reducing the interest rate subsidy provided or reducing future loan capacity. During 2001 and 2002, drinking water project needs are compared with the loan capacity of the DWRF for that respective year. Even though demand for loans during these years were less than the projected loan capacity, it is in the best interest of the program to continue leveraging in order to maintain the flexibility to meet anticipated future needs. By continuing to leverage, the program will be able to assist more communities currently on the eligibility list. In addition, it will help those communities meet the needs that will be added to the list when the arsenic and radon standards are set. Given that the leveraged loan rate of 80% of market

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rate has produced an average loan rate of between 3.75 and 4.5%, leveraging has not created a loan rate significantly different than the direct loan rate. Although no interest income on the grant funds and state match funds accrue to the DWRF from the leveraged loans, the long-term or perpetual nature of the DWRF remains in place.

Effective January 1, 1999, the State was given authority in the administration of the DWRF and the Water Pollution Control Revolving Fund to “cross-collateralize” or pledge moneys on deposit in one fund to act as additional security for bonds secured by moneys on deposit in the other fund. This mechanism has been utilized for both programs since this time and, as a result, the bond ratings for both programs were upgraded to AAA by all three bond rating agencies. This upgrade translates to lower interest rates and thereby more savings to the borrowers of both programs. **Exhibit D** is a table that shows the financial status of the DWRF as of December 31, 2001 and December 31, 2002.

### VI. 2001 AND 2002 PROJECT STATUS

**Exhibit A** presents a summary of all DWRF loans executed including those that occurred during the reporting years. Below is a summary of each project/loan made in 2001 and 2002. The project summaries are grouped by watershed. Also listed is the status of previous projects with loans executed prior to January 1, 2001 that have not completed construction as of December 31, 2002.

#### South Platte Watershed

**Town of Wellington** – Located in northern Larimer County, the town received a direct loan on November 1, 2001 for \$1 million with an effective interest rate of 4% and a term of 20 years. The project included replacement and upgrades to the treatment facility and the installation/upgrades to the storage facilities. The total population being served is 2,672. The total project cost was \$1,600,000. The project began in October, 2001 and was completed in June, 2002.

**Evergreen Metropolitan District** – The district, located in western Jefferson County, received a leveraged loan for \$2,036,129.62 on April 16, 2002 with an effective interest rate of 4% and a term of 21 years. This is the district’s second leveraged loan for the same project. The project includes extensive treatment plant upgrades, new transmission lines, piping upgrades and storage tank replacement. The plant consists of an innovative membrane technology never before used in Colorado. Construction began on April 1, 2000 and was completed in February 2003.

**City of Idaho Springs**– The city received a leveraged loan for \$2,339,796.89 on April 16, 2002 with an effective interest rate of 3.99% and a term of 21 years. The previous facility had a long history of turbidity violations. Following a boil order issued by the WQCD in October 2001, the city redesigned and completed the construction of a new plant in May of

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2002. An interim loan was needed to meet the aggressive project schedule. An Energy and Mineral Impact Grant was also a critical part of the financing package.

**Thunderbird Water and Sanitation District** – The small district, located in Douglas County, received a direct loan for \$400,000 on August 27, 2002 with an effective interest rate of 4% and a term of 20 years. As with the previous project/loan in 1999, the community is replacing a well.

**City of Greeley** – Received a loan on May 1, 1999 in the amount of \$14,999,038 with an interest rate of 3.802%. The project consisted of: construction of water treatment plant and pipeline upgrades to replace aging infrastructure and prevent future violations of drinking water standards. Construction began in June 1999 and was completed on August 16, 2002.

**Town of Julesburg** – Received a loan on May 1, 1999 in the amount of \$994,600 with an interest rate of 3.809%. This small town also received grant assistance from the Department of Local Affairs and grant and loan funds from the Department of Agriculture, Rural Development. The project consisted of constructing a reverse osmosis treatment facility to remedy compliance issues with nitrates. Construction started on September 16, 1999 and was completed on January 20, 2001. A dedication ceremony was held in May of 2001.

**Left Hand Water District** – Received a loan on May 1, 1999 in the amount of \$6,571,538 with an interest rate of 3.802%. The project includes treatment system upgrades and intake structure rehabilitation. This project will improve the drinking water quality and prevent future violations of drinking water regulations. Construction began in February 2000 and is nearing completion.

**Town of Limon** – Received a loan on April 1, 2000 in the amount of \$1,440,809 at an interest rate of 4.41%. The Town is a small community that also received grant funds from the Water Quality Control Division. The project included treatment system upgrades because of compliance problems with secondary standards. Construction began in November 2000 and was completed in May 14, 2002. A dedication ceremony was held in July of 2002.

**City of Westminster** – Received a loan on April 1, 2000 in the amount of \$14,998,357 with an interest rate of 4.40%. The project included construction of a new 6.6 MGD microfiltration water treatment plant to replace aging infrastructure and prevent future violations of drinking water standards. Construction began in February 2001 and was completed in July of 2002.

### Upper Colorado Watershed

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**Town of Hayden** – The town received a direct loan for \$1,000,000 on April 30, 2002 with an effective interest rate of 4% for a term of 20 years. The project consists of a major upgrade to the town's existing treatment plant including the construction of a new high service pumping station, renovation of existing filters, conversion of flocculation basin to three chambers, relocation of chemical feed points, replacement of raw water pumps, change carbon feed to slurry and create a baffled clear-well. The \$1.4 million plant improvements will be completed during the summer of 2003 serving the town's entire population of nearly 2,000 residents.

**Town of Dillon** – The town received a direct loan for \$1,000,000 on October 18, 2002 with an effective interest rate of 4% and a term of 10 years. The project involves switching the entire facility from conventional treatment to microfiltration technology. Construction is underway and should be completed during the summer of 2003.

**Town of Basalt** – The community received a \$1,000,000 direct loan on December 19, 2002 with an effective interest rate of 4% and a term of 20 years. A microfiltration plant was constructed to treat the groundwater supply that was determined to be under the direct influence of groundwater. The plant includes two 0.5 MGD treatment trains to serve over 2,500 residents.

### Lower Colorado Watershed

**City of Grand Junction** – The city was issued a leveraged loan for \$3,566,521.69 on April 16, 2002 with an effective interest rate of 4.02% for a term of 20 years. The project will replace 8.9 miles or roughly 20% of the City's water distribution lines to coincide with the combined sewer elimination project, also funded with revolving fund loan proceeds. The lines are located in the older residential and commercial areas of the City. The project will improve fire flows and reduce maintenance costs from frequent line breaks. It is anticipated that the project will be completed before the end of 2003.

### Arkansas Watershed

**City of Woodland Park** – The city received a direct loan for \$800,000 on March 13, 2002 with an effective interest rate of 4% for a term of 20 years. The city has completed a well field that lowered the City's drinking water contaminants including radium, radon and ethylene below maximum contaminant levels (MCLs). The project consisted of finishing the well field, treating water from the wells for radon and ethylene dibromide at a new pump station facility, and pumping the raw water to the main treatment plant for blending and further treatment. Construction was completed in 2002.

**City of La Junta** – The city received a leveraged loan for \$9,812,211.15 on April 16, 2002 with an effective interest rate of 4%. The City's water supply has various contaminants that



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are near or exceed maximum allowable drinking water limits including uranium, gross alpha, radon and sulfate. The City's wastewater has high levels of chlorides due in part to domestic water softeners. The new, advanced plant will serve the City of La Junta, portions of the City's service area north of the Arkansas River in the North La Junta area, and the Industrial Park and Golf Course located approximately three miles to the north of the City. In addition, the new plant may serve some smaller water districts immediately adjacent to the City. Major construction activities for the new WTP will include construction of the WTP, modifications to the wellhead facilities in the City's well fields, extension of a new raw water line to the WTP site, and construction of a concentrate pipeline. Estimated completion is spring of 2004.

### VII. NON-PROJECT ACTIVITY STATUS DRAFT

WQCD may set aside portions of the FFY 2001 and 2002 capitalization grant for non-project (set-aside) related activities. The purpose of the set-asides is to provide the funds needed to administer the DWRF program, as well as to meet other programmatic requirements of the 1996 Amendments to the SDWA. A list of the set-asides follows:

- Administration
- Small System Training and Technical Assistance
- State Drinking Water Program Management
- Local Assistance and Other State Programs:
- Source Water Assessment and Protection Program
- Wellhead Protection Program
- Capacity Development

A summary of each set-aside with activity highlights to date is outlined below.

#### **Administration**

The purpose to the administration set-aside is two-fold: (1) to cover the on-going cost of administering the DWRF and (2) to provide technical assistance to public water systems.

These functions were funded by revenue derived from an administrative surcharge of 0.8% that is imposed on each approved leveraged loan. The administrative surcharge revenue covered all DWRF program administrative and technical assistance expenses during the two years covered in this report. Therefore, the four percent share of the capitalization grants that is allowed to be set-aside for these activities was allocated entirely to the DWRF project account for use in financing community water system improvements. The WQCD has reserved the right to use the capitalization grant funds for administrative expenses in future years. This reserve amount is \$952,132 (i.e. \$419,212 in 2001 and \$532,920 in 2002).

## **COLORADO DWRF BIENNIAL REPORT**

The DWRF program has consistently met its performance requirements for program administration. EPA concluded in a 2002 annual review of the DWRF program that the state is managing the program in accordance with applicable statutes and regulations and that all SRF loans are adequately secured.

### **Small System Training and Technical Assistance (SSTTA)**

The SSTTA program is designed to provide outreach training and technical assistance to the operators and managers of the state's smallest drinking water systems. In 2001 and 2002, a two percent set-aside was taken by the state from the capitalization grants for SSTTA assistance activities. The WQCD chairs the SSTTA work group that coordinates training programs for managers and operators of small systems (i.e. systems serving less than 3,300 population). Training providers enlisted during the 2001 and 2002 reporting period include the American Water Works Association (Leadville Operators School), Colorado Rural Water Association, Pat McGlothlin and Associates and the Rocky Mountain Water and Wastewater Operators and Distribution School. EPA provided approval for SSTTA work plans prior to any funds expended for this purpose. The number of small systems benefiting from the training offered was 331. The number of people enrolled and served by training programs was 701.

The SSTTA set-aside for 2001 was \$209,606 and for 2002 the amount was \$266,460. Program expenses for the two year period was \$302,126. Any balance remaining may be transferred to the DWRF project account.

### **State Drinking Water Program Management**

An integral part of Colorado's drinking water program is included within this management component. EPA has approved annual work plans submitted by the state for the following program functions:

- Administration of the State Public Water Supply Supervision (PWSS) program and compliance monitoring
- Data management
- Enforcement
- Compliance assistance
- Source water protection programs
- Capacity development programs
- Operator certification program

A ten percent set aside of the EPA annual capitalization grants may be used by the state for drinking water program management activities. \$505,620 was set-aside in 2001 and another \$505,620 in

## COLORADO DWRF BIENNIAL REPORT

2002. WQCD was able to meet EPA match requirements by utilizing a variety of other funding sources.

These set-aside funds were used to support 6.5 full time employees for implementation of the specific program requirements associated with the 1996 reauthorization of the SDWA. WQCD staff has been allocated to the state drinking water program manager's office, the drinking water and wastewater technical services unit, the compliance monitoring and data management unit and the compliance assurance and enforcement program.

Staff was assigned during calendar years 2001 and 2002 to address EPA requirements for increased sanitary survey elements, sanitary survey frequency, capacity development reviews, data management, technical assistance, non-compliance investigation and response, and administration of set-aside programs. In addition, WQCD staff continues to work on fulfilling specific regulatory initiatives that require increased data handling and enforcement for the following rules: interim enhanced surface water treatment rule, disinfectant/disinfection by-product rule, consumer confidence report rule and the public notification rule. WQCD staff has also be involved in drafting new regulations for public involvement requirements and implementation manuals for rules that have been adopted.

In addition, funds from this set-aside were used to reimburse the consumer protection division for administering the non-community drinking water system sanitary survey initiative using local health departments as part of the capacity development program.

### **Local Assistance and Other State Programs**

A fifteen percent set-aside of the EPA annual capitalization grants may be used by WQCD to support five different program activities: the Source Water Assessment Program (SWAP), the Wellhead Protection Program (WHP), Capacity Development, land acquisition for SWAP and loans for local public water systems to implement source water protection. No more than ten percent (of the fifteen percent set aside) may be used for any one of the local assistance programs.

In 2001 and 2002, only the WHP program and Capacity Development were funded. No funding was set aside to make loans to public water systems for land acquisition or to implement voluntary, incentive based source water quality protection measures.

#### **Source Water Assessment Program**

This program was established to delineate and assess source water areas for surface and ground water systems. SWAP assessments must be completed by the EPA extension date of April, 2004. The WQCD set aside a one-time allocation of \$1,678,410 from FFY 1997 funds to support this program. Accomplishments made during the reporting period include: development of a SWAP website: ([www.cdphe.state.co.us/wq/sw/swaphom.html](http://www.cdphe.state.co.us/wq/sw/swaphom.html)), collection of location data (lat/longs) for surface water intakes, development and maintenance of a spatial data library, preliminary

## COLORADO DWRF BIENNIAL REPORT

development of a web-enabled GIS mapping website, the completion of the first phase of source water assessment area delineations for all public surface water supplies, conducted contaminant source inventories for public surface water supplies in the state (anticipate completion of all surface water supply sites in 2003) and initiated the development of a data analysis toolset to be used in generating susceptibility analyses and source water assessment reports for all public water supplies in the state (anticipate completion in 2004). Utilization of a public involvement process is a necessary aspect in the implementation of the program.

During 2001 and 2002, \$1,010,674 was expended for SWAP activities. As of December 31, 2002 a balance of \$462,799 was available in the program account.

### **Wellhead Protection Program**

Under the WHP program, there are two technical phases associated with the assessment portion of the program: (1) delineation of source water areas for ground water systems, and (2) inventory of potential sources of contamination.

In accordance with the requirements of the SWAP program, the third technical phase of the SWAP program, determining the susceptibility of the public water system's to contamination, must be applied to assessing public ground water supplies so that assessment results are consistent between surface water and ground water supplies. A public involvement process is an integral component of all three phases.

WQCD set aside \$500,000 in 2001 and another \$500,000 in 2002 to support this program. Accomplishments made during the reporting period coordinated by the SWAP project manager includes: the development and maintenance of a SWAP website that includes WHP ([www.cdphe.state.co.us/wq/sw/swaphom.html](http://www.cdphe.state.co.us/wq/sw/swaphom.html)), collection of location data (lat/longs) for drinking water wells, the completion of the first phase of source water assessment area delineations for all public surface water supplies, conducted contaminant source inventories for public surface water supplies in the state (anticipate completion of all surface water supply sites in 2003) and initiated the development of a data analysis toolset to be used in generating susceptibility analyses and source water assessment reports for all public water supplies in the state (anticipate completion in 2004).

During 2001 and 2002, \$1,355,652 was expended for WHP activities. As of December 31, 2002 a balance of \$1,311,048 was available in the program account.

### **Capacity Development**

The capacity development program assists new and existing systems achieve and maintain technical, managerial and financial capacity. WQCD set aside \$650,000 in 2001 and \$650,000 in 2002 to support this initiative. Program accomplishments made during the reporting period include:

## COLORADO DWRF BIENNIAL REPORT

- Implementation of new system capacity reviews using the “New Water System Capacity Planning Manual” to evaluate the technical, managerial and financial (TMF) capacity for new systems. This review was made for 7 new water systems across the state.
- Implementation of existing system capacity reviews using Chapter 3 of the DWRF Handbook of Procedures. Evaluation of technical, managerial, and financial capacity to assess the TMF capacity of existing systems that receive funding under the DWRF. This review was conducted for 12 entities applying for SRF funds.
- Conducted 1,171 on-site sanitary surveys through the consumer protection division in conjunction with local health departments. This effort will eventually involve annual sanitary surveys of approximately 800 non-community ground water systems and will provide limited technical assistance to public water systems inspected.
- Through a private contract for professional engineering services, conducted comprehensive performance evaluations (CPE’s) of 63 surface water systems that did not demonstrate at least 99.9 percent (3 log) removal of particulates as measured by the microscopic particulate analyses (MPA) test.
- Continued implementation of the Colorado Strategy for Arsenic Reduction (COSTAR) project to assist public water systems with compliance of the revised arsenic standards. This project provided assistance to 32 water systems.
- Initiated operator training to ensure compliance with the disinfectant/disinfection by-products and interim enhanced surface water treatment rules.

Of the amount allocated for capacity development, \$705,055 was expended during 2001 and 2002. As of December 31, 2002 a balance of \$2,477,739 was available in the program account.

### Set-Aside Funding Summary

The following table documents the amount of the set-aside funding to date, the amount expended and the balances remaining:

DWRF - Status of Set Aside Grants				
December 31, 2002				
Set-Aside	Grant Amount	Last Draw	Cumulative Draw	Amount Remaining
<b>Administration</b>				
1997	\$ 671,364	9/1/00	\$ 671,364	\$ 0
1998	\$ 383,272	11/28/01	\$ 383,272	\$ 0
1999	\$ 401,704	11/13/02	\$ 341,640	\$ 60,064
2000	\$ 417,488		\$ -	\$ 417,488
2001	\$ 0		\$ -	\$ 0

**COLORADO DWRF BIENNIAL REPORT**

<b>2002</b>	\$ 0		\$ -	\$ 0
<b>Capacity Development</b>				
<b>*1998</b>	\$ 650,000	10/15/02	\$ 650,000	\$ 0
<b>*1999</b>	\$ 650,000	12/13/02	\$ 122,261	\$ 527,739
<b>*2000</b>	\$ 650,000		\$ -	\$ 650,000
<b>*2001</b>	\$ 650,000		\$ -	\$ 650,000
<b>2002</b>	\$ 650,000		\$ -	\$ 650,000

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<b>Public Water System Supervision</b>				
*2000	\$ 505,620	8/15/02	\$ 505,620	\$ 0
*2001	\$ 505,620	12/3/02	\$ 182,842	\$ 322,778
*2002	\$ 505,620		\$ -	\$ 0
<b>Small System Training and Technical Assistance</b>				
*1997	\$ 335,682	3/31/00	\$ 54,150	\$ 0
*1998	\$ 191,636	1/31/02	\$ 191,636	\$ 0
*1999	\$ 200,852	12/13/02	\$ 110,490	\$ 90,363
*2000	\$ 208,744		\$ -	\$ 208,744
2001	\$ 209,606		\$	\$ 209,606
2002	\$ 266,460		\$	\$ 266,460
<b>Source Water Assessment and Protection</b>				
*1997	\$ 1,678,410	12/13/02	\$ 1,215,611	\$ 462,799
<b>Wellhead Protection</b>				
*1998	\$ 787,270	10/2/02	\$ 750,832	\$ 36,438
*1999	\$ 354,260	10/31/02	\$ 298,919	\$ 55,341
*2000	\$ 525,170	12/3/02	\$ 305,901	\$ 219,269
*2001	\$ 500,000		\$ -	\$ 500,000
2002	\$ 500,000		\$ -	\$ 500,000

Note: The 1997 Capacity Development set-aside of \$839,205 was transferred to the DWRF

### VIII. COMPLIANCE WITH GRANT AND OPERATING AGREEMENT

The State must comply with specific performance requirements described below that are contained within the EPA/State of Colorado Operating Agreement. This listing of the individual requirements address Colorado's obligations as set forth in regulation – 40 CFR 35.3550. The performance requirements are listed in block style print and the work activities by the state are listed in italics.

- a. The Colorado General Assembly has established an instrumentality of the State and enacted enabling DWRF legislation, found in Section 37-95-103(1), C.R.S., as required by Section 130 of the SDWA.

*The Colorado Water Resources and Power Development Authority was created by state statute with broad powers aimed at protecting, developing, upgrading and conserving state water resources. By statute, the Authority can enter into loans in*

## COLORADO DWRF BIENNIAL REPORT

*order to finance public system drinking water improvements of governmental agencies through the DWRF.*

- b. As required by Section 130, the State agrees to comply with all State statutes and regulations that are applicable to the DWRF, including Federal capitalization grant funds, state match, interest earnings, bond proceeds, repayments, and funds used for non-project activities.

*See Audit Reports (Attachments 3 and 4) for compliance with this condition.*

- c. The State will allocate adequate personnel and resources to establish and maintain the DWRF.

*Proposed staffing plans are included as part of the DWRF Operating Agreement executed by the three state partners.*

- d. With each capitalization grant, the State will negotiate a payment schedule with EPA and submit an estimate of the quarterly cash draws from the EPA Automated Clearing House (EPA-ACH) by the third quarter of each Federal fiscal year. The State agrees to accept grant payments in accordance with the negotiated payment schedule that is consistent with proposed binding commitments outlined in the IUP.

*The payment schedules and estimate of cash draws are negotiated each year with the capitalization grant.*

- e. The State will establish and maintain a separate DWRF account into which project-related funds, including the State Match and loan repayments, will be deposited. Separate accounts will be maintained for portions of the capitalization grants which will be used for non-project activities. Amended applications may be submitted transferring unused capitalization grant funds which were available for non-project activities into the DWRF account.

*The State has established and does maintain a separate DWRF account. (See attached audit reports.)*

- f. As required by Section 1452(G), the State agrees to provide an amount equaling 20 percent of each capitalization grant by having the Authority deposit the required match into the DWRF at the time of cash draw.

*The Authority deposits the required match into the DWRF account at the time of cash draw.*

- g. The State agrees to credit all funds, except as otherwise allowed, including repayment of principal and interest into the DWRF account.



## COLORADO DWRF BIENNIAL REPORT

*Except for eligible fees, set-asides, and state match reimbursement for set-asides, all funds are deposited into the DWRF account.*

- h. As required by the DWSRF Program Guidelines, the State has established fiscal controls and accounting procedures sufficient to assure sound accounting procedures and in accordance with generally accepted accounting principals. The State uses the latest edition of “Standards for Audit of Governmental Organizations, Programs, Activities, and Functions published by the Government Accounting Office.”

*The State requires DWRF loan recipients to maintain project accounting in accordance with “generally accepted accounting principles.” This requirement is implemented through conditions in the loan agreement.*

*The State also complies with fiscal controls and accounting procedures in the administration of the DWRF and meets the new requirements of 40 CFR Part 35, Subpart L.*

- i. The DWRF and set-asides will be audited annually in accordance with Generally Accepted Government Auditing Standards.

*Audits are conducted on an annual basis. See audit reports (Attachment 3 and 4).*

- j. The State has established policies and procedures in the form of loan covenants to assure that borrowers have a dedicated source of funds for repayment of the loans.

*Established policies and procedures are outlined in the State’s credit report requirements that borrowers must comply with through the loan application and loan agreement processes.*

- k. As required by Section 1452(g)(3), the State will commit and expend all funds as efficiently as possible. The State will enter into binding commitments with recipients of the DWRF equal to the total amount of each grant payment and state match deposited in the fund within one year of the grant payment.

*Since the State leverages its program, it enters into binding commitments well over the 120% requirement. (See **Exhibit B.**)*

- l. The DWRF Rules that establish procedures for the Board of Health to adopt proposed additions and modifications to the Project Eligibility List for eligible drinking water projects.

## COLORADO DWRF BIENNIAL REPORT

*The DWRF rules have not been amended since 1998. A state statutory change was made in 2002 that established the procedure for adding projects to the eligibility list that were deemed to be emergencies in accordance with provisions in the DWRF Rules.*

*The statute also provides for a notification procedure to the Colorado General Assembly for emergency projects added to the eligibility list.*

- m. The State will annually revise the IUP. The IUP includes a project eligibility list that identifies projects that may qualify for a loan during that fiscal year. The IUP will also specify the use of set-asides, provide a description of the criteria and method established for the distribution of funds as well as the financial status of the DWRF. Any intended transfers between the DWRF and the Water Pollution Control Revolving Fund will also be identified in the IUP. The DWRF IUP is available for public review and comment through the approval process.

*The State annually revises the IUP and includes a priority/fundable list along with the project eligibility list. The project eligibility list is required by state statute and the remainder of the IUP contents is developed to meet federal regulations. (See Attachments 1 and 2.)*

- n. As required by Section 1452(g)(4), the State agrees to make DWRF biennial reports to EPA on the actual use of funds including the set-aside funds. The State will report how it has met the goals and objectives for the previous fiscal years as identified in the IUP and in accordance with information required by the DWRF program guidelines.

*The State meets this condition through the submission of this biennial report and the development of the annual IUP.*

- o. The State agrees to comply with all applicable Federal cross-cutting authorities in existence at the time that a loan recipient receives a binding commitment from the DWRF.

*All applicable cross-cutting federal requirements are complied with through procedures established in the loan application review, environmental review process, loan agreement, and boiler-plate contract provisions in the plans and specifications for the project.*

*WQCD complies with the provisions of Executive Order 12432 and EPA's Minority and Women's Business Enterprise Program (MBE/WBE), unless otherwise negotiated for construction work financed using DWRF funds. The State also agrees to submit the appropriate forms to the MBE/WBE Coordinator at EPA, Region VIII within 30 days after the end of each federal fiscal year quarter.*

*An "Availability Analysis" conducted by BBC Research and Consulting was finalized in October 2002. The analysis report established goals for fiscal years 2003 through*

## COLORADO DWRF BIENNIAL REPORT

2005. *The goals are 6.1% MBE and 6.6% WBE for all four categories (i.e. construction, supplies, Services and equipment).*

*During 2001 and 2002, the State utilized MBE/WBE firms for overall construction services, investment brokering services, arbitrage rebate services, and underwriting. **Exhibit E** is the tracking system used to ensure compliance with the quarterly submittal of federal 5700-52A reporting forms.*

***Exhibit F** is a table listing those systems that have certified compliance with Civil Rights requirements during 2001 and 2002.*

- p. The State agrees that it will conduct an environmental review. A specific determination (e.g. categorical exclusion, environmental assessment or environmental impact statement) will be executed using a NEPA-like state process approved by EPA that includes a public notification and involvement process.

*An environmental review process was conducted for each of the projects funded during 2001 and 2002. The detailed environmental review record for each specific project is included in the individual WQCD project file. A summary is provided as follows:*

### **Finding of No Significant Impact:**

<u>Borrower</u>	<u>Publication Date</u>
City of Woodland Park	May 16,2001
Town of Wellington	May 30, 2001
City of Idaho Springs	November 21, 2001
Evergreen Metropolitan District	February 13, 2002
Town of Hayden	April 17, 2002
Town of Basalt	June 5, 2002
City of La Junta	July 16, 2002
Thunderbird Water and Sanitation District	July 25, 2002

### **Categorical Exclusion Determination:**

<u>Borrower</u>	<u>Publication Date</u>
Project 7 Water Authority	March 4, 2002
Town of Dillon	September 20, 2002
City of Grand Junction	December 19, 2001

- q. The use of set-a-sides for DWRF program administration, Small System Training and Technical Assistance, Source Water Assessment and Protection, Wellhead Protection and Capacity Development will be identified every year in the IUP and work plans established in accordance with the DWRF Program Guidelines.

April 30, 2003

## COLORADO DWRF BIENNIAL REPORT

*The State includes all set-aside uses in the IUP and prepares work plans for EPA's approval in accordance with guidelines and new regulations.*

## COLORADO DWRF BIENNIAL REPORT

r. Specific Requirements under Title I:

In accordance with Section 1420(a) of the SDWA, the State has authority to ensure that all new community water systems and new non-transient, non-community water systems commencing operation after October 1, 1999, can demonstrate technical, managerial, and financial capability with respect to each national primary drinking water regulation in effect or likely to be in effect on the date of operations. The State's authority shall be reviewed for compliance after EPA has established guidelines.

*The Capacity Development Strategy required under Section 1420(c) was provided to EPA on August 4, 2000. The state has submitted the required reports on the efficacy of the strategy and progress made toward improving the technical, managerial, and financial capability of public water systems in the state.*

In accordance with 1420(a) of the SDWA, the State shall obtain the legal authority or other means to ensure that all new community water systems and new non-transient, non-community water systems commencing operation after October 1, 1999, demonstrate their technical, managerial and financial capacity.

*Senate Bill 98-179 was passed to address this condition.*

The State will ensure that funds are provided to systems that "have the technical, managerial, and financial capability to ensure" compliance with drinking water regulations Section 1452 (a)(3) of the SDWA.

*The State initially documented capacity based on the original draft handbook of procedures. EPA determined that the process was not adequate and a condition was established in the FFY 2000 Capitalization grant. The condition allowed the State to use the process approved by EPA under the "New Water System Capacity Planning Manual" to create a process for existing systems. The WQCD completed a process for existing systems that was acceptable to EPA on April 19, 2001. This system is now being used to document technical, managerial and financial capacity on public water systems receiving DWRF loans from FFY 2000 capitalization grant funds and thereafter.*

The State currently has a water and wastewater treatment plant operators certification program within the Water Quality Control Division.

*House Bill 1431 adopted by the Colorado General Assembly in 2000 revised the existing Colorado operators certification program, in part to meet new federal requirements. The WQCD and the Water and Wastewater Facility Operators Certification Board have developed a program to implement the new federal*

## COLORADO DWRF BIENNIAL REPORT

*requirements, in accordance with the revised state statute. A program was submitted to EPA and approved by the February 5, 2001 deadline.*

- s. Privately-owned systems are ineligible under the State's existing legislation.

*In 2000, State of Colorado program auditors proposed changes to the Authority's legislation that would allow funding to privately-owned public water systems; however, the proposal was opposed by the Colorado Municipal League and was not pursued any further.*

- t. As required by Section 37-60-126, C.R.S., the Authority will ensure compliance with the Colorado Water Conservation Act of 1991.

*This requirement is addressed in each project credit report.*

- u. The State will consider a program for disadvantaged communities at a later date.

*During 2001 and 2002, the state funded a grant program using general fund appropriations to address the financial capacity needs of disadvantage public water system providers. However, funding for the program was cut in 2002 due to state budget shortfalls. The DWRF program continues to offer small grants to communities under 10,000 to assist with planning and/or design costs before borrowing funds from the DWRF. These grants were first made available in 2001. A broader program to assist disadvantage communities through the DWRF is still under consideration.*

- v. Each year (but prior to fiscal year 2002) starting one year after the State establishes its DWRF, the State may reserve up to 33 percent of the DWSRF capitalization grant and transfer the funds to the Water Pollution Control Revolving Fund. That same dollar amount (33% of the DWSRF capitalization grant) may be reserved and transferred from the WPCRF to the DWRF. Consideration and amounts to be transferred will be identified in the DWRF IUP and the WPCRF IUP.

No transfers occurred between the two funds during 2001 and 2002.

### **IX. FUTURE DWRF ACTIVITIES**

- A transfer of \$8 million is proposed from the state's DWRF to the state's WPCRF. The amount includes the funds from the FFY 2003 capitalization grant and the proportionate state match share. The transfer returns an equal amount of funds to the WPCRF that were transferred to the DWRF in 1999.

## COLORADO DWRF BIENNIAL REPORT

- Due to market rate fluctuations based on a slumping national and state economy, interest rates have continued to decline over the last 12 month period of time. The DWRF program management partners are considering a downward adjustment in the fixed interest rate offered for direct loans. (The interest rate for leverage loans will always vary due to a variety of market factors at the time bonds are issued). The Authority board of directors will consider this agenda item during 2003.
- The state will further consider a Disadvantage Communities program in compliance with the Grant and Operating Agreement.
- A shared project data base system is in the development stage. It is anticipated that the system will be fully operational in 2003. The database will provide an enhanced project management tool for program administrators.
- Continue to involve other state and federal funding agencies in the Funding Coordination Committee. This effort facilitates communication among these parties and optimizes the limited resources available to address drinking water needs throughout the state.
- Revise specific sections of the “Handbook of Procedures” on an as needed basis.

DWRF Biennial Report

**RIDER 1**  
**AUTHORITY LEVERAGING**

The DWRF was leveraged consistently on a scale of approximately 3 to 1 to ensure that there would be enough monies available to fund anticipated loans in 2001, 2002 and subsequent years.



DWRF Biennial Report

**RIDER 2**  
**AUTHORITY POLICY CHANGES**

Initiated in 2001 the Planning and Design Grants in the amount of \$50,000 annually to assist small systems with meeting the requirements of the DWRF.

In 2001 the interest rates for direct loans was changed to 4% and direct loans could be made up to \$1,000,000.

In 2002 the Planning and Design Grants made available increased from \$50,000 annually to \$100,000 annually.

## **Exhibit A**

### **DWRF Loan Summary (1997 – 2002)**

Colorado Water Resources & Power Development Authority  
**DRINKING WATER REVOLVING FUND (DWRP)**  
**LOAN SUMMARY REPORT as of 12/31/02**

<b>LEVERAGED LOAN PROGRAM</b>										
NUMBER OF SRF LEVERAGED LOANS FUNDED:		21								
BOND ISSUE	BORROWER	LOAN EXECUTED	DATE of BOND ISSUE	ORIGINAL LOAN AMOUNT	LOAN TERM	EFFECTIVE INTEREST RATE	FEDERAL GRANT AMOUNT	STATE MATCH PROVIDED	DWSRF RELOAN FUNDS USED	
1997A	Arapahoe Estates Water District	10/01/97	10/22/97	\$1,048,332.75	20 YEARS	4.150%	\$388,360.00	\$98,332.75		C
1997A	Englewood, City of	10/01/97	10/22/97	15,292,635.61	21 YEARS	4.140%	5,361,910.00	1,357,635.61		C
1997A	Fort Collins, City of	10/01/97	10/22/97	10,125,299.77	20 YEARS	4.120%	3,614,928.00	915,299.77		C
1998A	Buena Vista, Town of	06/01/98	06/23/98	1,324,119.65	20 YEARS	4.010%	490,204.00	124,119.65		C
1998A	Fort Morgan, City of	06/01/98	06/23/98	15,433,355.38	21 YEARS	4.020%	5,641,214.00	1,428,355.38		C
1999A	Aurora, City of	05/01/99	05/20/99	14,999,898.55	15 YEARS	3.633%	4,751,500.00	1,024,898.55		C
1999A	Fort Collins, City of	05/01/99	05/20/99	4,998,394.59	20 YEARS	3.808%	1,870,165.00	403,394.59		C
1999A	Glenwood Springs, City of	05/01/99	05/20/99	4,999,017.40	19 YEARS	3.773%	1,710,790.00	369,017.40		C
1999A	Grand County W&S District	05/01/99	05/20/99	2,998,566.15	19 YEARS	3.783%	1,036,468.00	223,566.15		C
1999A	Greeley, City of	05/01/99	05/20/99	14,999,038.36	20 YEARS	3.802%	5,280,660.00	1,139,038.36		C
1999A	Julesburg, Town of	05/01/99	05/20/99	994,599.70	20 YEARS	3.809%	392,210.00	84,599.70		C
1999A	Left Hand Water District	05/01/99	05/20/99	6,571,538.04	20 YEARS	3.802%	2,139,722.00	461,538.04		C
2000A	Evergreen Metropolitan District	04/15/00	05/10/00	5,577,981.71	21 YEARS	4.390%	1,786,069.00	452,981.71		C
2000A	Fountain Valley Authority	04/15/00	05/10/00	7,607,966.23	21 YEARS	4.400%	2,633,735.00	667,966.23		C
2000A	Limon, Town of	04/15/00	05/10/00	1,440,808.84	21 YEARS	4.410%	436,910.00	110,808.84		C
2000A	Pueblo Board of Waterworks	04/15/00	05/10/00	9,558,794.83	23 YEARS	4.600%	2,499,000.00	633,794.83		C
2000A	Westminster, City of	04/15/00	05/10/00	14,998,357.36	21 YEARS	4.400%	4,764,452.00	1,208,357.36		C
2002A	Evergreen Metropolitan District	04/01/02	04/16/02	2,036,129.62	21 YEARS	4.000%	764,260.00	181,129.62		C
2002A	Grand Junction, City of	04/01/02	04/16/02	3,566,521.69	21 YEARS	4.020%	1,082,370.00	256,521.69		C
2002A	Idaho Springs, City of	04/01/02	04/16/02	2,339,796.89	21 YEARS	3.990%	906,316.00	214,796.89		C
2002A	La Junta, City of	04/01/02	04/16/02	9,812,211.15	21 YEARS	4.000%	3,300,469.00	782,211.15		C
<b>TOTAL LEVERAGED LOANS</b>				<b>\$150,723,364.27</b>			<b>\$50,851,712.00</b>	<b>\$12,138,364.27</b>	<b>\$0.00</b>	

<b>SRF DIRECT LOAN PROGRAM</b>									
NUMBER OF SRF DIRECT LOANS FUNDED:		15							
BORROWER	LOAN EXECUTED	ORIGINAL LOAN AMOUNT	LOAN TERM	EFFECTIVE INTEREST RATE	FEDERAL GRANT AMOUNT	STATE MATCH PROVIDED	DWSRF RELOAN FUNDS USED		
1997	Gand Lake, Town of	10/29/97	20 YEARS	4.500%	394,988.00	100,012.00	0.00	C	
1998	Chatfield South Water District	07/13/98	20 YEARS	4.500%	581,310.00	147,190.00	0.00	C	
1998	Left Hand W&S District	09/11/98	20 YEARS	4.500%	150,574.00	38,126.00	0.00	C	
1999	Julesburg, Town of	05/01/99	Paid in Full	N/A	543,757.00	149,243.00	0.00	C	
1999	Thunderbird W&S District (#1)	06/01/99	20 YEARS	4.500%	223,623.00	61,377.00	0.00	C	
1999	La Junta, City of	10/15/99	20 YEARS	4.500%	384,475.00	105,525.00	0.00	C	
2000	Sedalia W&S Distirct	03/19/00	20 YEARS	4.500%	255,794.00	70,206.00	0.00	C	
2000	Springfield, Town of	07/28/00	20 YEARS	4.500%	274,209.00	75,261.76	0.00	C	
2000	Craig, City of	12/15/00	5 YEARS	4.000%	353,089.00	96,911.00	0.00	C	
2001	Wellington, City of	11/01/01	20 YEARS	4.000%	746,500.00	253,500.00	0.00	C	
2002	Woodland Park, City of	03/13/02	20 YEARS	4.000%	597,200.00	202,800.00	0.00	C	
2002	Hayden, Town of	04/30/02	20 YEARS	4.000%	0.00	0.00	1,000,000.00	F	
2002	Thunderbird W&S District (#2)	08/27/02	20 YEARS	4.000%	0.00	0.00	400,000.00	F	
2002	Dillon, Town of	10/18/02	10 YEARS	4.000%	0.00	0.00	1,000,000.00	F	
2002	Basalt, Town of	12/19/02	20 YEARS	4.000%	0.00	0.00	1,000,000.00	F	
<b>TOTAL FEDERAL PROGRAM DIRECT LOANS</b>					<b>\$9,153,916.39</b>	<b>\$4,505,519.00</b>	<b>\$1,300,151.76</b>	<b>\$3,400,000.00</b>	

Colorado Water Resources & Power Development Authority  
**DRINKING WATER REVOLVING FUND (DWRP)**  
**LOAN SUMMARY REPORT as of 12/31/02**

<b>STATE DIRECT LOAN PROGRAM</b>	
NUMBER OF NON-SRF DIRECT LOANS FUNDED:	17

	<u>BORROWER</u>	<u>LOAN EXECUTED</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>LOAN TERM</u>	<u>EFFECTIVE INTEREST RATE</u>	<u>FEDERAL GRANT AMOUNT</u>	<u>STATE MATCH PROVIDED</u>	
1995	Idledale W&S District	07/10/95	250,000.00	20 YEARS	4.500%	0.00	0.00	C
1995	Fairplay #1, Town of	08/01/95	250,000.00	20 YEARS	4.500%	0.00	0.00	C
1995	Minturn, Town of	08/11/95	300,000.00	20 YEARS	4.500%	0.00	0.00	C
1995	Empire, Town of	08/24/95	331,432.00	20 YEARS	4.500%	0.00	0.00	C
1995	Elizabeth, Town of	10/01/95	500,000.00	20 YEARS	4.500%	0.00	0.00	C
1996	Lake Creek Metropolitan District	01/12/96	500,000.00	20 YEARS	4.500%	0.00	0.00	C
1996	Fraser, Town of	04/15/96	200,000.00	5 YEARS	4.500%	0.00	0.00	C
1996	Baca Grande, W&S District	02/01/96	500,000.00	10 YEARS	4.500%	0.00	0.00	C
1996	Firestone, Town of	06/31/96	95,000.00	10 YEARS	4.500%	0.00	0.00	C
1996	Nunn, Town of	08/12/96	330,260.00	20 YEARS	4.500%	0.00	0.00	C
1996	Lochbuie, Town of	08/28/96	352,000.00	20 YEARS	4.500%	0.00	0.00	C
1996	Lyons, Town of	08/19/96	500,000.00	21 YEARS	4.500%	0.00	0.00	C
1996	Bayfield, Town of	11/15/96	350,000.00	20 YEARS	4.500%	0.00	0.00	C
1997	Fairplay #2, Town of	07/25/97	200,000.00	20 YEARS	4.500%	0.00	0.00	C
1997	Idaho Springs, Town of	10/15/97	500,000.00	20 YEARS	4.500%	0.00	0.00	C
1997	Westlake W&S District	08/19/97	250,000.00	20 YEARS	4.500%	0.00	0.00	C
1998	Redstone W&S District	12/01/97	410,000.00	20 YEARS	4.500%	0.00	0.00	C
<b>TOTAL STATE PROGRAM DIRECT LOANS</b>			<b><u>\$5,818,692.00</u></b>			<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	

TOTAL NUMBER OF DWRP LOANS FUNDED:	53		
<b>TOTAL AMOUNT OF DIRECT LOANS</b>	<b>\$14,972,608.39</b>	<b><u>\$4,505,519.00</u></b>	<b><u>\$1,300,151.76</u></b>
<b>TOTAL AMOUNT OF LEVERAGED LOANS</b>	<b>\$150,723,364.27</b>	<b><u>\$50,851,712.00</u></b>	<b><u>\$12,138,364.27</u></b>
<b>TOTAL DWF PROGRAM LOANS</b>	<b><u>\$165,695,972.66</u></b>	<b><u>\$55,357,231.00</u></b>	<b><u>\$13,438,516.03</u></b>
<b>TOTAL DW SRF LEVERAGED and DIRECT LOANS</b>	<b><u>\$159,877,280.66</u></b>	<b><u>\$55,357,231.00</u></b>	<b><u>\$13,438,516.03</u></b>

Legend	
A - State Match Cash Provided by Authority	E - State Match Cash provided from Direct Loan
B - State Match Cash Provided by DWRP Admin. Acct.	Pre-Construction Account Interest Income (Cash)
C - State Match Cash Provided by DWRP Funding Acct.	F - Loan Funding Provided from DWSRF Reloan Funds
D - State Match Cash Provided by Borrower	

Colorado Water Resources and Power Development Authority  
DRINKING WATER REVOLVING FUND  
Loan Status Report  
As of DECEMBER 31, 2002

Type	Borrower	Outstanding Balance	Current	Original / Amended Balance	Loan Rate	Loan Date	Final Payment Date
DS	Baca Grande W&SD	\$179,600	Yes	\$500,000	4.500%	02/01/96	12/01/05
DS	Bayfield, Town of	278,527	Yes	350,000	4.500%	11/15/96	09/01/16
DS	Elizabeth, Town of	382,402	Yes	500,000	4.500%	10/01/95	01/01/15
DS	Empire, Town of	246,601	Yes	331,432	4.500%	08/24/95	03/01/16
DS	Fairplay, Town of (Loan #1)	182,407	Yes	250,000	4.500%	08/01/95	06/01/15
DS	Fairplay, Town of (Loan #2)	165,349	Yes	200,000	4.500%	07/25/97	12/01/17
DS	Firestone, Town of	38,802	Yes	95,000	4.500%	06/13/96	06/01/06
DS	Idaho Springs, City of	416,598	Yes	500,000	4.500%	10/15/97	05/01/17
DS	Idledale W&SD	183,866	Yes	250,000	4.500%	07/10/95	03/01/15
DS	Lake Creek Metropolitan Dist.	364,147	Yes	500,000	4.500%	01/12/96	09/01/15
DS	Lochbuie, Town of	274,097	Yes	352,000	4.500%	08/28/96	09/01/16
DS	Lyons, Town of	403,595	Yes	500,000	4.500%	08/19/96	06/01/17
DS	Minturn, Town of	223,214	Yes	300,000	4.500%	08/11/95	03/01/16
DS	Nunn, Town of	259,231	Yes	330,260	4.500%	08/12/96	12/01/16
DS	Redstone W&SD	344,205	Yes	410,000	4.500%	12/01/97	11/01/17
DS	Westlake W&SD	192,298	Yes	250,000	4.500%	08/19/97	05/01/17
<b>Totals for DWF State Funded Direct Loans</b>		<b>\$4,134,938</b>		<b>\$5,618,692</b>			
DF	Basalt, Town of	1,000,000	Yes	1,000,000	4.000%	12/19/02	11/01/22
DF	Chatfield South Water Dist.	630,948	Yes	728,500	4.500%	07/13/98	05/01/18
DF	Craig, City of	299,417	Yes	450,000	4.000%	12/15/00	11/01/05
DF	Dillon, Town of	1,000,000	Yes	1,000,000	4.000%	10/18/02	11/01/12
DF	Grand Lake, Town of	412,307	Yes	495,000	4.500%	10/29/97	11/01/17
DF	Hayden, Town of	1,000,000	Yes	1,000,000	4.000%	04/30/02	11/01/22
DF	La Junta, City of	442,408	Yes	490,000	4.500%	10/15/99	11/01/19
DF	Left Hand W&SD	162,090	Yes	188,700	4.500%	09/11/98	05/01/18
DF	Sedalia W&SD	301,525	Yes	326,000	4.500%	03/19/00	11/01/19
DF	Springfield W&SD	321,185	Yes	349,471 *	4.500%	07/28/00	05/01/20
DF	Thunderbird W&SD (Loan #1)	281,000	Yes	285,000	4.500%	06/01/99	05/01/19
DF	Thunderbird W&SD (Loan #2)	400,000	**	400,000	4.000%	08/27/02	11/01/22
DF	Wellington, Town of	988,963	Yes	1,000,000	4.000%	11/01/01	05/01/22
DF	Woodland Park, City of	797,793	Yes	800,000	4.000%	03/13/02	05/01/22
<b>Totals for DWRP Federal Funded Direct Loans</b>		<b>\$8,037,634</b>		<b>\$8,512,671</b>			
97A	Arapahoe Estates Water Dist	827,631	Yes	1,048,333	4.150%	10/01/97	08/01/17
97A	Englewood, City of	12,660,184	Yes	15,292,636	4.140%	10/01/97	08/01/18
97A	Fort Collins, City of	8,146,414	Yes	10,125,300	4.120%	10/01/97	06/01/17
<b>Totals for Loans funded with 1997A Bond Issue proceeds</b>		<b>\$21,634,229</b>		<b>\$26,466,268</b>			
98A	Buena Vista, Town of	1,103,433	Yes	1,324,120	4.010%	06/01/98	08/01/18
98A	Fort Morgan, City of	13,223,868	Yes	15,433,355	4.020%	06/01/98	06/01/19
<b>Totals for Loans funded with 1998A Bond Issue proceeds</b>		<b>\$14,327,301</b>		<b>\$16,757,475</b>			
99A	Aurora, City of	12,482,920	Yes	14,999,899	3.633%	05/01/99	08/01/14
99A	Fort Collins, City of	4,302,209	Yes	4,998,395	3.808%	05/01/99	06/01/19
99A	Glenwood Springs, City of	4,256,723	Yes	4,999,017	3.773%	05/01/99	04/01/18
99A	Grand County W&SD	2,620,369	Yes	2,998,566	3.783%	05/01/99	08/01/18
99A	Greeley, City of	13,235,082	Yes	14,999,038	3.802%	05/01/99	08/01/19
99A	Julesburg, Town of	879,838	Yes	994,600	3.809%	05/01/99	08/01/19
99A	Left Hand Water Dist.	5,678,841	Yes	6,571,538	3.802%	05/01/99	05/15/19
<b>Totals for Loans funded with 1999A Bond Issue proceeds</b>		<b>\$43,455,983</b>		<b>\$50,561,053</b>			
00A	Evergreen Metropolitan Dist.	5,158,953	Yes	5,577,982	4.390%	04/15/00	08/01/20
00A	Fountain Valley Authority	7,021,473	Yes	7,607,966	4.400%	04/15/00	08/01/20
00A	Limon, Town of	1,332,477	Yes	1,440,809	4.410%	04/15/00	08/01/20
00A	Pueblo Board of Waterworks	9,558,795	Yes	9,558,795	4.600%	04/15/00	08/01/22
00A	Westminster, City of	13,565,411	Yes	14,998,357	4.400%	04/15/00	06/01/20
<b>Totals for Loans funded with 2000A Bond Issue proceeds</b>		<b>\$36,637,109</b>		<b>\$39,183,909</b>			

Colorado Water Resources and Power Development Authority  
 DRINKING WATER REVOLVING FUND  
 Loan Status Report  
 As of DECEMBER 31, 2002

Type	Borrower	Outstanding Balance	Current	Original / Amended Balance	Loan Rate	Loan Date	Final Payment Date
02A	Evergreen Metropolitan Dist.	2,036,130	Yes	2,036,130	4.000%	04/01/02	08/01/22
02A	Grand Junction, City of	3,566,522	Yes	3,566,522	4.020%	04/01/02	08/01/22
02A	Idaho Springs, City of	2,339,797	Yes	2,339,797	3.990%	04/01/02	08/01/22
02A	La Junta, City of	9,812,211	Yes	9,812,211	4.000%	04/01/02	08/01/22
<b>Totals for Loans funded with 2002A Bond Issue proceeds</b>		<b>\$17,754,660</b>		<b>\$17,754,660</b>			

Loans Paid in Full or Defeased as of December 31, 2002							
Type	Borrower	Loan Date		Original/ Amended Loan Amount	Date Defeased and/or Paid in Full		
DL	Fraser, Town of	04/15/96		200,000	Paid in Full 08/16/01		
I	Julesburg, Town of	10/17/00		693,000	Paid in Full 12/15/00		
TOTAL Loans Paid in Full or Defeased				\$893,000			

Total Loans Funded through the DWF	\$131,654,553	\$ 165,747,728
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Total Number of Loans Funded	53
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\* Original loan amount differs from amount stated on the loan agreement due to subsequent amendments. Amendment details are located in various Authority files.  
 \*\* Scheduled loan repayments have not commenced.

## **Exhibit B**

### **2001 – 2002 Binding Commitments**

Colorado Water Resources & Power Development Authority  
**DRINKING WATER REVOLVING FUND (DWRP)**  
 BINDING COMMITMENTS as of December 31, 2002

FED. YEAR	FED. QTR.	E.P.A. CAPITALIZATION GRANTS - PAYMENTS to LOC						TOTAL DRINKING WATER SRF FUND PAYMENTS to EPA LOC	STATE FUNDS TO MATCH GRANT FUNDS	CUMULATIVE SRF PAYMENTS to EPA LOC plus STATE MATCH	EXECUTED LOANS	CUMULATIVE BINDING COMMITMENTS	PERCENTAGE of BINDING COMMITMENTS
		1997 GRANT	1998 GRANT	1999 GRANT	2000 GRANT	2001 GRANT	2002 GRANT						
FY97	2							0	0	\$0	0	\$0	
FY97	3							0	0	\$0	0	\$0	
FY97	4	13,259,439						13,259,439	3,356,820	\$16,616,259	0	\$0	
FY98	1							0	0	\$16,616,259	26,961,268	\$26,961,268	
FY98	2							0	0	\$16,616,259	0	\$26,961,268	
FY98	3		7,569,622					7,569,622	1,916,360	\$26,102,241	16,757,475	\$43,718,743	
FY98	4							0	0	\$26,102,241	917,200	\$44,635,943	268.6281%
FY99	1							0	0	\$26,102,241	0	\$44,635,943	268.6281%
FY99	2							0	0	\$26,102,241	0	\$44,635,943	268.6281%
FY99	3	839,205		8,034,080				8,873,285	1,607,016	\$36,582,542	51,539,053	\$96,174,996	368.4549%
FY99	4			401,704				401,704	401,504	\$37,385,750	0	\$96,174,996	368.4549%
FY00	1			6,666,667				6,666,667	1,333,333	\$45,385,750	490,000	\$96,664,996	370.3322%
FY00	2							0	0	\$45,385,750	326,000	\$96,990,996	371.5811%
FY00	3				7,733,696			7,733,696	2,087,440	\$55,206,886	39,183,909	\$136,174,905	372.2401%
FY00	4				396,482			396,482	0	\$55,603,368	349,471	\$136,524,376	365.1776%
FY01	1							0	0	\$55,603,368	450,000	\$136,974,376	301.8004%
FY01	2							0	0	\$55,603,368	0	\$136,974,376	301.8004%
FY01	3	281,532				8,615,074		8,896,606	2,096,060	\$66,596,034	0	\$136,974,376	248.1110%
FY01	4							0	0	\$66,596,034	0.00	\$136,974,376	246.3419%
FY02	1							0	0	\$66,596,034	1,000,000.00	\$137,974,376	248.1403%
FY02	2							0	0	\$66,596,034	800,000	\$138,774,376	249.5791%
FY02	3				11,400,920			11,400,920	2,664,600	\$80,661,554	18,754,659	\$157,529,035	236.5442%
FY02	4							0	0	\$80,661,554	400,000	\$157,929,035	237.1448%
FY03	1							0	0	\$80,661,554	2,000,000	\$159,929,035	240.1480%
<b>TOTALS</b>		<u>\$14,380,176</u>	<u>\$7,569,622</u>	<u>\$15,102,451</u>	<u>\$8,130,178</u>	<u>\$8,615,074</u>	<u>\$11,400,920</u>	<u>\$65,198,421</u>	<u>\$15,463,133</u>		<u>\$159,929,035</u>		

\* The required "Percentage of Binding Commitments" has been met when the total federal grant funds allocated as Drinking Water SRF Funds plus the total state match for the total grant award have been committed within one year of the date the Capitalization Grant is awarded.

\*\* Floating Rate (Cumulative Binding Commitments / Cumulative Payments to EPA LOC plus SM one year earlier.)



## **Exhibit C**

# **2001 – 2002 EPA Capital Contributions Summaries**

Colorado Water Resources & Power Development Authority  
 DRINKING WATER REVOLVING FUND  
 EPA FEDERAL GRANT DRAW SUMMARY  
 As of December 31, 2002

DWF GRANT SUMMARY							
	1997 GRANT	1998 GRANT	1999 GRANT	2000 GRANT	2001 GRANT	2002 GRANT	TOTAL GRANTS
GRANT AMOUNT AWARDED	(a) \$16,784,100	\$9,581,800	(b) \$16,709,267	\$10,437,200	\$10,480,300	\$13,323,000	\$77,315,667
GRANT DATE	SEP 23, 1997	MAY 22, 1998	APR 27, 1999	APR 27, 2000	May 29, 2001	Apr 11, 2002	
GRANT I.D. NUMBER	#FS998657-97-3	#FS998832-98-1	#FS998832-99-3	#FS998832-00-0	#FS998832-01-0	#FS998832-02-0	
DATE of FINAL LOC CASH DRAW							
DATE GRANT CLOSED ADMINISTRATIVELY BY EPA							

**GRANT FUNDS ALLOCATED TO SET-ASIDES:**

Administration	\$671,364	\$383,272	\$401,704	\$417,488	\$0	0	\$1,873,828
Capacity Development (Local Assist.)	0	650,000	650,000	650,000	650,000	650,000	3,250,000
PWS Supervision (State Program)	0	0	0	505,620	505,620	505,620	\$1,516,860
Source Water Protection	1,678,410	0	0	0	0	0	1,678,410
Small Systems Technical Assistance	(a) 54,150	191,636	200,852	208,744	209,606	266,460	\$1,131,448
Wellhead Protection (Local Assist.)	0	787,270	354,260	525,170	500,000	500,000	2,666,700
<b>Total Set-Aside Funds</b>	<b>\$2,403,924</b>	<b>\$2,012,178</b>	<b>\$1,606,816</b>	<b>\$2,307,022</b>	<b>\$1,865,226</b>	<b>\$1,922,080</b>	<b>\$12,117,246</b>

<b>GRANT FUNDS AVAILABLE FOR SRF LOAN PROGRAM</b>	<b>\$14,380,176</b>	<b>\$7,569,622</b>	<b>\$15,102,451</b>	<b>\$8,130,178</b>	<b>\$8,615,074</b>	<b>\$11,400,920</b>	<b>\$65,198,421</b>
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**DWF SET-ASIDE DRAW SUMMARY**

	1997 GRANT	1998 GRANT	1999 GRANT	2000 GRANT	2001 GRANT	2002 GRANT	TOTAL GRANTS
<b>SET ASIDE DRAWS</b>							
ADMINISTRATIVE	671,364	383,272	341,640				1,396,276
CAPACITY DEVELOPMENT		650,000	122,261				772,261
PWS SUPERVISION				505,620	182,842		688,462
SOURCE WATER PROTECTION (SWAP)	1,215,611						1,215,611
TECHNICAL ASSISTANCE - SMALL SYSTEMS (SSTTA)	54,150	191,636	110,490				356,276
WELLHEAD PROTECTION		750,832	298,919	305,901			1,355,652
<b>TOTAL SET-ASIDE FUNDS DRAWN</b>	<b>1,941,125</b>	<b>1,975,740</b>	<b>873,310</b>	<b>811,521</b>	<b>182,842</b>	<b>0</b>	<b>5,784,538</b>

**SET ASIDE GRANT FUNDS REMAINING**

ADMINISTRATIVE		0	60,064	417,488	0	0	477,552
CAPACITY DEVELOPMENT		0	527,739	650,000	650,000	650,000	2,477,739
PWS SUPERVISION				0	322,778	505,620	828,398
SOURCE WATER PROTECTION	462,799						462,799
TECHNICAL ASSISTANCE - SMALL SYSTEMS	0	0	90,362	208,744	209,606	266,460	775,172
WELLHEAD PROTECTION		36,438	55,341	219,269	500,000	500,000	1,311,048
<b>TOTAL SET-ASIDE FUNDS REMAINING</b>	<b>462,799</b>	<b>36,438</b>	<b>733,506</b>	<b>1,495,501</b>	<b>1,682,384</b>	<b>1,922,080</b>	<b>6,332,708</b>

Colorado Water Resources & Power Development Authority  
 DRINKING WATER REVOLVING FUND  
 EPA FEDERAL GRANT DRAW SUMMARY  
 As of December 31, 2002

**DWF LOAN PROGRAM DRAW SUMMARY**

**DWRF LOAN PROJECT DRAWS**

	1997 GRANT	1998 GRANT	1999 GRANT	2000 GRANT	2001 GRANT	2002 GRANT	TOTAL GRANTS
<b>DIRECT LOANS - with FEDERAL FUNDS REMAINING:</b>							
WOODLAND PARK					559,915		559,915
<b>LEVERAGED LOANS - with FEDERAL FUNDS REMAINING:</b>							
1998A BUENA VISTA	406,195	26,405	15,084	19,112	1,454		468,250
1999A GRAND COUNTY W&S DIST		42,522	295,420	524,884			862,826
1999A GREELEY	281,532	1,486,171	2,404,903	784,031	218,297		5,174,934
1999A LEFT HAND WATER DIST	15,335	125,120	1,098,766	450,357	60,392		1,749,970
2000A EVERGREEN METRO DIST			933,783	79,984	593,694		1,607,461
2000A WESTMINSTER				3,360,793	1,358,169		4,718,962
2002A GRAND JUNCTION							0
2002A LA JUNTA					550,096		550,096
<b>DIRECT LOANS - FEDERAL FUNDS FULLY DRAWN:</b>							
CHATFIELD SOUTH WATER DIST	283,601	297,709					581,310
CRAIG			353,089				353,089
GRAND LAKE	142,238	11,719	241,031				394,988
JULESBURG			543,757				543,757
LA JUNTA		384,475					384,475
LEFT HAND W&S DIST	149,821		753				150,574
SEDALIA W&S DIST			88,567	167,227			255,794
SPRINGFIELD			274,209				274,209
THUNDERBIRD W&S DIST		217,496	6,127				223,623
WELLINGTON				370,105	345,902		716,007
<b>LEVERAGED LOANS - FEDERAL FUNDS FULLY DRAWN:</b>							
1997A ARAPAHOE ESTATES WATER DIST	388,359						388,359
1997A ENGLEWOOD	3,804,421	1,312,251	245,238				5,361,910
1997A FORT COLLINS	3,538,043		76,885				3,614,928
1998A FORT MORGAN	5,347,602	293,612					5,641,214
1999A AURORA		1,593,260	2,558,368	599,872			4,751,500
1999A FORT COLLINS	23,029	925,840	921,296				1,870,165
1999A GLENWOOD SPRINGS		688,703	847,169	174,871	47		1,710,790
1999A JULESBURG		164,339	227,871				392,210
2000A FOUNTAIN VALLEY AUTH			2,633,735				2,633,735
2000A LIMON			19,695	376,128	41,087		436,910
2000A PUEBLO			1,316,705	1,144,809	37,486		2,499,000
2002A EVERGREEN METRO DIST				78,005	686,255		764,260
2002A IDAHO SPRINGS					906,316		906,316
<b>TOTAL FEDERAL PROJECT FUNDS DRAWN</b>	<b>14,380,176</b>	<b>7,569,622</b>	<b>15,102,451</b>	<b>8,130,178</b>	<b>5,359,110</b>	<b>0</b>	<b>50,541,537</b>

SRF LOAN GRANT FUNDS REMAINING      **\$0**      **\$0**      **\$0**      **\$0**      **\$3,255,964**      **\$11,400,920**      **\$14,656,884**

Amendments:

(a) Originally, 5% of the 1997 Grant (\$839,205) was set-aside for Capacity Development. All of the Capacity Development set-aside funds were transferred to the 1997 Grant SRF Loan Account (April 1999). Originally, 2% of the 1997 Grant (\$335,682) was set-aside for Small System Technical Assistance. \$281,532 of the Small System Technical Assistance set-aside funds were transferred to the 1997 Grant SRF Loan Account (May 2001).

(b) Includes a \$6,666,667.00 transfer of funds from the WPCRF SRF Program's 1998 Grant (December 1999)

## **Exhibit D**

### **2001 – 2002 Financial Status Reports**

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998657-97-3</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>  pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority (Drinking Water) 1580 Logan Street, Suite 620, Denver, Colorado 80203</b>				
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>	
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>10/01/97</b>	To: (Month, Day, Year) <b>09/30/17</b>	9. Period Covered by this report From (Month, Day, Year) To: <b>01/01/01 12/31/01</b>		
10. Transactions:		I Previously Reported	II This Period	III Cumulative
a. Total outlays		<b>18,382,197</b>	<b>640,609</b>	<b>19,022,806</b>
b. Recipient share of outlays		<b>3,356,861</b>	<b>0</b>	<b>3,356,861</b>
c. Federal share of outlays		<b>15,025,336</b>	<b>640,609</b>	<b>15,665,945</b>
d. Total unliquidated obligations				<b>1,118,155</b>
e. Recipient share of unliquidated obligations				<b>0</b>
f. Federal share of unliquidated obligations				<b>1,118,155</b>
g. Total Federal share (sum of c. and f.)				<b>16,784,100</b>
h. Total Federal funds authorized to this grant period				<b>16,784,100</b>
i. Unobligated balance of Federal funds (line h. minus line g.)				<b>0</b>
11. Indirect Expense	a. Type of Rate Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed <input type="checkbox"/> <b>NOT APPLICABLE</b>			
	b. Rate	c. Base	d. Total Amount	e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.				
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.				
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>		Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official		Date Report Submitted <b>April 11, 2002</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
1997 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/01	
ADMINISTRATION SET-ASIDE	1,873,828	1,074,020	799,808
CAPACITY DEVELOPMENT	2,600,000	238,999	2,361,001
PWS SUPERVISION	1,011,240	172,779	838,461
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	560,255	1,118,155
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	864,988	212,369	652,619
WELLHEAD PROTECTION	2,166,700	611,327	1,555,373
2000 DL - CRAIG	353,089	353,089	0
2000 DL - SEDALIA W&S DIST	255,794	231,252	24,542
2000 DL - SPRINGFIELD	333,473	274,209	59,264
2001 DL - WELLINGTON	784,643	181,097	603,546
1998A - BUENA VISTA SANITATION DIST	490,204	466,796	23,408
1999A - AURORA	4,751,500	4,751,500	0
1999A - GLENWOOD SPRINGS	1,710,790	1,710,743	47
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	798,862	237,606
1999A - GREELEY	5,280,660	4,956,637	324,023
1999A - LEFT HAND WATER DIST	2,139,722	1,654,885	484,837
2000A - EVERGREEN	1,786,069	933,783	852,286
2000A - FOUNTAIN VALLEY AUTH.	2,633,735	2,633,735	0
2000A - LIMON	436,910	309,358	127,552
2000A - PUEBLO	2,499,000	2,418,476	80,524
2000A - WESTMINSTER	4,764,452	2,498,081	2,266,371
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$12,409,423
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TO 1998 GRANT			(\$681,832)
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TO 1999 GRANT			(\$1,525,961)
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TO 2000 GRANT			(\$3,596,654)
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TO 2001 GRANT			(\$5,486,821)
1997 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$1,118,155
1997 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/01			\$0
1997 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/01			\$1,118,155

Colorado Water Resources & Power Development Authority  
**DRINKING WATER FUND**  
**1997 GRANT FINANCIAL STATUS REPORT**  
**FORM 269A, LINES 10(a - c) - OUTLAYS**  
**FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001**

	OUTLAYS		TOTAL
	EPA LOC	STATE MATCH 25.3165%	
SWAP (SET-ASIDE)	359,077	(a)	\$359,077
1999A - GREELEY	281,532 (b)	0	281,532
<b>TOTAL OUTLAYS - 1997 GRANT</b>	<b>\$640,609</b>	<b>\$0</b>	<b>\$640,609</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

(b) The funds for this draw came from the remainder of \$281,532 of Small System Technical Assistance set-aside of the 1997 Grant (which already has been matched) that was converted to the DWRF loan program in 2001.

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-98-1</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>  pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority (Drinking Water) 1580 Logan Street, Suite 620, Denver, Colorado 80203</b>				
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>	
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>06/01/98</b>	To: (Month, Day, Year) <b>06/01/21</b>	9. Period Covered by this report From (Month, Day, Year) To: <b>01/01/01 12/31/01</b>		
10. Transactions:	I Previously Reported	II This Period	III Cumulative	
a. Total outlays	<b>9,618,277</b>	<b>1,198,055</b>	<b>10,816,332</b>	
b. Recipient share of outlays	<b>1,916,364</b>	<b>0</b>	<b>1,916,364</b>	
c. Federal share of outlays	<b>7,701,913</b>	<b>1,198,055</b>	<b>8,899,968</b>	
d. Total unliquidated obligations			<b>681,832</b>	
e. Recipient share of unliquidated obligations			<b>0</b>	
f. Federal share of unliquidated obligations			<b>681,832</b>	
g. Total Federal share (sum of c. and f.)			<b>9,581,800</b>	
h. Total Federal funds authorized to this grant period			<b>9,581,800</b>	
i. Unobligated balance of Federal funds (line h. minus line g.)			<b>0</b>	
11. Indirect Expense	a. Type of Rate Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed <input type="checkbox"/> <b>OTHER - Based on Direct Labor Costs</b> b. Rate <b>0.2379</b> c. Base <b>\$186,697.77</b> d. Total Amount <b>\$41,499.84</b> e. Federal Share <b>\$41,499.84</b>			
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.				
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.				
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>	
Signature of Authorized Certifying Official			Date Report Submitted <b>April 11, 2002</b>	



Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
1998 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/01	
ADMINISTRATION SET-ASIDE	1,873,828	1,074,020	799,808
CAPACITY DEVELOPMENT	2,600,000	238,999	2,361,001
PWS SUPERVISION	1,011,240	172,779	838,461
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	560,255	1,118,155
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	864,988	212,369	652,619
WELLHEAD PROTECTION	2,166,700	611,327	1,555,373
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2000 DL - SEDALIA W&S DIST	255,794	231,252	24,542
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2001 DL - WELLINGTON	784,643	181,097	603,546
1998A - BUENA VISTA SANITATION DIST	490,204	466,796	23,408
1999A - AURORA	4,751,500	4,751,500	0
1999A - GLENWOOD SPRINGS	1,710,790	1,710,743	47
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	798,862	237,606
1999A - GREELEY	5,280,660	4,956,637	324,023
1999A - LEFT HAND WATER DIST	2,139,722	1,654,885	484,837
2000A - EVERGREEN	1,786,069	933,783	852,286
2000A - FOUNTAIN VALLEY AUTH.	2,633,735	2,633,735	0
2000A - LIMON	436,910	309,358	127,552
2000A - PUEBLO	2,499,000	2,418,476	80,524
2000A - WESTMINSTER	4,764,452	2,498,081	2,266,371
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			<u>\$12,409,423</u>
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1997 GRANT			(\$1,118,155)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1999 GRANT			(\$1,525,961)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 2000 GRANT			(\$3,596,654)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 2001 GRANT			<u>(\$5,486,821)</u>
1998 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$681,832
1998 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/01			<u>\$0</u>
1998 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/01			<u><u>\$681,832</u></u>

Colorado Water Resources & Power Development Authority  
**DRINKING WATER FUND**  
**1998 GRANT FINANCIAL STATUS REPORT**  
**FORM 269A, LINES 10(a - c) - OUTLAYS**  
**FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001**

	<b>OUTLAYS</b>		<b>TOTAL</b>
	<b>EPA LOC</b>	<b>STATE MATCH</b> 25.3165%	
ADMINISTRATION (SET-ASIDE)	318,187	(a)	318,187
CAPACITY DEVELOPMENT (SET-ASIDE)	171,793	(a)	171,793
SSTTA (SET-ASIDE)	158,219	(a)	158,219
WELLHEAD PROTECTION (SET-ASIDE)	549,856	(a)	549,856
<b>TOTAL OUTLAYS - 1998 GRANT</b>	<b>\$1,198,055</b>	<b>\$0</b>	<b>\$1,198,055</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY  
DWRF - EPA 269  
For Period Ending December 31, 2001

WQCD									
DATE	BASE AMOUNT		INDIRECT %		INDIRECT AMOUNT		TOTAL AMOUNT		FEDERAL
	ON-SITE	OFF-SITE	ON-SITE	OFF-SITE	ON-SITE	OFF-SITE	ON-SITE	OFF-SITE	
October-99	22,849.94	5,704.49	22.3%	15.5%	5,095.54	884.20	27,945.48	6,588.69	
November-99	22,367.91	6,729.28	22.3%	15.5%	4,988.04	1,043.04	27,355.95	7,772.32	
December-99	21,543.54	6,203.52	22.3%	15.5%	4,804.21	961.55	26,347.75	7,165.07	
January-00	21,791.55	6,108.23	22.3%	15.5%	4,859.52	946.78	26,651.07	7,055.01	
February-00	23,647.72	6,278.53	22.3%	15.5%	5,273.44	973.17	28,921.16	7,251.70	
March-00	23,058.54	6,302.00	22.3%	15.5%	5,142.05	976.81	28,200.59	7,278.81	
April-00	20,801.90	6,732.75	22.3%	15.5%	4,638.82	1,043.58	25,440.72	7,776.33	
May-00	19,792.38	6,843.91	22.3%	15.5%	4,413.70	1,060.81	24,206.08	7,904.72	
June-00	25,640.58	6,403.70	22.3%	15.5%	5,717.85	992.57	31,358.43	7,396.27	
Total 00	201,494.06	57,306.41			44,933.17	8,882.51	246,427.23	66,188.92	-
2000 Expenses Requisitioned in 2001									
July-00	17,335.27	7,221.53	23.6%	16.6%	4,091.12	1,198.77	21,426.39	8,420.30	
August-00	28,128.82	8,910.26	23.6%	16.6%	6,638.40	1,479.10	34,767.22	10,389.36	
September-00	24,212.74	8,386.47	23.6%	16.6%	5,714.21	1,392.15	29,926.95	9,778.62	
October-00	25,049.80	7,578.93	23.6%	16.6%	5,911.75	1,258.10	30,961.55	8,837.03	
November-00	22,221.11	9,716.14	23.6%	16.6%	5,244.18	1,612.88	27,465.29	11,329.02	
December-00	17,838.10	7,429.71	23.6%	16.6%	4,209.79	1,233.33	22,047.89	8,663.04	
2001 Expenses Requisitioned in 2001									
January-01	24,190.94	12,238.03	23.6%	16.6%	5,709.06	2,031.51	29,900.00	14,269.54	
February-01	37,321.80	9,188.29	23.6%	16.6%	8,807.94	1,525.26	46,129.74	10,713.55	
March-01	18,038.08	9,956.41	23.6%	16.6%	4,256.99	1,652.76	22,295.07	11,609.17	
April-01	27,373.33	17,970.13	23.6%	16.6%	6,460.11	2,983.04	33,833.44	20,953.17	
May-01	32,898.41	18,399.23	23.6%	16.6%	7,764.02	3,054.27	40,662.43	21,453.50	
June-01	28,011.58	17,467.16	23.6%	16.6%	6,610.73	2,899.55	34,622.31	20,366.71	
July-01	955.25	209.70	22.5%	17.7%	214.93	37.12	1,170.18	246.82	
August-01	46,583.99	20,313.35	22.5%	17.7%	10,481.40	3,595.46	57,065.39	23,908.81	
September-01	21,027.44	10,587.49	22.5%	17.7%	4,731.17	1,873.99	25,758.61	12,461.48	
Totals-01	371,186.66	165,572.83			86,845.80	#####	458,032.46	193,400.12	-
2001 Expenses Requisitioned in 2002									
October-01	20,310.06	9,842.23	22.5%	17.7%	4,569.76	1,742.07	24,879.82	11,584.30	
October-01	P&D Grant	10,000.00		1.4%	-	140.00	-	10,140.00	
November-01	25,474.35	12,074.63	22.5%	17.7%	5,731.73	2,137.21	31,206.08	14,211.84	
December-01	22,898.82	10,426.62	22.5%	17.7%	5,152.23	1,845.51	28,051.05	12,272.13	
Total-02	68,683.23	42,343.48			15,453.72	5,864.79	84,136.95	48,208.27	-

DLG							
DATE	TOTAL	INDIRECT	BASE	RATE	FEDERAL	DWRF portion	
						INDIRECT	50% OF (total is split between DWRF & WPCRF)
October-99	10,221.96	1,212.33	9,009.63	13.5%	-	606.17	
November-99	10,379.96	1,212.33	9,167.63	13.2%	-	606.17	
December-99	10,546.06	1,212.33	9,333.73	13.0%	-	606.17	
January-00	10,121.71	1,212.33	8,909.38	13.6%	-	606.17	
February-00	10,204.25	1,212.33	8,991.92	13.5%	-	606.17	
March-00	10,128.70	1,212.33	8,916.37	13.6%	-	606.17	
April-00	11,291.93	1,212.33	10,079.60	12.0%	-	606.17	
May-00	11,825.53	1,212.34	10,613.19	11.4%	-	606.17	
June-00	12,468.14	1,212.34	11,255.80	10.8%	-	606.17	
2000 Expenses Requisitioned in 2001							
July-00	9,913.72	1,080.24	8,833.48	12.2%	-	540.12	
August-00	12,598.90	1,080.24	11,518.66	9.4%	-	540.12	
September-00	10,968.40	1,080.24	9,888.16	10.9%	-	540.12	
October-00	10,819.18	1,080.42	9,738.76	11.1%	-	540.21	
November-00	10,701.10	1,080.42	9,620.68	11.2%	-	540.21	
December-00	11,453.20	1,080.42	10,372.78	10.4%	-	540.21	

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY  
DWRP - EPA 269

For Period Ending December 31, 2001

2001 Expenses Requisitioned in 2001						
January-01	10,664.92	1,080.42	9,584.50	11.3%	-	540.21
February-01	10,937.60	1,080.42	9,857.18	11.0%	-	540.21
March-01	10,629.13	1,080.42	9,548.71	11.3%	-	540.21
April-01	11,280.30	1,080.42	10,199.88	10.6%	-	540.21
May-01	13,174.23	1,080.42	12,093.81	8.9%	-	540.21
June-01	14,318.50	1,080.38	13,238.12	8.2%	-	540.19
July-01	12,639.70	3,055.33	9,584.37	31.9%	-	1,527.67
August-01	13,702.86	3,055.33	10,647.53	28.7%	-	1,527.67
September-01	13,587.13	3,055.33	10,531.80	29.0%	-	1,527.67
2001 Expenses Requisitioned in 2002						
October-01	13,412.81	3,055.33	10,357.48	29.5%	-	1,527.67
November-01	14,146.15	3,055.33	11,090.82	27.5%	-	1,527.67
December-01	13,103.39	3,055.33	10,048.06	30.4%	-	1,527.67

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY  
DWRP - EPA 269  
For Period Ending December 31, 2001

AUTHORITY				
DATE	BASE*	TOTAL AMOUNT**	RATE	Reimbursed from Grant
October-99	28,695.65	7,472.09	0.26039	1997
November-99	17,475.07	5,139.74	0.29412	1997
December-99	32,041.88	6,629.36	0.20690	1997
January-00	18,450.16	3,860.88	0.20926	1997
February-00	19,895.04	3,926.86	0.19738	1997
March-00	27,161.58	8,450.21	0.31111	1997
Totals	143,719.38	35,479.14	0.24653 (averaged)	
April-00	34,058.60	10,781.55	0.31656	1997/1998
May-00	21,256.83	5,046.93	0.23743	1997/1998
June-00	19,385.48	3,023.89	0.15599	1997/1998
Totals	74,700.91	18,852.37	0.23666 (averaged)	
AUTHORITY 2000 Expenses Requisitioned in 2001				
July-00	30,657.83	6,466.42	0.21092	1998
August-00	19,104.76	4,238.15	0.22184	1998
September-00	15,488.25	2,897.72	0.18709	1998
Totals	65,250.84	13,602.29	0.20662 (averaged)	
October-00	38,580.15	10,569.72	0.27397	1998
November-00	23,535.71	5,485.62	0.23308	1998
December-00	20,080.43	4,160.41	0.20719	1998
Totals	82,196.29	20,215.75	0.23808 (averaged)	
AUTHORITY 2001 Expenses Requisitioned in 2001				
<b>1st quarter</b>				
January-01	27,582.58	4,739.36	0.17182	1998
February-01	22,814.96	5,593.02	0.24515	1998
March-01	26,352.93	5,062.16	0.19209	1998
Sub total	76,750.47	15,394.54	0.20302 (averaged)	
<b>2nd quarter</b>				
April-01	19,664.88	5,024.49	0.25551	1998
May-01	19,416.05	3,760.55	0.19368	1998
June-01	26,396.56	5,574.32	0.21118	1998
Sub total	65,477.49	14,359.36	0.22012 (averaged)	
Total 1st & 2nd q	142,227.96	29,753.90	0.21157 (averaged)	1998
plus adj for 3rd qtr	44,469.81	11,745.91	0.26413 (averaged)	1998
Adjusted Total	186,697.77	41,499.81	0.23785 (averaged)	1998
<b>3rd quarter</b>				
July-01	21,497.55	5,171.56	0.24057	1998/1999
August-01	22,089.19	6,919.11	0.31324	1998/1999
September-01	19,485.97	4,568.87	0.23447	1998/1999
Totals	63,072.71	16,659.54	0.26276 (averaged)	see adjustment ----->
AUTHORITY 2001 Expenses Requisitioned in 2002				
October-01	23,025.25	4,575.07	0.19870	1999
November-01	22,806.39	5,063.88	0.22204	1999
December-01	19,608.10	5,134.19	0.26184	1999
Totals	65,439.74	14,773.14	0.22753 (averaged)	
<b>3rd quarter adjusted costs and percentaged applied to 1999 grant</b>				
<b>Total</b>	<b>18,602.90</b>	<b>4,913.63</b>	<b>0.264132474</b>	

3rd quarter adjustment to apportion 1998 and 1999 grant	
Amount drawn from 1998 grant	46,337.00
Amount drawn from 1999 grant	19,384.00
Total 3rd qtr admin drawn from grants	65,721.00
Percentage from 1998 grant	0.7050562
Percentage from 1999 grant	0.2949438
<b>Indirect Costs:</b>	
amount from 1998 grant	11,745.91
amount from 1999 grant	4,913.63
total 2nd qtr indirect costs	16,659.54
<b>Base Costs:</b>	
amount from 1998 grant	44,469.81
amount from 1999 grant	18,602.90
total 3rd qtr base amount	63,072.71

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-99-3</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>	pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority (Drinking Water)</b> <b>1580 Logan Street, Suite 620, Denver, Colorado 80203</b>					
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>		
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>04/12/99</b>	To: (Month, Day, Year) <b>04/30/19</b>	9. Period Covered by this report From (Month, Day, Year) <b>01/01/01</b>		To: <b>12/31/01</b>	
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		<b>12,510,253</b>	<b>6,014,949</b>	<b>18,525,202</b>	
b. Recipient share of outlays		<b>2,352,880</b>	<b>989,016</b>	<b>3,341,896</b>	
c. Federal share of outlays		<b>10,157,373</b>	<b>5,025,933</b>	<b>15,183,306</b>	
d. Total unliquidated obligations				<b>1,525,961</b>	
e. Recipient share of unliquidated obligations				<b>0</b>	
f. Federal share of unliquidated obligations				<b>1,525,961</b>	
g. Total Federal share (sum of c. and f.)				<b>16,709,267</b>	
h. Total Federal funds authorized to this grant period				<b>16,709,267</b>	
i. Unobligated balance of Federal funds (line h. minus line g.)				<b>0</b>	
11. Indirect Expense		a. Type of Rate Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed <input type="checkbox"/> <b>OTHER - Based on Direct Labor Costs</b>			
		b. Rate  <b>0.2641</b>	c. Base  <b>\$18,602.90</b>	d. Total Amount  <b>\$4,913.63</b>	e. Federal Share  <b>\$4,913.63</b>
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.					
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official			Date Report Submitted <b>April 11, 2002</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
1999 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/01	
ADMINISTRATION SET-ASIDE	1,873,828	1,074,020	799,808
CAPACITY DEVELOPMENT	2,600,000	238,999	2,361,001
PWS SUPERVISION	1,011,240	172,779	838,461
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	560,255	1,118,155
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	864,988	212,369	652,619
WELLHEAD PROTECTION	2,166,700	611,327	1,555,373
2000 DL - CRAIG	353,089	353,089	0
2000 DL - SEDALIA W&S DIST	255,794	231,252	24,542
2000 DL - SPRINGFIELD	333,473	274,209	59,264
2001 DL - WELLINGTON	784,643	181,097	603,546
1998A - BUENA VISTA SANITATION DIST	490,204	466,796	23,408
1999A - AURORA	4,751,500	4,751,500	0
1999A - GLENWOOD SPRINGS	1,710,790	1,710,743	47
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	798,862	237,606
1999A - GREELEY	5,280,660	4,956,637	324,023
1999A - LEFT HAND WATER DIST	2,139,722	1,654,885	484,837
2000A - EVERGREEN	1,786,069	933,783	852,286
2000A - FOUNTAIN VALLEY AUTH.	2,633,735	2,633,735	0
2000A - LIMON	436,910	309,358	127,552
2000A - PUEBLO	2,499,000	2,418,476	80,524
2000A - WESTMINSTER	4,764,452	2,498,081	2,266,371
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$12,409,423
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1997 GRANT			(\$1,118,155)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1998 GRANT			(\$681,832)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 2000 GRANT			(\$3,596,654)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 2001 GRANT			(\$5,486,821)
1999 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$1,525,961
1999 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/01			\$0
1999 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/01			\$1,525,961

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
1999 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(a - c) - OUTLAYS  
FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001

	OUTLAYS		
	EPA LOC	STATE MATCH 23.81% or 20% *	TOTAL
Set-Aside Draws - (State Match rolled over to the the Drinking Water Revolving Fund as required.)			
ADMINISTRATION (SET-ASIDE)	\$19,384	\$0	\$19,384
CAPACITY DEVELOPMENT (SET-ASIDE)	0	0	0
SSTTA (SET-ASIDE)	0	0	0
WELLHEAD PROTECTION (SET-ASIDE)	61,471	0	61,471
Draws made at 20% state match percentage (from 6.6 million transfer from Clean Water 1998 Grant)			
2000 DL - SEDALIA W&S DIST	31,353	6,271	37,624
2001 DL - SPRINGFIELD	40,732	8,146	48,878
2000 DL - CRAIG	353,089	70,618	423,707
1998A - BUENA VISTA	5,413	1,083	6,496
1999A - AURORA	1,414,909	282,982	1,697,891
1999A - GLENWOOD SPRINGS	399,867	79,973	479,840
1999A - GRAND COUNTY W&S DIST	46,028	9,206	55,234
1999A - GREELEY	951,938	190,388	1,142,326
1999A - LEFT HAND WATER DIST	403,482	80,696	484,178
2000A - EVERGREEN METRO DIST	106,490	21,298	127,788
2000A - FOUNTAIN VALLEY AUTH	105,431	21,086	126,517
2000A - LIMON	19,695	3,939	23,634
2000A - PUEBLO	1,066,651	213,330	1,279,981
<b>TOTAL OUTLAYS - 1999 GRANT</b>	<b>\$5,025,933</b>	<b>\$989,016</b>	<b>\$6,014,949</b>



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY  
DWRf - EPA 269  
For Period Ending December 31, 2001

WQCD									
DATE	BASE AMOUNT		INDIRECT %		INDIRECT AMOUNT		TOTAL AMOUNT		FEDERAL
	ON-SITE	OFF-SITE	ON-SITE	OFF-SITE	ON-SITE	OFF-SITE	ON-SITE	OFF-SITE	
October-99	22,849.94	5,704.49	22.3%	15.5%	5,095.54	884.20	27,945.48	6,588.69	
November-99	22,367.91	6,729.28	22.3%	15.5%	4,988.04	1,043.04	27,355.95	7,772.32	
December-99	21,543.54	6,203.52	22.3%	15.5%	4,804.21	961.55	26,347.75	7,165.07	
January-00	21,791.55	6,108.23	22.3%	15.5%	4,859.52	946.78	26,651.07	7,055.01	
February-00	23,647.72	6,278.53	22.3%	15.5%	5,273.44	973.17	28,921.16	7,251.70	
March-00	23,058.54	6,302.00	22.3%	15.5%	5,142.05	976.81	28,200.59	7,278.81	
April-00	20,801.90	6,732.75	22.3%	15.5%	4,638.82	1,043.58	25,440.72	7,776.33	
May-00	19,792.38	6,843.91	22.3%	15.5%	4,413.70	1,060.81	24,206.08	7,904.72	
June-00	25,640.58	6,403.70	22.3%	15.5%	5,717.85	992.57	31,358.43	7,396.27	
Total 00	201,494.06	57,306.41			44,933.17	8,882.51	246,427.23	66,188.92	-
2000 Expenses Requisitioned in 2001									
July-00	17,335.27	7,221.53	23.6%	16.6%	4,091.12	1,198.77	21,426.39	8,420.30	
August-00	28,128.82	8,910.26	23.6%	16.6%	6,638.40	1,479.10	34,767.22	10,389.36	
September-00	24,212.74	8,386.47	23.6%	16.6%	5,714.21	1,392.15	29,926.95	9,778.62	
October-00	25,049.80	7,578.93	23.6%	16.6%	5,911.75	1,258.10	30,961.55	8,837.03	
November-00	22,221.11	9,716.14	23.6%	16.6%	5,244.18	1,612.88	27,465.29	11,329.02	
December-00	17,838.10	7,429.71	23.6%	16.6%	4,209.79	1,233.33	22,047.89	8,663.04	
2001 Expenses Requisitioned in 2001									
January-01	24,190.94	12,238.03	23.6%	16.6%	5,709.06	2,031.51	29,900.00	14,269.54	
February-01	37,321.80	9,188.29	23.6%	16.6%	8,807.94	1,525.26	46,129.74	10,713.55	
March-01	18,038.08	9,956.41	23.6%	16.6%	4,256.99	1,652.76	22,295.07	11,609.17	
April-01	27,373.33	17,970.13	23.6%	16.6%	6,460.11	2,983.04	33,833.44	20,953.17	
May-01	32,898.41	18,399.23	23.6%	16.6%	7,764.02	3,054.27	40,662.43	21,453.50	
June-01	28,011.58	17,467.16	23.6%	16.6%	6,610.73	2,899.55	34,622.31	20,366.71	
July-01	955.25	209.70	22.5%	17.7%	214.93	37.12	1,170.18	246.82	
August-01	46,583.99	20,313.35	22.5%	17.7%	10,481.40	3,595.46	57,065.39	23,908.81	
September-01	21,027.44	10,587.49	22.5%	17.7%	4,731.17	1,873.99	25,758.61	12,461.48	
Totals-01	371,186.66	165,572.83			86,845.80	#####	458,032.46	193,400.12	-
2001 Expenses Requisitioned in 2002									
October-01	20,310.06	9,842.23	22.5%	17.7%	4,569.76	1,742.07	24,879.82	11,584.30	
October-01	P&D Grant	10,000.00		1.4%	-	140.00	-	10,140.00	
November-01	25,474.35	12,074.63	22.5%	17.7%	5,731.73	2,137.21	31,206.08	14,211.84	
December-01	22,898.82	10,426.62	22.5%	17.7%	5,152.23	1,845.51	28,051.05	12,272.13	
Total-02	68,683.23	42,343.48			15,453.72	5,864.79	84,136.95	48,208.27	-

DLG							
DATE	TOTAL	INDIRECT	BASE	RATE	FEDERAL	DWRf portion	
						INDIRECT	50% OF (total is split between DWRf & WPCRF)
October-99	10,221.96	1,212.33	9,009.63	13.5%	-	606.17	
November-99	10,379.96	1,212.33	9,167.63	13.2%	-	606.17	
December-99	10,546.06	1,212.33	9,333.73	13.0%	-	606.17	
January-00	10,121.71	1,212.33	8,909.38	13.6%	-	606.17	
February-00	10,204.25	1,212.33	8,991.92	13.5%	-	606.17	
March-00	10,128.70	1,212.33	8,916.37	13.6%	-	606.17	
April-00	11,291.93	1,212.33	10,079.60	12.0%	-	606.17	
May-00	11,825.53	1,212.34	10,613.19	11.4%	-	606.17	
June-00	12,468.14	1,212.34	11,255.80	10.8%	-	606.17	
2000 Expenses Requisitioned in 2001							
July-00	9,913.72	1,080.24	8,833.48	12.2%	-	540.12	
August-00	12,598.90	1,080.24	11,518.66	9.4%	-	540.12	
September-00	10,968.40	1,080.24	9,888.16	10.9%	-	540.12	
October-00	10,819.18	1,080.42	9,738.76	11.1%	-	540.21	
November-00	10,701.10	1,080.42	9,620.68	11.2%	-	540.21	
December-00	11,453.20	1,080.42	10,372.78	10.4%	-	540.21	

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY  
DWRP - EPA 269

For Period Ending December 31, 2001

2001 Expenses Requisitioned in 2001						
January-01	10,664.92	1,080.42	9,584.50	11.3%	-	540.21
February-01	10,937.60	1,080.42	9,857.18	11.0%	-	540.21
March-01	10,629.13	1,080.42	9,548.71	11.3%	-	540.21
April-01	11,280.30	1,080.42	10,199.88	10.6%	-	540.21
May-01	13,174.23	1,080.42	12,093.81	8.9%	-	540.21
June-01	14,318.50	1,080.38	13,238.12	8.2%	-	540.19
July-01	12,639.70	3,055.33	9,584.37	31.9%	-	1,527.67
August-01	13,702.86	3,055.33	10,647.53	28.7%	-	1,527.67
September-01	13,587.13	3,055.33	10,531.80	29.0%	-	1,527.67
2001 Expenses Requisitioned in 2002						
October-01	13,412.81	3,055.33	10,357.48	29.5%	-	1,527.67
November-01	14,146.15	3,055.33	11,090.82	27.5%	-	1,527.67
December-01	13,103.39	3,055.33	10,048.06	30.4%	-	1,527.67

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY  
DWRP - EPA 269  
For Period Ending December 31, 2001

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January-00	18,450.16	3,860.88	0.20926	1997
February-00	19,895.04	3,926.86	0.19738	1997
March-00	27,161.58	8,450.21	0.31111	1997
Totals	143,719.38	35,479.14	0.24653 (averaged)	
April-00	34,058.60	10,781.55	0.31656	1997/1998
May-00	21,256.83	5,046.93	0.23743	1997/1998
June-00	19,385.48	3,023.89	0.15599	1997/1998
Totals	74,700.91	18,852.37	0.23666 (averaged)	
AUTHORITY 2000 Expenses Requisitioned in 2001				
July-00	30,657.83	6,466.42	0.21092	1998
August-00	19,104.76	4,238.15	0.22184	1998
September-00	15,488.25	2,897.72	0.18709	1998
Totals	65,250.84	13,602.29	0.20662 (averaged)	
October-00	38,580.15	10,569.72	0.27397	1998
November-00	23,535.71	5,485.62	0.23308	1998
December-00	20,080.43	4,160.41	0.20719	1998
Totals	82,196.29	20,215.75	0.23808 (averaged)	
AUTHORITY 2001 Expenses Requisitioned in 2001				
<b>1st quarter</b>				
January-01	27,582.58	4,739.36	0.17182	1998
February-01	22,814.96	5,593.02	0.24515	1998
March-01	26,352.93	5,062.16	0.19209	1998
Sub total	76,750.47	15,394.54	0.20302 (averaged)	
<b>2nd quarter</b>				
April-01	19,664.88	5,024.49	0.25551	1998
May-01	19,416.05	3,760.55	0.19368	1998
June-01	26,396.56	5,574.32	0.21118	1998
Sub total	65,477.49	14,359.36	0.22012 (averaged)	
Total 1st & 2nd q	142,227.96	29,753.90	0.21157 (averaged)	1998
plus adj for 3rd qtr	44,469.81	11,745.91	0.26413 (averaged)	1998
Adjusted Total	186,697.77	41,499.81	0.23785 (averaged)	1998
<b>3rd quarter</b>				
July-01	21,497.55	5,171.56	0.24057	1998/1999
August-01	22,089.19	6,919.11	0.31324	1998/1999
September-01	19,485.97	4,568.87	0.23447	1998/1999
Totals	63,072.71	16,659.54	0.26276 (averaged)	see adjustment ----->
AUTHORITY 2001 Expenses Requisitioned in 2002				
October-01	23,025.25	4,575.07	0.19870	1999
November-01	22,806.39	5,063.88	0.22204	1999
December-01	19,608.10	5,134.19	0.26184	1999
Totals	65,439.74	14,773.14	0.22753 (averaged)	
<b>3rd quarter adjusted costs and percentaged applied to 1999 grant</b>				
<b>Total</b>	<b>18,602.90</b>	<b>4,913.63</b>	<b>0.264132474</b>	

3rd quarter adjustment to apportion 1998 and 1999 grant	
Amount drawn from 1998 grant	46,337.00
Amount drawn from 1999 grant	19,384.00
Total 3rd qtr admin drawn from grants	65,721.00
Percentage from 1998 grant	0.7050562
Percentage from 1999 grant	0.2949438
<b>Indirect Costs:</b>	
amount from 1998 grant	11,745.91
amount from 1999 grant	4,913.63
total 2nd qtr indirect costs	16,659.54
<b>Base Costs:</b>	
amount from 1998 grant	44,469.81
amount from 1999 grant	18,602.90
total 3rd qtr base amount	63,072.71

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-00-01</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>	pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority (Drinking Water)</b> <b>1580 Logan Street, Suite 620, Denver, Colorado 80203</b>					
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>		
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>05/01/00</b>	To: (Month, Day, Year) <b>09/03/20</b>	9. Period Covered by this report From (Month, Day, Year) <b>01/01/01</b>		To: <b>12/31/01</b>	
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		0	8,552,509	8,552,509	
b. Recipient share of outlays		0	1,711,963	1,711,963	
c. Federal share of outlays		0	6,840,546	6,840,546	
d. Total unliquidated obligations				3,972,131	
e. Recipient share of unliquidated obligations				375,477	
f. Federal share of unliquidated obligations				3,596,654	
g. Total Federal share (sum of c. and f.)				10,437,200	
h. Total Federal funds authorized to this grant period				10,437,200	
i. Unobligated balance of Federal funds (line h. minus line g.)				0	
11. Indirect Expense		a. Type of Rate Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed <input type="checkbox"/> <b>NOT APPLICABLE</b>			
		b. Rate  <b>NOT APPLICABLE - NO INDIRECT EXPENSES CHARGED TO THIS GRANT</b>	c. Base	d. Total Amount	e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.					
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official			Date Report Submitted <b>April 11, 2002</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2000 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/01	
ADMINISTRATION SET-ASIDE	1,873,828	1,074,020	799,808
CAPACITY DEVELOPMENT	2,600,000	238,999	2,361,001
PWS SUPERVISION	1,011,240	172,779	838,461
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	560,255	1,118,155
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	864,988	212,369	652,619
WELLHEAD PROTECTION	2,166,700	611,327	1,555,373
2000 DL - CRAIG	353,089	353,089	0
2000 DL - SEDALIA W&S DIST	255,794	231,252	24,542
2000 DL - SPRINGFIELD	333,473	274,209	59,264
2001 DL - WELLINGTON	784,643	181,097	603,546
1998A - BUENA VISTA SANITATION DIST	490,204	466,796	23,408
1999A - AURORA	4,751,500	4,751,500	0
1999A - GLENWOOD SPRINGS	1,710,790	1,710,743	47
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	798,862	237,606
1999A - GREELEY	5,280,660	4,956,637	324,023
1999A - LEFT HAND WATER DIST	2,139,722	1,654,885	484,837
2000A - EVERGREEN	1,786,069	933,783	852,286
2000A - FOUNTAIN VALLEY AUTH.	2,633,735	2,633,735	0
2000A - LIMON	436,910	309,358	127,552
2000A - PUEBLO	2,499,000	2,418,476	80,524
2000A - WESTMINSTER	4,764,452	2,498,081	2,266,371
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$12,409,423
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1997 GRANT			(\$1,118,155)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1998 GRANT			(\$681,832)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1999 GRANT			(\$1,525,961)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 2001 GRANT			(\$5,486,821)
2000 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$3,596,654
2000 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/01			\$375,477
2000 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/01			\$3,972,131

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2000 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(a - c) - OUTLAYS  
FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001

	OUTLAYS		TOTAL
	EPA LOC	STATE MATCH 25.6752%	
ADMINISTRATION (SET-ASIDE)	0	(a)	\$0
CAPACITY DEVELOPMENT (SET-ASIDE)	0	(a)	0
PWS SUPERVISION (SET-ASIDE)	172,779	(a)	172,779
SSTTA (SET-ASIDE)	0	(a)	0
WELLHEAD PROTECTION (SET-ASIDE)	0	(a)	0
2000 DL - CRAIG	0	0	0
2000 DL - SEDALIA W&S DIST	142,685	36,635	179,320
2000 DL - SPRINGFIELD	0	0	0
2001 DL - WELLINGTON	181,097	46,497	227,594
1998A - BUENA VISTA	19,112	4,907	24,019
1999A - AURORA	599,872	154,018	753,890
1999A - GLENWOOD SPRINGS	174,871	44,898	219,769
1999A - GRAND COUNTY W&S DIST	460,920	118,342	579,262
1999A - GREELEY	784,031	201,302	985,333
1999A - LEFT HAND WATER DIST	415,664	106,723	522,387
2000A - EVERGREEN METRO DIST	0	0	0
2000A - FOUNTAIN VALLEY AUTH	0	0	0
2000A - LIMON	289,663	74,372	364,035
2000A - PUEBLO	1,101,771	282,882	1,384,653
2000A - WESTMINSTER	2,498,081	641,387	3,139,468
<b>TOTAL OUTLAYS - 2000 GRANT</b>	<b>\$6,840,546</b>	<b>\$1,711,963</b>	<b>\$8,552,509</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-01-02</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>	pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority (Drinking Water)</b> <b>1580 Logan Street, Suite 620, Denver, Colorado 80203</b>					
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>		
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>05/01/00</b>	To: (Month, Day, Year) <b>09/03/20</b>	9. Period Covered by this report From (Month, Day, Year) <b>01/01/01</b>		To: <b>12/31/01</b>	
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		0	0	0	
b. Recipient share of outlays		0	0	0	
c. Federal share of outlays		0	0	0	
d. Total unliquidated obligations				7,582,881	
e. Recipient share of unliquidated obligations				2,096,060	
f. Federal share of unliquidated obligations				5,486,821	
g. Total Federal share (sum of c. and f.)				5,486,821	
h. Total Federal funds authorized to this grant period				10,480,300	
i. Unobligated balance of Federal funds (line h. minus line g.)				4,993,479	
11. Indirect Expense		a. Type of Rate Provisional                      Predetermined                      Final                      Fixed <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>			
		<b>NOT APPLICABLE</b>			
		b. Rate	c. Base	d. Total Amount	e. Federal Share
<b>NOT APPLICABLE - NO INDIRECT EXPENSES CHARGED TO THIS GRANT</b>					
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.					
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official			Date Report Submitted <b>April 10, 2002</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2001 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/01	
ADMINISTRATION SET-ASIDE	1,873,828	1,074,020	799,808
CAPACITY DEVELOPMENT	2,600,000	238,999	2,361,001
PWS SUPERVISION	1,011,240	172,779	838,461
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	560,255	1,118,155
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	864,988	212,369	652,619
WELLHEAD PROTECTION	2,166,700	611,327	1,555,373
2000 DL - CRAIG	353,089	353,089	0
2000 DL - SEDALIA W&S DIST	255,794	231,252	24,542
2000 DL - SPRINGFIELD	333,473	274,209	59,264
2001 DL - WELLINGTON	784,643	181,097	603,546
1998A - BUENA VISTA SANITATION DIST	490,204	466,796	23,408
1999A - AURORA	4,751,500	4,751,500	0
1999A - GLENWOOD SPRINGS	1,710,790	1,710,743	47
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	798,862	237,606
1999A - GREELEY	5,280,660	4,956,637	324,023
1999A - LEFT HAND WATER DIST	2,139,722	1,654,885	484,837
2000A - EVERGREEN	1,786,069	933,783	852,286
2000A - FOUNTAIN VALLEY AUTH.	2,633,735	2,633,735	0
2000A - LIMON	436,910	309,358	127,552
2000A - PUEBLO	2,499,000	2,418,476	80,524
2000A - WESTMINSTER	4,764,452	2,498,081	2,266,371
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$12,409,423
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1997 GRANT			(\$1,118,155)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1998 GRANT			(\$681,832)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 1999 GRANT			(\$1,525,961)
LESS: UNLIQUIDATED OBLIGATIONS-FEDERAL FUNDS ALLOCABLE TO 2000 GRANT			(\$3,596,654)
2001 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/01			\$5,486,821
2001 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/01			\$2,096,060
2001 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/01			\$7,582,881



Colorado Water Resources & Power Development Authority  
 DRINKING WATER FUND  
 2001 GRANT FINANCIAL STATUS REPORT  
 FORM 269A, LINES 10(a - c) - OUTLAYS  
 FOR THE PERIOD: JANUARY 1, 2001 to DECEMBER 31, 2001

	OUTLAYS		
	EPA LOC	STATE MATCH 24.3301%	TOTAL
ADMINISTRATION (SET-ASIDE)	0	(a)	\$0
CAPACITY DEVELOPMENT (SET-ASIDE)	0	(a)	0
PWS SUPERVISION (SET-ASIDE)	0	(a)	0
SSTTA (SET-ASIDE)	0	(a)	0
WELLHEAD PROTECTION (SET-ASIDE)	0	(a)	0
2000 DL - CRAIG	0	0	0
2000 DL - SEDALIA W&S DIST	0	0	0
2000 DL - SPRINGFIELD	0	0	0
2001 DL - WELLINGTON	0	0	0
1998A - BUENA VISTA	0	0	0
1999A - AURORA	0	0	0
1999A - GLENWOOD SPRINGS	0	0	0
1999A - GRAND COUNTY W&S DIST	0	0	0
1999A - GREELEY	0	0	0
1999A - LEFT HAND WATER DIST	0	0	0
2000A - EVERGREEN METRO DIST	0	0	0
2000A - FOUNTAIN VALLEY AUTH	0	0	0
2000A - LIMON	0	0	0
2000A - PUEBLO	0	0	0
2000A - WESTMINSTER	0	0	0
<b>TOTAL OUTLAYS - 2001 GRANT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2001 GRANT FINANCIAL STATUS REPORT

CALCULATION OF PERCENTAGE OF STATE MATCH TO EPA LOC

CALCULATION FOR ORIGINAL GRANT:

TOTAL DRINKING WATER 2000 GRANT	\$10,480,300.00
LESS: SET ASIDES (22% OF ORIGINAL GRANT)	(1,865,226.00)
SUBTOTAL	<u>\$8,615,074.00</u>
20% REQUIRED STATE MATCH	\$2,096,060.00
DIVIDED BY AMOUNT FOR SRF LOANS	8,615,074.00
STATE MATCH / EPA LOC PERCENTAGE	<u><u>24.33015%</u></u>

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998657-97-3</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>	pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority (Drinking Water)</b> <b>1580 Logan Street, Suite 620, Denver, Colorado 80203</b>					
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>		
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>10/01/97</b>	To: (Month, Day, Year) <b>09/30/17</b>	9. Period Covered by this report From (Month, Day, Year) To: <b>01/01/02 12/31/02</b>			
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		<b>\$19,022,806</b>	<b>\$655,356</b>	<b>\$19,678,162</b>	
b. Recipient share of outlays		<b>3,356,861</b>	<b>0</b>	<b>3,356,861</b>	
c. Federal share of outlays		<b>15,665,945</b>	<b>655,356</b>	<b>16,321,301</b>	
d. Total unliquidated obligations				<b>462,799</b>	
e. Recipient share of unliquidated obligations				<b>0</b>	
f. Federal share of unliquidated obligations				<b>462,799</b>	
g. Total Federal share (sum of c. and f.)				<b>16,784,100</b>	
h. Total Federal funds authorized to this grant period				<b>16,784,100</b>	
i. Unobligated balance of Federal funds (line h. minus line g.)				<b>0</b>	
11. Indirect Expense		a. Type of Rate Provisional                      Predetermined                      Final                      Fixed <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>NOT APPLICABLE</b>			
		b. Rate  <b>NOT APPLICABLE - NO INDIRECT EXPENSES CHARGED TO THIS GRANT</b>	c. Base	d. Total Amount	e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.					
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official			Date Report Submitted <b>April 1, 2003</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
1997 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/02	
ADMINISTRATION SET-ASIDE	\$1,873,828.00	\$1,396,276.00	\$477,552.00
CAPACITY DEVELOPMENT	3,250,000	772,261	2,477,739
PWS SUPERVISION	1,516,860	688,462	828,398
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	1,215,611	462,799
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	1,131,448	356,276	775,172
WELLHEAD PROTECTION	2,666,700	1,355,652	1,311,048
2000 DL - SEDALIA W&S DIST	255,794	255,794	0
2000 DL - SPRINGFIELD	274,209 *	274,209	0
2001 DL - WELLINGTON	746,500	716,007	30,493
2002 DL - WOODLAND PARK	597,200	559,915	37,285
1998A - BUENA VISTA SANITATION DIST	490,204	468,250	21,954
1999A - GLENWOOD SPRINGS	1,710,790	1,710,790	0
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	862,826	173,642
1999A - GREELEY	5,280,660	5,174,934	105,726
1999A - LEFT HAND WATER DIST	2,139,722	1,749,970	389,752
2000A - EVERGREEN METRO DIST	1,786,069	1,607,461	178,608
2000A - LIMON	436,910	436,910	0
2000A - PUEBLO	2,499,000	2,499,000	0
2000A - WESTMINSTER	4,764,452	4,718,962	45,490
2002A - EVERGREEN METRO DIST	764,260	764,260	0
2002A - GRAND JUNCTION	1,082,370	0	1,082,370
2002A - IDAHO SPRINGS	906,316	906,316	0
2002A - LA JUNTA	3,300,469	550,096	2,750,373
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			11,148,401
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TC			(36,438)
		1998 GRANT	(733,506)
		1999 GRANT	(1,495,501)
		2000 GRANT	(4,938,348)
		2001 GRANT	(3,481,809)
		2002 GRANT	462,799
1997 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			462,799
1997 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/02			0
1997 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/02			\$462,799

\* Borrower reduced their loan - will not pull remaining EPA funds originally obligated.

Colorado Water Resources & Power Development Authority  
**DRINKING WATER FUND**  
**1997 GRANT FINANCIAL STATUS REPORT**  
**FORM 269A, LINES 10(a - c) - OUTLAYS**  
**FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002**

	OUTLAYS		
	EPA LOC	STATE MATCH 25.3165%	TOTAL
SWAP (SET-ASIDE)	\$655,356	(a)	\$655,356
<b>TOTAL OUTLAYS - 1997 GRANT</b>	<b>\$655,356</b>	<b>\$0</b>	<b>\$655,356</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-98-1</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>	pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority (Drinking Water) 1580 Logan Street, Suite 620, Denver, Colorado 80203</b>					
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>		
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>06/01/98</b>	To: (Month, Day, Year) <b>06/01/21</b>	9. Period Covered by this report From (Month, Day, Year) To: <b>01/01/02 12/31/02</b>			
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		<b>10,816,332</b>	<b>645,394</b>	<b>11,461,726</b>	
b. Recipient share of outlays		<b>1,916,364</b>	<b>0</b>	<b>1,916,364</b>	
c. Federal share of outlays		<b>8,899,968</b>	<b>645,394</b>	<b>9,545,362</b>	
d. Total unliquidated obligations				<b>36,438</b>	
e. Recipient share of unliquidated obligations				<b>0</b>	
f. Federal share of unliquidated obligations				<b>36,438</b>	
g. Total Federal share (sum of c. and f.)				<b>9,581,800</b>	
h. Total Federal funds authorized to this grant period				<b>9,581,800</b>	
i. Unobligated balance of Federal funds (line h. minus line g.)				<b>0</b>	
11. Indirect Expense		a. Type of Rate Provisional                      Predetermined                      Final                      Fixed <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>NOT APPLICABLE</b>			
		b. Rate  <b>NOT APPLICABLE - NO INDIRECT EXPENSES CHARGED TO THIS GRANT</b>	c. Base	d. Total Amount	e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.					
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official			Date Report Submitted <b>April 1, 2003</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
1998 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/02	
ADMINISTRATION SET-ASIDE	\$1,873,828.00	\$1,396,276.00	\$477,552.00
CAPACITY DEVELOPMENT	3,250,000	772,261	2,477,739
PWS SUPERVISION	1,516,860	688,462	828,398
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	1,215,611	462,799
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	1,131,448	356,276	775,172
WELLHEAD PROTECTION	2,666,700	1,355,652	1,311,048
2000 DL - SEDALIA W&S DIST	255,794	255,794	0
2000 DL - SPRINGFIELD	274,209 *	274,209	0
2001 DL - WELLINGTON	746,500	716,007	30,493
2002 DL - WOODLAND PARK	597,200	559,915	37,285
1998A - BUENA VISTA SANITATION DIST	490,204	468,250	21,954
1999A - GLENWOOD SPRINGS	1,710,790	1,710,790	0
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	862,826	173,642
1999A - GREELEY	5,280,660	5,174,934	105,726
1999A - LEFT HAND WATER DIST	2,139,722	1,749,970	389,752
2000A - EVERGREEN METRO DIST	1,786,069	1,607,461	178,608
2000A - LIMON	436,910	436,910	0
2000A - PUEBLO	2,499,000	2,499,000	0
2000A - WESTMINSTER	4,764,452	4,718,962	45,490
2002A - EVERGREEN METRO DIST	764,260	764,260	0
2002A - GRAND JUNCTION	1,082,370	0	1,082,370
2002A - IDAHO SPRINGS	906,316	906,316	0
2002A - LA JUNTA	3,300,469	550,096	2,750,373
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			11,148,401
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TC			
		1997 GRANT	(462,799)
		1999 GRANT	(733,506)
		2000 GRANT	(1,495,501)
		2001 GRANT	(4,938,348)
		2002 GRANT	(3,481,809)
1998 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			36,438
1998 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/02			0
1998 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/02			\$36,438

\* Borrower reduced their loan - will not pull remaining EPA funds originally obligated.

Colorado Water Resources & Power Development Authority  
**DRINKING WATER FUND**  
**1998 GRANT FINANCIAL STATUS REPORT**  
**FORM 269A, LINES 10(a - c) - OUTLAYS**  
**FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002**

	<b>OUTLAYS</b>		
	<b>EPA LOC</b>	<b>STATE MATCH</b> 25.3165%	<b>TOTAL</b>
Capacity Development (Set-aside)	\$411,001	(a)	\$411,001
Small System Technical Training Assistance (Set-aside)	33,417	(a)	33,417
Wellhead Protection (Set-aside)	200,976	(a)	200,976
<b>TOTAL OUTLAYS - 1998 GRANT</b>	<b>\$645,394</b>	<b>\$0</b>	<b>\$645,394</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.



**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-99-3</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>	pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority</b> <span style="float: right;"><b>DWSRF</b></span> <b>1580 Logan Street, Suite 620, Denver, Colorado 80203</b>					
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>		
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>04/12/99</b>	To: (Month, Day, Year) <b>04/30/19</b>	9. Period Covered by this report From (Month, Day, Year) <b>01/01/02</b>		To: <b>12/31/02</b>	
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		<b>18,525,202</b>	<b>792,455</b>	<b>19,317,657</b>	
b. Recipient share of outlays		<b>3,341,896</b>	<b>0</b>	<b>3,341,896</b>	
c. Federal share of outlays		<b>15,183,306</b>	<b>792,455</b>	<b>15,975,761</b>	
d. Total unliquidated obligations				<b>11,148,401</b>	
e. Recipient share of unliquidated obligations				<b>0</b>	
f. Federal share of unliquidated obligations				<b>733,506</b>	
g. Total Federal share (sum of c. and f.)				<b>16,709,267</b>	
h. Total Federal funds authorized to this grant period				<b>16,709,267</b>	
i. Unobligated balance of Federal funds (line h. minus line g.)				<b>0</b>	
11. Indirect Expense		a. Type of Rate Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed <input type="checkbox"/> <b>OTHER - Based on Direct Labor Costs</b>			
		b. Rate  <b>0.2406</b>	c. Base  <b>\$285,807.89</b>	d. Total Amount  <b>\$68,768.98</b>	e. Federal Share  <b>\$68,768.98</b>
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.					
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official			Date Report Submitted <b>April 1, 2003</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
1999 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/02	
ADMINISTRATION SET-ASIDE	\$1,873,828.00	\$1,396,276.00	\$477,552.00
CAPACITY DEVELOPMENT	3,250,000	772,261	2,477,739
PWS SUPERVISION	1,516,860	688,462	828,398
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	1,215,611	462,799
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	1,131,448	356,276	775,172
WELLHEAD PROTECTION	2,666,700	1,355,652	1,311,048
2000 DL - SEDALIA W&S DIST	255,794	255,794	0
2000 DL - SPRINGFIELD	274,209 *	274,209	0
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1999A - GLENWOOD SPRINGS	1,710,790	1,710,790	0
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	862,826	173,642
1999A - GREELEY	5,280,660	5,174,934	105,726
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2000A - LIMON	436,910	436,910	0
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2000A - WESTMINSTER	4,764,452	4,718,962	45,490
2002A - EVERGREEN METRO DIST	764,260	764,260	0
2002A - GRAND JUNCTION	1,082,370	0	1,082,370
2002A - IDAHO SPRINGS	906,316	906,316	0
2002A - LA JUNTA	3,300,469	550,096	2,750,373
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			11,148,401
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TC			(462,799)
		1997 GRANT	(36,438)
		2000 GRANT	(1,495,501)
		2001 GRANT	(4,938,348)
		2002 GRANT	(3,481,809)
1999 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			733,506
1999 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/02			0
1999 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/02			\$733,506

\* Borrower reduced their loan - will not pull remaining EPA funds originally obligated.

Colorado Water Resources & Power Development Authority  
**DRINKING WATER FUND**  
**1999 GRANT FINANCIAL STATUS REPORT**  
**FORM 269A, LINES 10(a - c) - OUTLAYS**  
**FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002**

	<b>OUTLAYS</b>		
	<b>EPA LOC</b>	<b>STATE MATCH</b> <i>25.3165%</i>	<b>TOTAL</b>
Administrative (Set-aside)	\$322,256	(a)	\$322,256
Capacity Development (Set-aside)	122,261	(a)	122,261
Small System Technical Training Assistance (Set-aside)	110,490	(a)	110,490
Wellhead Protection (Set-aside)	237,448	(a)	237,448
<b>TOTAL OUTLAYS - 1999 GRANT</b>	<b>\$792,455</b>	<b>\$0</b>	<b>\$792,455</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

**COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY**  
**DWRF - EPA 269**  
**For Period Ending December 31, 2002**

<b>AUTHORITY</b>				
<b>DATE</b>	<b>BASE*</b>	<b>TOTAL AMOUNT**</b>	<b>RATE</b>	<b>Reimbursed from Grant</b>
2001 Expenses Requisitioned in 2002				
October-01	23,025.25	4,575.07	0.19870	1999
November-01	22,806.39	5,063.88	0.22204	1999
December-01	19,608.10	5,134.19	0.26184	1999
Totals	65,439.74	14,773.14	0.22753 (averaged)	
2002 Expenses Requisitioned in 2002				
January-02	22,124.99	4,156.48	0.18786	1999
February-02	25,725.72	7,020.02	0.27288	1999
March-02	45,024.30	13,943.89	0.30970	1999
Totals	92,875.01	25,120.39	0.25681 (averaged)	
April-02	19,528.14	4,974.72	0.25475	1999
May-02	20,072.50	4,875.73	0.24291	1999
June-02	19,604.06	4,111.55	0.20973	1999
Totals	59,204.70	13,962.00	0.23579 (averaged)	
July-02	20,881.53	4,697.34	0.22495	1999
August-02	23,130.01	5,433.02	0.23489	1999
September-02	24,276.90	4,783.09	0.19702	1999
Totals	68,288.44	14,913.45	0.21895 (averaged)	

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-00-2</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>	pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority</b> <span style="float: right;"><b>DWSRF</b></span> <b>1580 Logan Street, Suite 620, Denver, Colorado 80203</b>					
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>		
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>05/01/00</b>	To: (Month, Day, Year) <b>09/03/20</b>	9. Period Covered by this report From (Month, Day, Year) <b>01/01/02</b> To: <b>12/31/02</b>			
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		<b>8,552,509</b>	<b>2,476,629</b>	<b>11,029,138</b>	
b. Recipient share of outlays		<b>1,711,963</b>	<b>375,476</b>	<b>2,087,439</b>	
c. Federal share of outlays		<b>6,840,546</b>	<b>2,101,153</b>	<b>8,941,699</b>	
d. Total unliquidated obligations				<b>11,148,401</b>	
e. Recipient share of unliquidated obligations				<b>0</b>	
f. Federal share of unliquidated obligations				<b>1,495,501</b>	
g. Total Federal share (sum of c. and f.)				<b>10,437,200</b>	
h. Total Federal funds authorized to this grant period				<b>10,437,200</b>	
i. Unobligated balance of Federal funds (line h. minus line g.)				<b>0</b>	
11. Indirect Expense		a. Type of Rate Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed <input type="checkbox"/> <b>NOT APPLICABLE</b>			
		b. Rate  <b>NOT APPLICABLE - NO INDIRECT EXPENSES CHARGED TO THIS GRANT</b>	c. Base	d. Total Amount	e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.					
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official			Date Report Submitted <b>April 1, 2003</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2000 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/02	
ADMINISTRATION SET-ASIDE	\$1,873,828.00	\$1,396,276.00	\$477,552.00
CAPACITY DEVELOPMENT	3,250,000	772,261	2,477,739
PWS SUPERVISION	1,516,860	688,462	828,398
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	1,215,611	462,799
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	1,131,448	356,276	775,172
WELLHEAD PROTECTION	2,666,700	1,355,652	1,311,048
2000 DL - SEDALIA W&S DIST	255,794	255,794	0
2000 DL - SPRINGFIELD	274,209 *	274,209	0
2001 DL - WELLINGTON	746,500	716,007	30,493
2002 DL - WOODLAND PARK	597,200	559,915	37,285
1998A - BUENA VISTA SANITATION DIST	490,204	468,250	21,954
1999A - GLENWOOD SPRINGS	1,710,790	1,710,790	0
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	862,826	173,642
1999A - GREELEY	5,280,660	5,174,934	105,726
1999A - LEFT HAND WATER DIST	2,139,722	1,749,970	389,752
2000A - EVERGREEN METRO DIST	1,786,069	1,607,461	178,608
2000A - LIMON	436,910	436,910	0
2000A - PUEBLO	2,499,000	2,499,000	0
2000A - WESTMINSTER	4,764,452	4,718,962	45,490
2002A - EVERGREEN METRO DIST	764,260	764,260	0
2002A - GRAND JUNCTION	1,082,370	0	1,082,370
2002A - IDAHO SPRINGS	906,316	906,316	0
2002A - LA JUNTA	3,300,469	550,096	2,750,373
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			11,148,401
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TC			(462,799)
		1997 GRANT	(36,438)
		1998 GRANT	(733,506)
		1999 GRANT	(4,938,348)
		2001 GRANT	(3,481,809)
		2002 GRANT	0
2000 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			1,495,501
2000 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/02			0
2000 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/02			\$1,495,501

\* Borrower reduced their loan - will not pull remaining EPA funds originally obligated.

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2000 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(a - c) - OUTLAYS  
FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	OUTLAYS		TOTAL
	EPA LOC	STATE MATCH 25.6752%	
ADMINISTRATION (SET-ASIDE)	0	(a)	\$0
CAPACITY DEVELOPMENT (SET-ASIDE)	0	(a)	0
PWS SUPERVISION (SET-ASIDE)	332,841	(a)	332,841
SSTTA (SET-ASIDE)	0	(a)	0
WELLHEAD PROTECTION (SET-ASIDE)	305,901	(a)	305,901
2000 DL - SEDALIA W&S DIST	24,542	6,301	30,843
2001 DL - WELLINGTON	189,008	48,528	237,536
1999A - GRAND COUNTY W&S DIST	63,964	16,423	80,387
1999A - LEFT HAND WATER DIST	34,693	8,907	43,600
2000A - EVERGREEN METRO DIST	79,984	20,536	100,520
2000A - LIMON	86,465	22,200	108,665
2000A - PUEBLO	43,038	11,050	54,088
2000A - WESTMINSTER	862,712	221,503	1,084,215
2002A - EVERGREEN METRO DIST	78,005	20,028	98,033
<b>TOTAL OUTLAYS - 2000 GRANT</b>	<b>\$2,101,153</b>	<b>\$375,476</b>	<b>\$2,476,629</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-01-2</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>  pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority 1580 Logan Street, Suite 620, Denver, Colorado 80203</b> <b>DWSRF</b>				
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>	
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>06/01/01</b>	To: (Month, Day, Year) <b>06/30/21</b>	9. Period Covered by this report From (Month, Day, Year) <b>01/01/02</b> To: <b>12/31/02</b>		
10. Transactions:		I Previously Reported	II This Period	III Cumulative
a. Total outlays		<b>0</b>	<b>6,845,832</b>	<b>6,845,832</b>
b. Recipient share of outlays		<b>0</b>	<b>1,303,880</b>	<b>1,303,880</b>
c. Federal share of outlays		<b>0</b>	<b>5,541,952</b>	<b>5,541,952</b>
d. Total unliquidated obligations				<b>11,148,401</b>
e. Recipient share of unliquidated obligations				<b>792,181</b>
f. Federal share of unliquidated obligations				<b>4,938,348</b>
g. Total Federal share (sum of c. and f.)				<b>10,480,300</b>
h. Total Federal funds authorized to this grant period				<b>10,480,300</b>
i. Unobligated balance of Federal funds (line h. minus line g.)				<b>0</b>
11. Indirect Expense	a. Type of Rate Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed <input type="checkbox"/> <b>NOT APPLICABLE</b>			
	b. Rate	c. Base	d. Total Amount	e. Federal Share
<b>NOT APPLICABLE - NO INDIRECT EXPENSES CHARGED TO THIS GRANT</b>				
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.				
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.				
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>		Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official		Date Report Submitted <b>April 1, 2003</b>		



Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2001 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	UNLIQUIDATED OBLIGATIONS		
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		2002 GRANT	4,938,348
2001 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			792,181
2001 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/02			\$5,730,529
2001 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/02			

\* Borrower reduced their loan - will not pull remaining EPA funds originally obligated.

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2001 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(a - c) - OUTLAYS  
FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	OUTLAYS		
	EPA LOC	STATE MATCH 24.3302%	TOTAL
ADMINISTRATION (SET-ASIDE)	0	(a)	\$0
CAPACITY DEVELOPMENT (SET-ASIDE)	0	(a)	0
PWS SUPERVISION (SET-ASIDE)	182,842	(a)	182,842
SSTTA (SET-ASIDE)	0	(a)	0
WELLHEAD PROTECTION (SET-ASIDE)	0	(a)	0
2001 DL - WELLINGTON	345,902	84,159	430,061
2002 DL - WOODLAND PARK	559,915	136,228	696,143
1998A - BUENA VISTA	1,454	354	1,808
1999A - GLENWOOD SPRINGS	47	11	58
1999A - GRAND COUNTY W&S DIST	0	0	0
1999A - GREELEY	218,297	53,112	271,409
1999A - LEFT HAND WATER DIST	60,392	14,693	75,085
2000A - EVERGREEN METRO DIST	593,694	144,447	738,141
2000A - LIMON	41,087	9,997	51,084
2000A - PUEBLO	37,486	9,120	46,606
2000A - WESTMINSTER	1,358,169	330,445	1,688,614
2002A - EVERGREEN	686,255	166,967	853,222
2002A - IDAHO SPRINGS	906,316	220,508	1,126,824
2002A - LA JUNTA	550,096	133,839	683,935
<b>TOTAL OUTLAYS - 2001 GRANT</b>	<b><u>\$5,541,952</u></b>	<b><u>\$1,303,880</u></b>	<b><u>\$6,845,832</u></b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

**FINANCIAL STATUS REPORT**  
(Short Form)  
(Follow instructions on the back)

1. Federal Agency and Organization Element to Which is Submitted  <b>U.S. Environmental Protection Agency Grants Administration Office</b>	2. Federal Grant or other Identifying Number Assigned by Federal Agency  <b>FS998832-02-00</b>	OMB Approval No.  <b>0348-0039</b>	Page  <b>1</b>	of  <b>1</b>	pages
3. Recipient Organization (name and complete address, including ZIP code) <b>Colorado Water Resources and Power Development Authority</b> <span style="float: right;"><b>DWSRF</b></span> <b>1580 Logan Street, Suite 620, Denver, Colorado 80203</b>					
4. Employer Identification Number  <b>84-0879485</b>	5. Recipient Account Number or Identifying Number  <b>N/A</b>	6. Final Report  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	7. Basis  Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/>		
8. Grant Period (See Instructions) From: (Month, Day, Year) <b>04/01/02</b>	To: (Month, Day, Year) <b>09/30/22</b>	9. Period Covered by this report From (Month, Day, Year) <b>01/01/02</b> To: <b>12/31/02</b>			
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		0	0	0	
b. Recipient share of outlays		0	0	0	
c. Federal share of outlays		0	0	0	
d. Total unliquidated obligations				11,148,401	
e. Recipient share of unliquidated obligations				364,537	
f. Federal share of unliquidated obligations				3,481,809	
g. Total Federal share (sum of c. and f.)				3,481,809	
h. Total Federal funds authorized to this grant period				13,323,000	
i. Unobligated balance of Federal funds (line h. minus line g.)				9,841,191	
11. Indirect Expense		a. Type of Rate Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed <input type="checkbox"/> <b>NOT APPLICABLE</b>			
		b. Rate  <b>NOT APPLICABLE - NO INDIRECT EXPENSES CHARGED TO THIS GRANT</b>	c. Base	d. Total Amount	e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.					
13. Certification: I certify to the best of my knowledge that this report is correct and complete and that all outlays and unliquidated obligations are for the purpose set forth in the award documents.					
Typed or Printed Name and Title <b>Daniel L. Law, Executive Director</b>			Telephone (Area code, number, and extension) <b>(303) 830-1550 call Ext 14</b>		
Signature of Authorized Certifying Official			Date Report Submitted <b>April 1, 2003</b>		

Colorado Water Resources & Power Development Authority  
DRINKING WATER FUND  
2002 GRANT FINANCIAL STATUS REPORT  
FORM 269A, LINES 10(d - f) - UNLIQUIDATED OBLIGATIONS  
FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	UNLIQUIDATED OBLIGATIONS		
	TOTAL	EPA LOC DRAWS	UNLIQUIDATED OBLIGATION
	CAP. GRANT AMOUNT	RECEIVED thru 12/31/02	
ADMINISTRATION SET-ASIDE	\$1,873,828.00	\$1,396,276.00	\$477,552.00
CAPACITY DEVELOPMENT	3,250,000	772,261	2,477,739
PWS SUPERVISION	1,516,860	688,462	828,398
SOURCE WATER PROTECTION SET-ASIDE	1,678,410	1,215,611	462,799
SMALL SYSTEM TECH. ASSIST. SET-ASIDE	1,131,448	356,276	775,172
WELLHEAD PROTECTION	2,666,700	1,355,652	1,311,048
2000 DL - SEDALIA W&S DIST	255,794	255,794	0
2000 DL - SPRINGFIELD	274,209 *	274,209	0
2001 DL - WELLINGTON	746,500	716,007	30,493
2002 DL - WOODLAND PARK	597,200	559,915	37,285
1998A - BUENA VISTA SANITATION DIST	490,204	468,250	21,954
1999A - GLENWOOD SPRINGS	1,710,790	1,710,790	0
1999A - GRAND COUNTY W&S DISTRICT	1,036,468	862,826	173,642
1999A - GREELEY	5,280,660	5,174,934	105,726
1999A - LEFT HAND WATER DIST	2,139,722	1,749,970	389,752
2000A - EVERGREEN METRO DIST	1,786,069	1,607,461	178,608
2000A - LIMON	436,910	436,910	0
2000A - PUEBLO	2,499,000	2,499,000	0
2000A - WESTMINSTER	4,764,452	4,718,962	45,490
2002A - EVERGREEN METRO DIST	764,260	764,260	0
2002A - GRAND JUNCTION	1,082,370	0	1,082,370
2002A - IDAHO SPRINGS	906,316	906,316	0
2002A - LA JUNTA	3,300,469	550,096	2,750,373
TOTAL UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			11,148,401
LESS: UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS ALLOCABLE TC			(462,799)
		1997 GRANT	(36,438)
		1998 GRANT	(733,506)
		1999 GRANT	(1,495,501)
		2000 GRANT	(4,938,348)
		2001 GRANT	3,481,809
2002 GRANT - UNLIQUIDATED OBLIGATIONS - FEDERAL FUNDS as of 12/31/02			364,537
2002 GRANT - UNLIQUIDATED OBLIGATIONS - STATE MATCH as of 12/31/02			\$3,846,346
2002 GRANT - TOTAL UNLIQUIDATED OBLIGATIONS as of 12/31/02			

\* Borrower reduced their loan - will not pull remaining EPA funds originally obligated.

Colorado Water Resources & Power Development Authority  
 DRINKING WATER FUND  
 2002 GRANT FINANCIAL STATUS REPORT  
 FORM 269A, LINES 10(a - c) - OUTLAYS  
 FOR THE PERIOD: JANUARY 1, 2002 to DECEMBER 31, 2002

	OUTLAYS		
	EPA LOC	STATE MATCH 23.3718%	TOTAL
ADMINISTRATION (SET-ASIDE)	0	(a)	\$0
CAPACITY DEVELOPMENT (SET-ASIDE)	0	(a)	0
PWS SUPERVISION (SET-ASIDE)	0	(a)	0
SSTTA (SET-ASIDE)	0	(a)	0
WELLHEAD PROTECTION (SET-ASIDE)	0	(a)	0
2001 DL - WELLINGTON	0	0	0
2002 DL - WOODLAND PARK	0	0	0
1998A - BUENA VISTA	0	0	0
1999A - GLENWOOD SPRINGS	0	0	0
1999A - GRAND COUNTY W&S DIST	0	0	0
1999A - GREELEY	0	0	0
1999A - LEFT HAND WATER DIST	0	0	0
2000A - EVERGREEN METRO DIST	0	0	0
2000A - LIMON	0	0	0
2000A - PUEBLO	0	0	0
2000A - WESTMINSTER	0	0	0
2002A - EVERGREEN	0	0	0
2002A - IDAHO SPRINGS	0	0	0
2002A - LA JUNTA	0	0	0
<b>TOTAL OUTLAYS - 2002 GRANT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

(a) State Match for set-aside draws are rolled over to the the Drinking Water Revolving Fund as required.

## **Exhibit E**

### **2001 – 2002 MBE/WBE Tracking**

**EXHIBIT E  
DWRP  
MBE/WBE TRACKING**

CALENDAR YEAR 2001-2002

PROJECT NAME	DWRP PROJECT #	CONST. START	CONST. END	FED QRTS	FEDERAL SHARE \$\$\$	MBE DOLLARS	WBE DOLLARS				
AURORA, CITY OF	DWRP990001	8/1/1999	5/1/2001	FY 2001	\$ 4,751,500.00						
				1ST		\$ -	\$ 104,807.00				
				2ND		\$ -	\$ 191,153.00				
				3RD		N/A	N/A				
				4TH		N/A	N/A				
EVERGREEN METRO DIST.	DWRP000008	4/1/2000	2/1/2003	FY 2001	\$ 764,260.00						
				1ST		*	*				
				2ND		*	*				
				3RD		*	*				
				4TH		*	*				
				FY 2002							
				1ST		*	*				
				2ND		*	*				
				3RD		*	*				
				4TH		*	*				
				GLENWOOD SPRINGS, CITY OF	DWRP960041	7/1/1999	7/1/2001	FY 2001	\$ 1,710,790.00		
								1ST		*	*
								2ND		\$ -	\$ -
3RD		*	*								
4TH		N/A	N/A								
GRAND COUNTY W&S DIST.	DWRP990020	6/14/2000	1/24/2001	FY 2001	\$ 1,036,468.00						
				1ST		*	*				
				2ND		*	*				
				3RD		N/A	N/A				
				4TH		N/A	N/A				
IDAHO SPRINGS, CITY OF	DWRP010018	12/1/2001	5/1/2002	FY 2001	\$ 906,316.00						
				1ST		N/A	N/A				
				2ND		N/A	N/A				
				3RD		N/A	N/A				
				4TH		N/A	N/A				
				FY 2002							
				1ST		*	*				
				2ND		\$ 5,034.24	\$ 122,279.39				
				3RD		*	*				
4TH		N/A	N/A								
LA JUNTA, CITY OF	DWRP990026	8/1/2002	5/1/2004	FY 2002	\$ 3,300,469.00						
				1ST		N/A	N/A				
				2ND		N/A	N/A				
				3RD		N/A	N/A				
				4TH		\$ 7,500.25	\$ -				
LEFTHAND WATER DISTRICT	DWRP960173	2/1/2000	9/1/2003	FY 2001	\$ 353,089.00						
				1ST		*	*				
				2ND		*	*				
				3RD		*	*				
				4TH		*	*				
				FY 2002							
				1ST		*	*				
				2ND		*	*				
				3RD		*	*				
				4TH		*	*				
				LIMON, TOWN OF	DWRP990028	11/1/2000	5/1/2002	FY 2001	\$ 436,910.00		
								1ST		*	*
								2ND		*	*
3RD		*	*								
4TH		N/A	N/A								

EXHIBIT E

CALENDAR YEAR 2001-2002

PUEBLO, BOARD OF WATER WORKS: DWRFF960140 9/15/2000 8/1/2002 ~~MBE/WBE TRACKING~~ ~~FY 2001~~ \$ 2,499,000.00

1ST	\$	72,798.65	\$ -
2ND	\$	82,493.60	\$ -
3RD	\$	38,224.95	\$ -
4TH		*	*
<b>FY 2002</b>			
1ST	\$	45,464.23	\$ -
2ND	\$	245,560.38	\$ -
3RD		N/A	N/A
4TH		N/A	N/A

Page 1

PROJECT NAME	DWRFF PROJECT #	CONST. START	CONST. END	FED QRTS	FEDERAL SHARE \$\$\$	MBE DOLLARS	WBE DOLLARS
SPRINGFIELD, TOWN OF	DWRFF960144	6/1/2000	2/28/2001	<b>FY 2001</b>	\$ 333,473.00		
				1ST		\$ 835.72	\$ 131,016.50
				2ND		*	*
				3RD		N/A	N/A
				4TH		N/A	N/A
WESTMINSTER, CITY OF	DWRFF000041	2/1/2001	7/1/2002	<b>FY 2001</b>	\$ 4,764,452.00		
				1ST		N/A	N/A
				2ND		\$ 5,517.00	\$ -
				3RD		\$ 51,942.48	\$ -
				4TH		\$ 312,925.44	\$ 11,100.00
				<b>FY 2002</b>			
				1ST		\$ 90,845.36	\$ 25,761.25
				2ND		\$ 89,940.14	\$ 37,192.50
				3RD		\$ 30,421.07	\$ 32,420.10
				4TH		\$ 90,644.35	\$ 6,326.65
WOODLAND PARK, CITY OF	DWRFF960167	8/1/2001	6/30/2002	<b>FY 2001</b>	\$ 597,200.00		
				1ST		N/A	N/A
				2ND		N/A	N/A
				3RD		N/A	N/A
				4TH		\$ 42,532.20	\$ -
				<b>FY 2002</b>			
				1ST		\$ 284,928.31	\$ -
				2ND		\$ 64,457.57	\$ -
				3RD		\$ 46,466.29	\$ -
				4TH		N/A	N/A
<b>TOTALS==</b>					<b>\$ 21,453,927.00</b>	<b>\$ 1,608,532.23</b>	<b>\$ 662,056.39</b>

N/A = PROJECT NOT IN CONSTRUCTION DURING THE REPORTING QUARTER

\* = QUARTERLY FORM WAS NOT SUBMITTED DURING THE REPORTING PERIOD

\*\* THE FOLLOWING PROJECTS MADE A GOOD FAITH EFFORT BUT DID NOT RECEIVE ANY MBE/WBE PARTICIPATION:

\*\*DWRFF960167 N/A MBE/WBE01-02



**EXHIBIT E  
DWRP  
MBE/WBE TRACKING**

CALENDAR YEAR 2001-2002

\*\*DWRP960153, TOWN OF JULESBURG  
\*\*TOWN OF WELLINGTON

\*\*\* THE FOLLOWING PROJECTS RECEIVED DIRECT LOANS AND HAD NO MBE/WBE REQUIREMENT  
\*\*\*TOWN OF DILLON  
\*\*\*TOWN OF HAYDEN  
\*\*\*THUNDERBIRD WATER & SAN. DIST.

## **Exhibit F**

### **2001 – 2002 Civil Rights Compliance**

**EXHIBIT F**  
**DRINKING WATER CIVIL RIGHTS COMPLIANCE FORM**  
**4700-4**

Calendar Years 2001-2002

PROJECT	PROJECT #	PROJECT ADMINISTRATOR	DATE REC'D	DATE FORWARDED FOR TRACKING	COMMENTS OR PROBLEMS
DILLON, TOWN OF	DWRF-960021	BONIE	7/20/2002	7/23/2002	
GRAND JUNCTION, CITY OF	DWRF-960136	BONIE	12/24/2001	2/6/2002	
HAYDEN, TOWN OF	DWRF 960137	PEGGY	8/22/2001	9/4/2001	
LYONS, TOWN OF	DWRF-960067	CAROLYN	12/13/2002		NOT FORWARDED EPA not currently certifying
WELLINGTON, TOWN OF	DWRF 960147	CAROLYN	12/26/2000	1/9/2001	
WOODLAND PARK, CITY OF	DWRF 960167	BRIAN	4/30/2001	7/3/2001	

# **Exhibit G**

## **Certification Letter**

# STATE OF COLORADO

Bill Owens, Governor  
Douglas H. Benevento, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

4300 Cherry Creek Dr. S.  
Denver, Colorado 80246-1530  
Phone (303) 692-2000  
TDD Line (303) 691-7700  
Located in Glendale, Colorado

Laboratory Services Division  
8100 Lowry Blvd.  
Denver, Colorado 80230-6928  
(303) 692-3090

<http://www.cdphe.state.co.us>



Colorado Department  
of Public Health  
and Environment

April 30, 2003

Mr. Brian Friel  
Environmental Protection Agency, Region VIII  
999 18<sup>th</sup> Street, Suite 300  
Denver, Colorado 80202-2466

Dear Mr. Friel:

Under its Operating Agreement with EPA, the Colorado Department of Public Health and Environment, Water Quality Control Division along with the Colorado Water Resources and Power Development Authority is responsible for providing the Drinking Water Revolving Fund biennial report. The report for federal fiscal years 2001 and 2002 is hereby submitted to meet this requirement.

The Division certifies that all applicable state and federal laws and program regulations were complied with in the management of the program. The report fully addresses the state's performance and compliance activities.

Please contact Debbie Stenson at (303) 692-3554 for any questions or if you require additional information.

Sincerely,

Mark Pifher  
Director  
Water Quality Control Division

**COLORADO**  
**DRINKING WATER**  
**REVOLVING FUND**  
**BIENNIAL REPORT**  
**VOLUME II**

**JANUARY 1, 2001 – DECEMBER 31, 2002**



**PREPARED BY**  
**THE STATE OF COLORADO**

**APRIL 30, 2003**

**FOR THE ENVIRONMENTAL PROTECTION AGENCY**  
**REGION VIII**

# **Attachment 1**

## **2001 Intended Use Plan**

**STATE OF COLORADO**

**YEAR 2001**

**DRINKING WATER REVOLVING FUND**

**INTENDED USE PLAN**

APPROVED: November 15, 2000



**DWRF IUP**  
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**DWRF IUP**  
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**(Cont.)**

**Appendix**

- A. Project Eligibility List
- B. Project Priority/Fundable List

**Attachments**

- 1. List of Eligible and Ineligible Projects and Project Related Costs
- 2. DWRF Rules for Ranking Projects
- 3. Table of Funds for Loans and Non-Project Activities
  - 3a. Summary of Set-Aside and Fee Activity
  - 3b. Funds Available to the DWRF
- 4. Status of Funded Projects

STATE OF COLORADO  
**DWRF INTENDED USE PLAN**  
JANUARY 1 - DECEMBER 31, 2001

**I. INTRODUCTION**

An Intended Use Plan (IUP) is required by Section 1452(b) of the Safe Drinking Water Act (SDWA) and by Interim Final Regulations 40 CFR 35.3555 published on August 7, 2000 to be filed annually with the U.S. Environmental Protection Agency (EPA) by each state which has accepted a Federal Capitalization Grant establishing a Drinking Water Revolving Fund (DWRf) program. The IUP must describe how the state intends to use the Capitalization Grant and DWRf program funds to meet the objectives of the SDWA and further the goal of protecting public health. The IUP must be made available to the public for review and comment prior to submitting it to the EPA as the central part of the capitalization grant agreement.

The purpose of the DWRf program is: 1) to provide financial assistance to governmental agencies for the construction of water projects for public health and compliance purposes as described in the Drinking Water Revolving Fund Regulations (Attachment 2), and 2) to set-aside funds from the capitalization grant to fund a variety of activities which are necessary to accomplish the requirements of the SDWA.

The DWRf may be used for: below market loans; loan guarantees; as a source of reserve and security for leveraged loans (proceeds of which must be placed in the DWRf loan fund); to buy or refinance existing local debt obligations where the initial debt was incurred and construction started after July 1, 1993; and to earn interest prior to disbursement of assistance. Colorado limits this assistance to governmental agencies as defined by statute under C.R.S. 37-95-103 (5)(a) and (b).

The SDWA allows a state to set aside up to 31 percent of any yearly capitalization grant for non-project activities as follows; administration and technical assistance (4%), state program activities (10%), small systems technical assistance (2%), and local assistance (15%). Additionally, up to 30 percent of each grant may be used for loan assistance (including forgiveness of principal) to disadvantaged communities.

This IUP will serve as the planning document for explaining how the remainder of Federal Fiscal Year (FFY) 2000 and all of FFY 2001 Capitalization Grant appropriations will be used for the DWRf and non-project set-asides. The program fiscal year for the DWRf is January 1, 2001 to December 31, 2001. As currently developed, the IUP identifies the specific projects and activities associated with the federal appropriation.

“The State” as referenced in this document is comprised of three agencies involved in operating the DWRF under a memorandum of agreement - the Colorado Water Resources and Power Development Authority (hereafter referred to as “the Authority”), the Water Quality Control Division at the Department of Public Health and Environment (WQCD), and the Division of Local Government at the Department of Local Affairs (DLG). The SDWA, Section 1542(g)(1)(B), expressly places the authority for establishing assistance priorities and carrying out oversight and related activities (other than financial administration) with the State agency having primary enforcement responsibility. The WQCD is the agency which has this responsibility in Colorado. The DLG evaluates financial and managerial capacity of loan applicants, identifies and tabulates potential projects for the program, and provides outreach to raise awareness of the program. The Authority is named administrator under state statute; therefore, it is the grant recipient and provides financial administration for the DWRF.

The requirements of the SDWA that are included in this IUP are as follows:

- , A comprehensive priority list of those projects eligible to be assisted by the DWRF which must include the name of the public water system, the priority assigned to the project, a description of the project (type), the expected terms of financial assistance, the size of the community and an expected funding schedule. The State must identify which projects on the priority list will, or are projected to, receive funding in 2001;
- , A description of the criteria and method established for the distribution of funds;
- , A description of the financial status of the DWRF;
- , A description of the short and long-term goals of the State's DWRF;
- , A description of amounts transferred between the DWRF and the Water Pollution Control Revolving Fund; and
- , A description of the non-project activities to be funded from the DWRF Capitalization Grant including the percentage of such funds to be devoted thereto.

The State will prepare and submit a grant application for FFY 2001 based on this IUP.

## **II. LIST OF DRINKING WATER REVOLVING FUND PROJECTS**

States are required to develop a comprehensive priority list of eligible projects for funding and to identify projects that will receive funding in the first year after each capitalization grant award. In determining funding priority, states must ensure, to the maximum extent practical, that priority for the use of funds be given to projects that 1) address the most serious risks to human health; 2) are necessary to ensure compliance under SDWA; and 3) assist systems most in need, on a per household

basis (i.e. affordability). Projects primarily to serve future growth are not eligible. Examples of eligible and ineligible projects and project related costs are found in Attachment 1.

Appendix A to this IUP is the statewide Drinking Water Project Eligibility List (Eligibility List) illustrating the various projects and their associated estimated costs as required by Colorado’s authorizing statute. The Eligibility List includes the name of the public water system, a description of the project, the size of the community, the estimated cost of the project and how the projects were ranked by categories described in the DWRF Regulations (included in Attachment 2). Appendix B (Project Priority/Fundable List) is a list of the 15 projects that have or will have a planning document for a specific project, have been prioritized for funding within each category, and are eligible to receive a loan from the DWRF. The supporting documentation covering the assignment of priority points is available from the WQCD. This list includes the anticipated loan terms, interest rate, type of loan and an enumeration of the drinking water problem and project description to correct the problem.

Of the 15 projects prioritized and ready for funding and described in appendix B (Project Priority/Fundable List), 3 are category 1 (public health concerns). Of the 3, 2 need grant funds to proceed, and one has not yet determined how to fund the project. The DWRF projects which the State intends to fund with its FFY01 capitalization grant are:

<u>Priority Rank</u>	<u>Loan Amount</u>	<u>Entity To Receive Loan</u>	<u>Project Description</u>
4	500,000	Town of Larkspur	Const. WTP, Upgrade Distribution System
5	330,000	Pinewood Springs WD	Add New Water Source
6	800,000	Town of Basalt	Const. Membrane WTP
8	10,000,000	City of La Junta	Upgrade Treatment/Construct New WTP
10	165,000	Town of Kersey	Upgrade/Replace Distribution System

Total \$11,795,000 of which 100% is for small systems (those serving less than 10,000 people)

Projects from the Eligibility List can be moved to the Priority/Fundable List (Appendix B) during the funding year when the public water system submits a planning document that provides the WQCD with enough information to prioritize the project.

**III. CRITERIA AND METHODS FOR DISTRIBUTING FUNDS**

The new regulations require that the IUP include “the process and rationale for distribution of funds between the fund and set-aside accounts.” In accordance with the Memorandum of Agreement, the State has a decision-making team comprised of staff from the three agencies to determine the DWRF projects to be funded. Regarding the non-project activities, the WQCD determines the amount of funds to be set aside for activities documented in the IUP and forwards the amount for funding to the Authority for inclusion in the capitalization grant application. The WQCD anticipates utilizing approximately 22 percent of the FFY01 grant to meet various SDWA requirements as described in Section VII (Non-project Activities). However, 4 percent for administration will be reserved to allow the state to take it from a future capitalization grant.

Colorado’s project priority system is set forth in the DWRF Regulations (5 CCR 1003-3) (Attachment 2). The Regulations include the following criteria:

- Categories By Priority Ranking
  - (1) Acute Health Hazard.
  - (2) Chronic (long term) Health Hazard.
  - (3) Potential Acute Health Hazard.
  - (4) Potential Chronic Health Hazard.
  - (5) Other Future Needs.
  
- Priority Point Assignments Within Each Category - Once a planning document is received, projects within each category will be prioritized by the assignment of points and documented by the WQCD from the following:
  - (1) Population.
  - (2) Financial Need.
  - (3) Consolidation.
  - (4) Water Conservation.
  - (5) Source Water Protection.
  - (6) Beneficial Use of Sludge.
  - (7) Health Risk. To further clarify the ranking of treatment facility projects, the WQCD shall assign points for a project once a determination of the greater health risk is made based upon the type and level of contaminant present within each category.

Projects on the Project Priority/Fundable List (Appendix B) will be financed in priority order to the maximum extent practical. Exceptions for funding out of priority order shall be due to one of the following reasons:

- a) Governmental agencies are not ready to proceed with the project.

- b) Governmental agencies do not wish to participate in the DWRF or they have received funding from other sources.
- c) Governmental agencies (on the eligibility or priority list) that have an emergency situation occur during the funding year.
- d) Governmental agencies not approved for funding because of technical, financial or managerial deficiencies. (The WQCD and DLG will attempt to work with the governmental entity to resolve the issue through the capacity development program.)

## **SMALL SYSTEMS FUNDING GOAL**

To the extent that there are a sufficient number of eligible projects to fund, the State shall use at least 15 percent of all funds credited to the DWRF account on an annual basis to provide loan assistance to systems serving 10,000 persons or fewer. In 2001, the majority of projects to be funded will be small systems.

To further this goal in 2001, planning and/or design grants will be made available (see short term goal No. 8) to assist small systems with meeting some of the requirements of the DWRF. In addition, the DLG is planning to conduct a series of training workshops in 2001 to help build financial and managerial capacity of small rural public water systems. Finally, an annual survey is conducted to identify and update the needs of small systems.

## **IV. FINANCIAL STATUS OF THE DWRF**

The DWRF was created by state statute in 1995 prior to the enactment of the 1996 Amendments to the SDWA. Under this legislation the Colorado General Assembly directed the transfer of approximately \$7,253,915 to the DWRF. The final transfer occurred in March 1998. In addition to the funds transferred by the General Assembly, the Authority has appropriated and authorized the transfer of \$12,375,755 to be deposited into the DWRF for a total of \$19,629,670 in state funds. An additional \$2,700,000 is expected to be transferred from the authority to the DWRF by the end of 2000.

A federally capitalized DWRF was authorized by the 1996 Amendments to the SDWA and was established in Colorado with the receipt of the first capitalization grant in September 1997. This program requires the state to match the total amount of each federal grant with a 20 percent contribution of state funds. This state match amount must be deposited entirely into the loan fund, which must be maintained in perpetuity. Loan fund amounts are not available for non-project activities.

The State has made 17 direct loans for \$5,818,692 with state funds, which are kept separate from the federal portion of the DWRF so that repayments from these loans may be available for state match in the future. The remaining \$13,810,978 is available for use as state match. Of this amount, \$11,287,545 has been used for state match through June 30, 2000. As of June 30, 2000, \$5,090,183 was available for

state match from the uncommitted funds mentioned above, repayments from state loans and interest earnings.

The DWRF provides both direct loans and leveraged loans to finance projects. Direct loans are generally made to smaller projects and borrowers that are not as credit worthy. This allows the program to provide low interest loans to small public water systems without going to the bond market and incurring those associated costs. A direct loan (up to \$1,000,000) utilizes approximately 75 percent capitalization grant and 25 percent state match dollars. Based on an effort to keep the rates for direct loans at or below the leveraged loan rate, the interest rate is set at 4.0% (for 2001) which includes a fee of eight tenths of a percent for administration.

Leveraged loans are generally provided to investment grade borrowers with larger projects. A leveraged loan (composed of grant funds, state match funds and bond proceeds with a maximum amount of \$15,000,000 per borrower) uses the reserve fund concept, whereby grant funds and re-loan funds in the DWRF are used as the source of security for bonds which are sold to increase the loan capacity. The leveraged loan interest rate is 80% of the market rate on the bonds and includes the administrative fee of eight tenths of a percent per year. The market rate on the bonds is determined on the day of pricing (sale) as the "all-in bond yield" (all costs considered) of the "AAA" rated drinking water revenue bonds.

The administrative surcharge on all loans, eight tenths of a percent, ensures long term administration of the DWRF and provides potential opportunities for grant assistance to small public water systems. In the future, the funds may be deposited in the DWRF to fund loans. The administrative fee supplements the 4% administrative set-aside from the capitalization grant. The fee is deposited into an account separate from the DWRF and is used for costs associated with the DWRF (i.e., Authority, WQCD and DLG staffing and expenses and other operations expenses of the DWRF). Administrative fees received from DWRF loans for 2001 are estimated to be \$1,156,000. These funds will be used to fund direct program costs including legal and accounting fees, trustee fees, and other consultant fees, in addition to labor and overhead allocations of the Authority, WQCD and DLG. Total costs for administration of the DWRF are estimated to be \$1,020,000, a portion of which will be paid from DWRF set aside grant monies available. Additionally, administrative fee income will be used to fund a planning and/or design grant program that is planned for 2001.

Leveraging the fund is appropriate where financing needs significantly exceed available funds; however, it impacts the DWRF by reducing the interest rate subsidy provided or reducing future loan capacity. Each year the eligibility list needs (currently over \$500 million) are compared against the loan capacity of the DWRF. Even though demand for loans (Fundable List) in the year 2001 is less than the projected loan capacity, it is in the best interest of the program to continue leveraging in order to maintain the flexibility to meet anticipated future needs in 2002 and thereafter. By continuing to leverage, the program will be able to assist more communities currently on the eligibility list and help meet those communities' needs that will be added to the list when the arsenic and radon standards are set. Given that the leveraged loan rate of 80% of market rate has produced an average loan rate of between 4.0 and 4.5%, leveraging has not



created a loan rate significantly different than the direct loan rate. Although no interest income on the grant funds and state match funds accrue to the DWRF from the leveraged loans, the long-term or perpetual nature of the DWRF remains in place.

States may provide loan subsidies such as reduced interest and principal forgiveness for disadvantaged communities. Those subsidies cannot exceed 30 percent of the amount of the capitalization grant in any given year. Colorado has not defined a disadvantaged system or determined the feasibility of loan subsidies and their impacts on the perpetuity of the DWRF.

Through June 30, 2000, the State has received a total of \$53,512,367 in federal capitalization grants. Of this amount, \$8,611,472 has been set aside for non-project activities. The State anticipates receiving a FFY01 capitalization grant of \$10,500,000 with \$2,310,000 set aside for non-project activities. This amount may change based on final federal appropriations. (See attachment 3, 3a and 3b.) For every \$1 of the capitalization grant that is set aside for non-project activities, it is estimated that the loan capacity of the DWRF over a 20 year period is diminished by \$7.

Under the federal portion of the DWRF, six direct loans for \$2,513,200 and seventeen leveraged loans for \$132,968,705 have been made to-date from the DWRF utilizing the federal capitalization grants (See attachment 4).

The DWRF intends to make one leveraged loan and four direct loans on projects for 2001, totaling \$11,795,000, as set-forth above. Set-aside activities are described in the non-project section below.

### **TRANSFER ACTIVITIES**

There are no plans to transfer any dollars from the Water Pollution Control Revolving Fund (WPCRF) FFY 1999, 2000 or 2001 capitalization grants to the DWRF because anticipated loans for 2001 water quality projects are expected to be in more demand than drinking water project loans. Discussions at a stakeholders' meeting on May 18, 2000, determined that water quality projects totaling approximately \$100,000,000 could be ready to proceed in FY 2001.

### **CROSS-COLLATERALIZATION ACTIVITIES**

Beginning in the calendar year commencing on January 1, 1999, the WPCRF, along with the DWRF, may cross-collateralize or pledge moneys on deposit in one fund to act as additional security for bonds secured by moneys on deposit in the other fund. This mechanism was utilized for both programs in 1999 and, as a result, the bond ratings for both programs were upgraded to "AAA" by all three bond rating agencies. This upgrade translates to lower interest rates and thereby more savings to the borrowers of both programs.

### **OPERATOR CERTIFICATION**

The 1996 Amendments to the Federal Safe Drinking Water Act required that states develop certification programs for operators of water treatment plants and distribution systems. House Bill 00-1431 adopted by the Colorado General Assembly this year revises the existing Colorado operators certification program, in part to meet the new federal requirements. The WQCD and the Water and Wastewater Facility Operators Certification Board are currently developing a program to implement the new federal requirements, in accordance with the revised state statute. A program will be submitted to EPA for approval by the established deadline of February 5, 2001. If the program is not submitted by February 5, 20 percent of the FFY01 capitalization grant will be withheld. Until such time as EPA has approved that program, 20 percent of the FFY01 grant may be held back by EPA.

## **V. LONG TERM GOALS**

The State continues to develop long term goals that will ensure the integrity of the DWRF. These goals and the method for achieving them are as follows:

1. Maintain the economic viability of the DWRF while meeting current and projected drinking water system needs in the State of Colorado.

Ensure that the DWRF remains viable and is self-perpetuating to meet the long range needs of the State.

2. Provide loans and technical and financial assistance to governmental agencies to facilitate effective planning, design, financing, and construction or improvement of facilities to comply with the provisions of the Colorado Primary Drinking Water Regulations.

Customer service will be the focus while utilizing the team approach to create an atmosphere conducive to accomplishing the best practicable project.

3. Maintain compliance with companion local, state and federal laws and the provisions of the State/EPA Operating Agreement.

## **VI. SHORT TERM GOALS**

In an effort to continually improve the DWRF program, the State will pursue the following short term goals throughout the 2000 calendar year:

1. Submit an application for the 2001 Capitalization Grant by November 2000.
2. Update the Handbook of Procedures and seek approval by EPA.

3. Initiate the process for identifying projects in the FY2002 Intended Use Plan by August 2001.
4. Submit the Annual Audit along with the biennial report by April 30, 2001.
5. Reevaluate the DWRF Rules once EPA implements regulations based on the SDWA.
6. Coordinate with other funding agencies to complete drinking water projects identified in the 2001 IUP.
7. Leverage funds in the DWRF to accommodate the estimated demand for eligible projects in 2001 and thereafter.
8. The Authority Board made the following policy changes at its October 6, 2000 Board meeting:

Upon Board of Health adoption of the 2001 IUP, the interest rate for direct loans will be 4.0% with no loan closing fee. Direct loans will be made to public water systems whose project costs are under \$1,000,000. (It was previously \$500,000.)

Beginning January 1, 2001 \$50,000 will be made available for planning and/or design grants for communities under 10,000 population. The maximum amount will be \$10,000 per community. These are non-reimbursable grants, unless the entity is not borrowing funds from the DWRF in which case the authority board wants the ability to review, and if appropriate, waive this requirement. These funds are provided from the administrative fee account.

9. The WQCD will revise the State Environmental Review Policy to allow for consultants to prepare the environmental assessment and submit the revision to EPA for approval.
10. The WQCD will investigate a legislative change recommended by the State of Colorado program auditors to allow the DWRF program to fund privately owned public water systems.
11. The DLG is planning to conduct a series of training workshops in 2001 to help build financial and managerial capacity of small rural public water systems around the state.

**VII. DESCRIPTION OF NON-PROJECT (SET-ASIDE) ACTIVITIES TO BE SUPPORTED**

The State may set aside portions of each capitalization grant for non-project (set-aside) activities. The purpose of the set-asides is to provide the funds to administer the DWRF as well as to meet the programmatic requirements of the 1996 Amendments to the SDWA. It is the responsibility of the WQCD to determine the funding required to accomplish this work. A description of allowable non-project activities

along with a description of the set-asides to be taken from the FFY01 capitalization grant are described below. The set-aside estimates below are based on the assumption that the capitalization grant for FFY01 will be comparable to FFY00--about \$10,500,000. The set-aside allotments are summarized in attachments 3 and 3a. Once set-asides are allotted, the State must develop, and EPA approve, a workplan to be able to utilize those funds. Funds set-aside for a particular year, but not used may be retained for future use. The WQCD is consciously allowing some unused funds to accumulate to provide for the orderly transition of staff in the event continued funding of the DWRF does not occur. A detailed description of each set-aside can be obtained from the specific set-aside workplan. The general features of each set-aside are highlighted below.

**ADMINISTRATION.** A state may use up to 4 percent of its allotment to cover the reasonable costs of administering the DWRF program and to provide technical assistance to public water systems. Unused portions of this set-aside may be retained for use in future years. Additional administrative expenses are covered by a loan surcharge.

Colorado is entitled to set-aside 4 percent (\$420,000) from the FFY01 Capitalization Grant in a non-DWRF account to cover current and future administrative expenses. However, this account currently has adequate funds to cover the anticipated 2001 expenses. Therefore, the State will deposit the FFY01 administration set-aside into the DWRF project account and reserve the right to draw the FFY01 four percent set-aside amount (\$420,000) from a future capitalization grant.

**SMALL SYSTEM TRAINING AND TECHNICAL ASSISTANCE (SSTTA).** A state may use up to 2 percent of its allotment to provide training and technical assistance to small systems. Unused portions of this set-aside may be carried over for use in future years.

Based on projected needs identified by the WQCD, the WQCD intends to set-aside 2 percent (\$210,000) for this program from the FFY01 capitalization grant. The funds to be expended in 2001 will come from funds carried over from previous fiscal years for this use and the FFY01 funds will be banked for use at a later date. Funds in the amount of \$281,532 were committed but not utilized from the FFY97 capitalization grant; therefore, those funds will be reverted back to the DWRF. The SSTTA account currently has adequate funds to cover the anticipated 2001 expenses.

In 2000, training programs, funded by the SSTTA set-aside, were conducted for managers and operators of small systems. Providers included:

- Colorado Rural Water Association
- American Water Works Association (Rocky Mountain Section)
- University of Colorado School of Continuing Education
- Red Rocks Community College.

Currently, the 2000 training is being conducted and evaluated and training programs are being designed for 2001. The estimated cost of the 2001 activities is approximately \$92,000. However, training providers may request less depending upon attendance, and significant new activities may be developed to support water and distribution system operator training and certification activities up to the full amount of the set-aside.

The Authority will provide the required 20 percent up-front state match. Reimbursement of the state match to the Authority for this set-aside will come from the service provider or from other non-federal sources.

**STATE DRINKING WATER PROGRAM MANAGEMENT.** A state may use up to 10 percent of its allotment for state program management activities. These activities include administration of the state public water supply supervision (PWSS) program and include compliance monitoring, data management, enforcement, compliance assistance, source water protection programs, capacity development programs, and an operator certification program. The state must match these funds at a one-to-one ratio with an equivalent amount of state expenditure or provide documentation of in-kind services.

The WQCD will be setting aside from the FFY01 capitalization grant \$505,620 for this program. This amount is currently based on four factors: (1) work requirements identified by the WQCD, (2) the ability of the WQCD to meet the dollar-for-dollar federal match requirement, (3) the 20 percent up-front match reimbursement waiver provided by the Authority, and (4) staffing limits established for the Department. In future years, the WQCD will seek to increase the amount of funds utilized under this set-aside consistent with programmatic needs, reserve requirements, and the availability of required one-to-one match.

A portion of this set-aside will be used to hire 6.5 full time employees (FTE) for implementation of the many new program requirements associated with the 1996 reauthorization of the SDWA. The remainder will be used to fund program implementation needs including contractor support, equipment and data needs. A work plan which will fully describe the new requirements and associated PWSS program needs is in the process of being developed for EPA review and approval.

New program requirements include meeting the new requirements for increased sanitary survey elements, sanitary survey frequency, capacity development reviews, data management, technical assistance, non-compliance investigation and response, and administration of set-aside programs. The new regulatory initiatives will also require increased data handling and enforcement for the following rules: Interim Enhanced Surface Water Treatment Rule, Disinfection/Disinfection By-Product Rule, Radon Rule, Arsenic Rule, Consumer Confidence Report Rule and the Public Notification Rule. New staff will also be involved in drafting the new regulations including the increased public involvement requirements, and the writing of implementation manuals for the rules. Staffing analysis for the new requirements indicates that new staff will be allocated to the Drinking Water Program Administrator, Drinking Water and Wastewater Technical Services Unit, the Compliance Monitoring and Data Management Unit and The Compliance Assurance and Enforcement Program.

In addition to the staff needed to meet SDWA program requirements, funds from this set-aside will be used to reimburse the Consumer Protection Division for administering the non-community drinking water system sanitary survey initiative using local health departments as part of the Capacity Development Program.

For 2001, the efforts highlighted above will be continued. Additional activities such as hiring the 6.5 FTE will be completed. The estimated cost of the 2001 activities is approximately \$500,000.

For FFY01, the required dollar-for-dollar federal match requirement will be met by utilizing drinking water related expenditures from the state laboratory, 1993 drinking water grant matching funds from the WQCD as well as current year match in excess of the required amount. The laboratory contribution includes the laboratory certification program, as well as analyses of drinking water samples. State program match funds that were expended in 1993 can be used to provide up to 50 percent of the set-aside match. The current year match in excess of the minimum required may also be used. The three match amounts, i.e., laboratory contribution, 1993 match, and current year match allow the WQCD to take \$505,620.

The Authority will provide the 20 percent up-front state match. The Authority has authorized up to \$101,124 of Authority funds to provide, on a non-reimbursable basis, the up-front match for \$505,620 of capitalization grant funds for FFY00-04 for this set-aside.

**LOCAL ASSISTANCE AND OTHER STATE PROGRAMS.** A state may use up to 15 percent of its capitalization grant to assist development and/or implement local drinking water protection initiatives and other State programs. No more than 10 percent of the grant amount can be used for any one authorized activity. Allowable activities under this set-aside are:

**Loans to public water systems to acquire land or conservation easements for source water protection purposes.**

The WQCD is not setting aside any funds for this purpose from its FFY01 capitalization grant.

**Loans to community water systems to implement voluntary, incentive based source water quality protection measures.**

The WQCD is not setting aside any funds for this purpose from its FFY01 capitalization grant.

**Source Water Assessment and Protection Program (SWAP).** The WQCD set-aside the full FFY97 allotment of \$1,678,410 which was based on project needs identified by the WQCD. The WQCD will make expenditures from its FFY1997 capitalization grant allotment in the year 2001 to assess source water protection areas for public water systems in accordance with section 1453 of the SDWA.

A revised SWAP work plan for the following activities: delineation, contaminant inventories and susceptibility analyses of surface water systems has been approved by EPA along with public participation and project management tasks.

Major SWAP milestones for 2000 include:

- Hiring of a SWAP project manager.
- EPA approval of the final SWAP program plan (State Strategy).
- Development of a SWAP website: <[www.cdphe.state.co.us/wq/sw/swaphom.html](http://www.cdphe.state.co.us/wq/sw/swaphom.html)>
- EPA approval of the revised SWAP workplan.
- Initiation of a project to collect the remaining lat/longs for drinking water intakes.
- Initiation of a project to develop a spatial data library.
- Initiation of a project to develop a web-enabled GIS system.
- Issuance of a request for proposal for source water delineation for surface water statewide.
- Selection of a contractor and initiation of the delineation work.

For 2001, the spatial data library, web-enabled GIS, and source water delineations, identified above, will be completed. Additional activities will focus on selecting additional contractors to conduct contaminant inventories and susceptibility analyses for surface water systems statewide. The estimated cost of the 2001 activities is approximately \$600,000.

The amount of funds available from this one time set-aside for this program totals \$1,678,410. The Authority provided the 20 percent up-front state match for this set-aside and waived repayment.

**Capacity Development.** Colorado will provide assistance to public water systems as part of a capacity development strategy in accordance with Section 1420(c) OF the SDWA.

The WQCD intends to set-aside \$650,000 for this program from the FFY01 capitalization grant. This amount is based on three factors: (1) work requirements identified by the WQCD consistent with the capacity development strategy, (2) the 20 percent up-front match reimbursement waiver provided by the authority, and (3) staffing limits established for the department.

A portion of this will be used to hire 2.0 full-time employees (FTE) to assist in implementation of the capacity development requirements associated with the 1996 reauthorization of the SDWA.

The following list of activities provides an overview of the contents of the workplans:

Major capacity development milestones for 2000 included:

- Continued implementation of new system capacity reviews using the “New Water System Capacity Planning Manual” to evaluate the technical, financial and managerial (TFM) capacity of new systems starting October 1, 1999. To date, three systems have been evaluated:
  - Glenview Estates, Water Treatment Plant, Chafee County
  - Princeton Estates Mobile Home Park, Water Treatment Plant, Chafee County
  - Whetstone Vista, Water Treatment Plant, Gunnison County
- Evaluation of existing systems: EPA approval of the FFY00 IUP required that systems funded with FFY00 funds have a TFM evaluation using the new system manual. currently, a capacity planning manual for those existing systems seeking a DWRF loan is being developed.
- The other major aspect of the capacity development effort in 2000 was the initiation of the on-site sanitary survey effort coordinated by the Consumer Protection Division in conjunction with local health departments. This effort will eventually involve annual sanitary surveys of approximately 800 non-community ground water systems and will provide limited technical assistance. For 2000, training was conducted and approximately 200 systems were visited. Approximately 800 systems are currently scheduled to be visited in 2001.

For 2001, the efforts highlighted above will be continued. Additional activities such as hiring the 2.0 FTE will be completed as well as the items listed below.

- Preparation of an informational pamphlet for non-community systems on the drinking water regulations and guidelines which apply.
- Upgrading the WQCD’s web site to include access to new information and operator training.
- Developing “line of sight” summary of new federal regulations to be adopted by reference.
- Developing a Colorado drinking water hotline.
- Developing guidance, tailored to system size, for new regulations adopted by reference.
- Providing, via contract, on-site comprehensive performance evaluations of surface water systems that do not provide 99.9 percent (3 log) removal of particulates as measured by the microscopic particulate analysis.

The estimated cost of the 2001 activities is approximately \$600,000.



The Authority will provide the 20 percent up-front state match. The Authority has authorized up to \$130,000 of Authority funds to provide, on a non-reimbursable basis, the up-front match for \$650,000 of capitalization grant funds for FFY98-99.

**Wellhead Protection Program (WHP).** The WQCD will make expenditures to assess wellhead protection areas for public water systems in accordance with Section 1428 of the SDWA.

The WQCD intends to set-aside \$500,000 for this program from the FFY01 capitalization grant which is based on project needs identified in SWAP. A revised WHP work plan for the following activities: delineation, contaminant inventories and susceptibility analyses of ground water systems has been approved by EPA along with a public participation task.

Major WHP milestones for 2000 include:

- Development of a SWAP website (which includes the WHP program):  
<[www.cdphe.state.co.us/wq/sw/swaphom.html](http://www.cdphe.state.co.us/wq/sw/swaphom.html)>
- EPA approval of the revised WHP workplan
- Initiation of a project to collect the remaining lat/longs for drinking water wells
- Issuance of a request for proposal for source water delineation for groundwater statewide.
- Selection of a contractor and initiation of the delineation work.

For 2001, groundwater delineations, identified above, will be completed. Additional activities will focus on selecting additional contractors to conduct contaminant inventories and susceptibility analyses for groundwater systems statewide the estimated cost of the 2001 activities is approximately \$860,000.

The Authority will provide the 20 percent up-front state match for this set-aside. The match will be reimbursed to the Authority by the service provider or from non-federal sources.

### **VIII. MISCELLANEOUS INFORMATION**

The State will provide the necessary assurance and certifications as part of the Capitalization Grant Agreement and Operating Agreement between the State of Colorado and the U.S. Environmental Protection Agency.

The proposed payment schedule using FFY2001 Drinking Water funds will be included in the application for the capitalization grant. The payment schedule identifies the anticipated amount of EPA

Automated Clearinghouse (ACH) draws from the capitalization grant and State dollars to be deposited into the DWRF.

The State legislation (SB 95-083) established the DWRF as an enduring and viable fund. The DWRF shall be maintained and be available in perpetuity for providing financial assistance as authorized and limited by the SDWA.

**Public Review and Comment:**

The Colorado State Board of Health published this information and held a public meeting on November 15, 2000 at which time the State's 2001 IUP including the 2001 DWRF Eligibility List and Project Priority List were approved. Comments received from EPA resulted in more detailed descriptions in the IUP. No comments were received from the general public.

Each year, the IUP will be amended to include additional DWRF projects and other appropriate changes. With the issuance of the new Drinking Water State Revolving Fund Regulations on August 7, 2000, the requirements for the IUP have been modified substantially. The WQCD proposes to convene an IUP work group in 2001 to reformat the IUP for FFY02. The WQCD will continually seek public review and comment for the proposed list of eligible projects and IUP brought before the State Board of Health for approval annually.

APPENDIX A - DWRF  
FY 2001  
PROJECT ELIGIBILITY LIST

ID NO.	CAT	FACILITY	ADDRESS	CITY	ZIP	COUNTY	DESCRIPTION	COST	POP
010039	1	ADAMS CNTY/N. WASH. WUA	P.O. BOX 508	EASTLAKE	80614	ADAMS	Contamination in drinking water	\$300,000	130
010042	1	CHEYENNE WELLS, TOWN OF	BOX 125	CHEYENNE WELLS	80810	CHEYENNE	Well high in nitrates, replace	\$270,000	1111
990013	1	COTTONWOOD WSD	7305 S POTOMAC ST	ENGLEWOOD	80112	DOUGLAS	Const WTP, lines, reservoir, and wells	\$4,770,000	2375
980253	1	DEER TRAIL, TOWN OF	P.O. BOX 217	DEER TRAIL	80105	ARAPAHOE	Coliform/bacteria problems,upgrade trmt,storage,dist	\$866,000	250
010034	1	DOUGLAS CNTY/STRUBY	13195 N HIGHLAND CIRCLE	LITTLETON	80125	ARAPAHOE	Connect to North Douglas County wsd	\$180,000	30
960038	1	FOWLER, TOWN OF	114 E CRANSTON AVE	FOWLER	81039	OTERO	Develop/rehab supply,add deep well	\$445,000	1203
960053	1	JULESBURG, TOWN OF	122 W FIRST ST	JULESBURG	80737	SEDGWICK	Trmt/Distrib problems,const rev osmosis,drill new wel	\$2,300,000	1262
960054	1	KIM, TOWN OF	BOX 70	KIM	81049	LAS ANIMAS	Nitrates exceed MCL,connect new well,install meters	\$150,000	77
960056	1	KIT CARSON, TOWN OF	BOX 239	KIT CARSON	80825	CHEYENNE	Capacity,MCL exceeded,need alternate source	\$1,500,000	290
010019	1	LAFAYETTE/SHADY ACRES	1290 S PUBLIC RD	LAFAYETTE	80026	BOULDER	Unsanitary conditions, connect to Lafayette	\$250,000	15000
010026	1	NUNN, TOWN OF	P.O. BOX 171	NUNN	80648	WELD	High nitrates, possible consolidation with N Weld	\$150,000	325
010033	1	PARKVILLE WATER DISTRICT	P.O. BOX 45	LEADVILLE	80461	LAKE	Possible contamination of supply	\$300,000	100
960156	1	STERLING, CITY OF	421 N 4TH STREET	STERLING	80751	LOGAN	Upgrade WTP for nitrates	\$2,000,000	11290
000001	2	ALAMOSA, CITY OF	P.O.BOX 419	ALAMOSA	81101	ALAMOSA	Arsenic in water, upgrade treatment	\$4,000,000	8775
000007	2	EAST ALAMOSA WSD	P.O.BOX 1092	ALAMOSA	81101	ALAMOSA	Upgrade treatment, arsenic in water	\$300,000	750
960045	2	HOLLY, TOWN OF	BOX 458	HOLLY	81047	PROWERS	MCL viol, drill new well and add storage	\$600,000	891
960047	2	HOT SULPHUR SPG, TOWN	BOX 116	HOT SULPHUR SPGS	80451	GRAND	New intake structure,pump controls,upgrade main	\$1,000,000	401
960049	2	IDLEDALE WSD	390 UNION BLVD,SUITE 310	LAKEWOOD	80228	JEFFERSON	Rehab storage,upgrade pumping,add new well	\$250,000	500
010012	2	OTERO CNTY/EUREKA W C		ROCKY FORD		OTERO	Upgrade water supply & trmt, under enforcement	\$100,000	300
980242	2	PINE RIVER IRRIG DIST	13029 COUNTY ROAD 501	BAYFIELD	81122	LA PLATA	Construct WTP and distribution system	\$19,000,000	2000
960093	2	PINEWOOD SPRINGS WD	P.O.BOX 3265	LYONS	80540	LARIMER	Upgrade treatment for lead & copper,add storage	\$330,000	638
960102	2	RYE, TOWN OF	BOX 236	RYE	81069	PUEBLO	Construct storage tank and upgrade filtration	\$600,000	170
960144	2	SPRINGFIELD	P.O. BOX 4	SPRINGFIELD	81073	BACA	Well contaminated-replace,rehab distrib,add storage	\$1,500,000	1420
000019	2	WELD CNTY/WATTENBURG	1826 MARY AVE	FT. LUPTON	80621	WELD	Inadequate storage, high nitrate, const R/O system	\$800,000	375
960003	3	ALLENSPARK WSD	P.O.BOX 91	ALLENSPARK	80510	BOULDER	Upgrade plant,add storage,high turbidity	\$125,000	290
990001	3	AURORA, CITY OF	1470 S HAVANA STREET	AURORA	80012	ARAPAHOE	Upgrade WTP,improve chemical handling & storage	\$20,000,000	222103
990002	3	BAYFIELD, TOWN OF	BOX 80	BAYFIELD	81122	LA PLATA	Add new microfloc cell by 2001	\$250,000	1375
960007	3	BENNETT, TOWN OF	355 4TH STREET	BENNETT	80102	ADAMS	Need back-up power supply for one well	\$30,000	1757
990003	3	BERTHOUD, TOWN OF	BOX 1229	BERTHOUD	80513	LARIMER	Increase WTP capacity, connect to southern pipeline	\$2,000,000	4313
990004	3	BRECKENRIDGE, TOWN OF	BOX 168	BRECKENRIDGE	80424	SUMMIT	Add storage tank	\$2,800,000	15850
990008	3	BUFFALO CREEK WD		BUFFALO CREEK		JEFFERSON	Upgrade water supply, establish special district	\$150,000	105
960130	3	CARTER LAKE FILTER PLNT	7100 W COUNTY RD 8E	BERTHOUD	80513	LARIMER	Provide multiple treatment barriers & upgrade equip	\$2,000,000	12913
990038	3	COSTILLA CNTY/SAN ACACIO	P.O. BOX 100	SAN LUIS	81152	COSTILLA	Repair well and storage tank,add hydrants and distrib	\$505,500	78
990014	3	CRIPPLE CREEK, TOWN OF	BOX 430	CRIPPLE CREEK	80813	TELLER	Upgrade WTP,replace main,water meters,add storage	\$1,300,000	2100
990016	3	DE BEQUE, TOWN OF	BOX 60	DE BEQUE	81630	MESA	Upgrade WTP	\$199,050	605

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960023	3	DINOSAUR, TOWN OF	BOX 238	DINOSAUR	81610	MOFFAT	Upgrade well casings, add new well	\$75,000	324
990017	3	EAGLE RIVER WSD	846 FOREST ROAD	VAIL	81657	EAGLE	Upgrade Edwards WTP,add Storage,replace distr lines	\$16,000,000	24492
990019	3	ESTES PARK, TOWN OF	BOX 1200	ESTES PARK	80517	LARIMER	Replace distribution lines	\$3,000,000	9625
990021	3	GRANADA, TOWN OF	BOX 258	GRANADA	81041	PROWERS	Upgrade storage, distribution, and re-drill well	\$750,000	528
990020	3	GRAND COUNTY WSD #1	P.O. BOX 3077	WINTER PARK	80482	GRAND	Upgrade treatment, distribution, and storage	\$3,213,500	3300
990053	3	HIGHLAND ACRES WSD	15860 ELMIRA ST	BRIGHTON	80601	ADAMS	Upgrade well controls,repair tank,const well	\$600,000	300
960051	3	JAMESTOWN,TOWN OF	BOX 298	JAMESTOWN	80455	BOULDER	Const storage tank,replace well and part of distr system	\$109,342	276
980252	3	LAKE CREEK METRO DIST	P.O. BOX 5280	AVON	81620	EAGLE	Replace storage tank	\$615,000	200
960067	3	LYONS, TOWN OF	BOX 49	LYONS	80540	BOULDER	Upgrade WTP or const new facility,install water meters	\$3,000,000	1423
960074	3	MORRISON, TOWN OF	BOX 95	MORRISON	80465	JEFFERSON	Expand/upgrade treatment,reduce organics	\$1,200,000	483
960122	3	NEDERLAND, TOWN OF	BOX 396	NEDERLAND	80466	BOULDER	Const larger pre-sedimentation pond	\$500,000	1099
960080	3	NORWOOD, TOWN OF	BOX 528	NORWOOD	81423	SAN MIGUEL	Upgrade treatment and distribution	\$1,500,000	548
960082	3	OAK CREEK, TOWN OF	BOX 128	OAK CREEK	80467	ROUTT	Upgrade WTP and storage,replace trans lines	\$1,550,000	765
960085	3	ORCHARD CITY, TOWN OF	2102 J50 ROAD	AUSTIN	81410	DELTA	Failed particulate analysis,const 2 mgd trmt plant	\$1,000,000	2663
010027	3	OVID, TOWN OF	211 MAIN	OVID	80744	SEDGWICK	Upgrade water tank	\$32,410	338
990033	3	PAINT BRUSH HILLS MD	3730 SINTON RD, SUITE 250	COLORADO SPRINGS	80907	EL PASO	Drill new well and construct new plant by 2001	\$500,000	500
990035	3	PINE DRIVE WD	P.O. BOX 35	BEULAH	81023	PUEBLO	Upgrade treatment and obtain water rights	\$55,000	413
960220	3	ROUTT CNTY/PHIPPSBURG	P.O. BOX 224	YAMPA	80483	ROUTT	Upgrade treatment	\$5,000	200
990041	3	SILVERTON, TOWN OF	BOX 250	SILVERTON	81433	SAN JUAN	Upgrade WTP	\$3,000,000	1000
960109	3	ST MARYS GLACIER WSD	833 BROOK DRIVE	IDAHO SPRINGS	80452	CLEAR CREEK	Shallow wells,chlorine contact deficiency,inc storage	\$450,000	450
990043	3	STARKVILLE, TOWN OF	RTE 1, BOX 407	STARKVILLE	81082	LAS ANIMAS	Upgrade lines	\$10,000	200
990046	3	TRINIDAD, CITY OF	BOX 880	TRINIDAD	81082	LAS ANIMAS	Increase storage, treatment, and transmission	\$17,800,000	11940
960115	3	WALDEN, TOWN OF	P.O.BOX 489	WALDEN	80480	JACKSON	Failed particulate analysis,const backup trmt facilities	\$754,000	938
960231	3	WESTCREEK LAKES WD	ROUTE 2, BOX 154	SEDALIA	80135	DOUGLAS	Upgrade trmt,add storage and new infiltration gallery	\$250,000	100
990048	3	WESTWOOD LAKES WD	P.O. BOX 4486	WOODLAND PARK	80866	TELLER	Upgrade storage and treatment, replace pipe	\$750,000	325
990049	3	WILSON MESA/TELLURIDE	P.O. BOX 1919	TELLURIDE	81435	SAN MIGUEL	Upgrade distribution and add meters	\$240,000	100
010004	4	BENT CNTY/HASTY	P.O. BOX 350	LAS ANIMAS	81054	BENT	Upgrade treatment system	\$500,000	65
000021	4	CHERAW, TOWN OF	P.O. BOX 16	CHERAW	81030	OTERO	Upgrade treatment for iron, move trmt plant	\$218,000	265
010022	4	DOUGLAS CNTY/LOUVIERS	P.O. BOX 121	LOUVIERS	80131	DOUGLAS	Repair wells,replace distribution lines,upgrade chlorine	\$500,000	350
960137	4	HAYDEN, TOWN OF	P.O. BOX 190	HAYDEN	81639	ROUTT	Renovate WTP, replace lines	\$3,400,160	1569
990026	4	LA JUNTA, CITY OF	BOX 489	LA JUNTA	81050	OTERO	WTP in noncompliance, const new facility	\$16,000,000	7750
000002	4	LA JUNTA/BENT'S FORT	BOX 489	LA JUNTA	81050	BENT	High fluoride, connect to La Junta	\$150,000	25
010032	4	RED CLIFF, TOWN OF	P.O. BOX 400	RED CLIFF	81649	EAGLE	Construct 0.24 MGD microfiltrationpackage plant	\$450,000	300
000024	4	WESTLAKE WSD	13751 STUART STREET	BROOMFIELD	80020	ADAMS	Upgrade treatment,high sodium,replace failing well	\$450,000	200
960001	5	AGUILAR, TOWN OF	P.O.BOX 538	AGUILAR	81020	LAS ANIMAS	Poor pressure, repair leaking lines	\$4,000,000	612
010001	5	AKRON, TOWN OF	BOX P	AKRON	80720	WASHINGTON	Replace water lines	\$25,000	1600

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960126	5	ARAP CNTY/COTTONWOOD	7305 S POTOMAC,SUITE 150	ENGLEWOOD	80112	ARAPAHOE	Const WTP, lines, reservoir, and wells	\$9,540,000	3200
010003	5	ASPEN SPRINGS METRO DIST	P.O. BOX 488	PAGOSA SPRINGS	81147	ARCHULETA	Connect to existing provider, distribution system	\$2,500,000	1800
010002	5	ASPEN, CITY OF	130 S GALENA	ASPEN	81611	PITKIN	Upgrade trmt,repair/replace mains,replace headgate	\$1,635,000	5300
960004	5	AULT, TOWN OF	BOX 98	AULT	80610	WELD	Upgrade distribution, add storage	\$100,000	1259
960005	5	BACA GRANDE WSD	P.O.BOX 84	CRESTONE	81131	SAGUACHE	Trmt & distribution problems, drill new well	\$500,000	563
990005	5	BASALT, TOWN OF	101 MIDLAND AVE	BASALT	81621	EAGLE	Construct filter plant	\$2,000,000	1128
960181	5	BATTEMENT MESA MD	P.O. BOX 6116	BATTEMENT MESA	81636	GARFIELD	Upgrade treatment plant and plant drainage	\$35,000	2500
960127	5	BEAR CREEK WSD	2517 SOUTH FLOWER ST	LAKEWOOD	80227	JEFFERSON	Connect 59 homes on poor wells to District	\$1,000,000	148
960120	5	BEEBE DRAW WSD	1610 WYNKOOP ST,STE 550	DENVER	80202	WELD	Construct treatment facility	\$1,000,000	500
960182	5	BELLYACHE RIDGE MD	P.O. BOX 40	WOLCOTT	81655	EAGLE	Add 100,000 gallons storage and const new well	\$700,000	55
960184	5	BEULAH WATER WORKS	P.O. BOX 155	BEULAH	81023	PUEBLO	Repair leaking storage tanks and distribution system	\$223,400	398
960009	5	BLANCA, TOWN OF	BOX 365	BLANCA	81123	COSTILLA	Depleted aquifer, need second well and meters	\$100,000	287
010005	5	BLUE VALLEY METRO DIST	83 GRAND COUNTY RD 101	SILVERTHORNE	80498	SUMMIT	Upgrade treatment system	\$200,000	500
980241	5	BOX ELDER WSD	9600 E ARAPAHOE RD	ENGLEWOOD	80112	ARAPAHOE	Need new treatment system	\$400,000	200
960011	5	BRANSON, TOWN OF	BOX 125	BRANSON	81027	LAS ANIMAS	Add storage and replace distribution lines	\$275,000	55
990006	5	BRIGHTON, CITY OF	22 S. 4TH AVE.	BRIGHTON	80601	ADAMS	Augment existing supply, treat for manganese	\$3,190,000	11250
960128	5	BRISTOL WSD	BOX 125	BRISTOL	81028	PROWERS	Replace lines and storage tank	\$300,000	160
960189	5	BURLINGTON, CITY OF	415 15TH STREET	BURLINGTON	80807	KIT CARSON	Increase wells and storage	\$850,000	3023
000003	5	BYERS WSD	P.O.BOX 301	BYERS	80103	ADAMS	Replace wells, part of distrib system,storage,pumps	\$1,827,000	100
960129	5	CALHAN, TOWN OF	P.O. BOX 236	CALHAN	80808	EL PASO	Const 350,000 storage tank, replace distrib line	\$681,000	632
960012	5	CANON CITY, CITY OF	BOX 1460	CANON CITY	81215	FREMONT	Replace undersized mains with 20" mains	\$1,104,200	15059
010006	5	CARBONDALE, TOWN OF	511 COLORADO AVENUE	CARBONDALE	81623	GARFIELD	Construct second WTP	\$1,500,000	3000
010007	5	CASTLE PINES METRO DIST	5880 COUNTRY CLUB DRIVE	CASTLE ROCK	80104	DOUGLAS	Construct new WTP	\$5,000,000	1000
960190	5	CASTLE ROCK, TOWN OF	DRAWER 8000	CASTLE ROCK	80104	DOUGLAS	Upgrade Trmt,distrib,trans,pump station,well	\$33,220,100	12750
000004	5	CEDAREEDGE, TOWN OF	BOX 398	CEDAREEDGE	81413	DELTA	Replace/upsized transmission line,const storage tank	\$977,562	1858
960191	5	CENTER, TOWN OF	P.O. BOX 400	CENTER	81125	SAGUACHE	Rehab storage tank, add meters and new well	\$500,000	2298
960172	5	CENTRAL WELD CTY WD	2235 2ND AVE	GREELEY	80631	WELD	Upgrade/expand distribution	\$2,600,000	3620
010008	5	CLEAR CK CNTY/FLOYD HILL	P.O. BOX 2000	GEORGETOWN	80444	CLEAR CREEK	Construct new WTP	\$2,000,000	500
990012	5	CLIFTON WD	P.O.BOX 100	CLIFTON	81520	MESA	Increase pretreatment and const storage tank	\$2,260,000	24225
960149	5	COLORADO CITY METRO	P.O. BOX 390	COLORADO CITY	81019	PUEBLO	Replace leaking storage tank	\$315,000	1388
960017	5	COSTILLA COUNTY WSD	BOX 318	SAN LUIS	81152	COSTILLA	New wells-Chama,Los Fuertes,Old San Acacio	\$300,000	3384
960121	5	COSTILLA COUNTY/MESITA	100 CORONADO	MESITA	81152	COSTILLA	Upgrade wells and distribution lines	\$81,200	200
010009	5	CRAIG, CITY OF	300 W 4TH ST	CRAIG	81625	MOFFAT	Upgrade distribution, replace lines, mains, pump stati	\$1,000,000	8091
960194	5	CRAWFORD, TOWN OF	P.O. BOX 56	CRAWFORD	81415	DELTA	Replace transmissionline from springs to chlorinator	\$280,509	263
960019	5	CREEDE, TOWN OF	BOX 457	CREEDE	81130	MINERAL	Replace shallow leaking water mains	\$1,000,000	362
960163	5	CRESTED BUTTE SOUTH MD	BOX 1129	CRESTED BUTTE	81224	GUNNISON	Const well,upgrade controls,bld pump stat,ext mains	\$425,000	375

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010010	5	CRESTED BUTTE, TOWN OF	P.O. BOX 390	CRESTED BUTTE	81224	GUNNISON	Expand or const new WTP, install meters, add storage	\$2,000,000	900
990015	5	CROWLEY COUNTY WATER	6TH & MAIN	ORDWAY	81063	CROWLEY	Enlarge distribution system and add new well	\$7,400,000	688
960195	5	CUCHARAS SWD	16385 STATE HWY 12	LA VETA	81055	HUERFANO	Upgrade distribution, storage, and consolidate plants	\$1,178,465	1250
980243	5	CUSTER CNTY/SAN ISABEL	205 SOUTH 6TH	WESTCLIFFE	81252	CUSTER	Need new treatment facility and lines	\$300,000	100
000006	5	DEL NORTE, TOWN OF	P.O.BOX M	DEL NORTE	81132	RIO GRANDE	Const new lines,install water meters,new well,pump	\$1,031,860	1809
000022	5	DENVER SE SUBURBAN WSD	P.O.BOX 166	PARKER	80134	DOUGLAS	Upgrade WTP, install additional wells	\$11,000,000	6000
960022	5	DILLON VALLEY MD	P.O.BOX 669	DILLON	80435	SUMMIT	Connect to Silverthorne	\$800,000	2273
960021	5	DILLON, TOWN OF	BOX 8	DILLON	80435	SUMMIT	Exp microfiltration WTP,const storage,replace main	\$1,720,000	3075
960024	5	DOLORES, TOWN OF	BOX 630	DOLORES	81323	MONTEZUMA	Upgrade WTP and lines, replace meters	\$400,000	1025
980250	5	DOUGLAS CTY/FRANKTOWN		FRANKTOWN	80116	DOUGLAS	Need water system	\$500,000	200
960025	5	DOVE CREEK, TOWN OF	BOX 508	DOVE CREEK	81324	DOLORES	Upgrade treatment, construct line from WTP to tank	\$500,000	664
960026	5	DURANGO WEST MD 1	119 HOLLYHOCK TRAIL	DURANGO	81301	LA PLATA	Increase capacity,repair tank,replace lines	\$50,000	480
980240	5	EADS, TOWN OF	P.O. BOX 8	EADS	81036	KIOWA	Transmission line leaks,replace	\$500,000	787
010011	5	EAST CHERRY CK VALLEY WSD	4343 S BUCKLEY, SUITE 300	AURORA	80015	ARAPAHOE	Upgrade well, treatment, and distribution	\$15,000,000	40000
960197	5	EAST DILLON WATER DIST	P.O. BOX 627	FRISCO	80443	SUMMIT	Const 1,500,000 storage tank and distribution lines	\$2,500,000	1750
960198	5	EAST LARIMER CNTY WD	P.O. BOX 2044	FORT COLLINS	80522	LARIMER	Upgrade trmt,distribution,add supply & transmission	\$6,900,000	8000
960027	5	EAST VALLEY WSD	6611 SOUTH BILLINGS WAY	ENGLEWOOD	80111	ARAPAHOE	Const new turbine pump and upgrade lines	\$100,000	138
990018	5	ELIZABETH, TOWN OF	BOX 159	ELIZABETH	80107	ELBERT	Add 750,000 gallons of storage	\$550,000	1763
960029	5	EMPIRE, TOWN OF	BOX 187	EMPIRE	80438	CLEAR CREEK	Loop and replace undersized mains	\$135,026	433
960199	5	EVANS, CITY OF	3700 GOLDEN STREET	EVANS	80620	WELD	Obtain water rights, additional supply & distribution	\$1,000,000	6809
000008	5	EVERGREEN METRO DISTRICT	P.O.BOX 3819	EVERGREEN	80437	JEFFERSON	Upgrade/expand trmt,upgrade distribution,const tank	\$7,000,000	6000
960031	5	FAIRPLAY, TOWN OF	BOX 267	FAIRPLAY	80440	PARK	Upgrade pumping station,repair distribution,storage	\$500,000	512
960032	5	FIRESTONE, TOWN OF	BOX 100	FIRESTONE	80520	WELD	Replace distribution main	\$1,010,000	1473
980239	5	FLAGLER, TOWN OF	P.O. BOX 93	FLAGLER	80815	KIT CARSON	Upgrade treatment	\$200,000	564
960200	5	FLEMING, TOWN OF	P.O. BOX 468	FLEMING	80728	LOGAN	Const new well,rehab two water towers`	\$200,000	410
960033	5	FLORENCE, CITY OF	300 W MAIN	FLORENCE	81226	FREMONT	Const storage,booster station,upgrade/expand trmt	\$2,356,557	3789
960201	5	FOREST LAKES METRO DIS	1401 17TH ST, SUITE 1100	DENVER	80217	LA PLATA	Need distribution, storage and pump station	\$225,000	585
960035	5	FORT COLLINS, CITY OF	BOX 580	FORT COLLINS	80522	LARIMER	Upgrade WTP,add sedimentation basin,transmission	\$51,000,000	101316
000009	5	FORT GARLAND WSD	P.O.BOX 309	FORT GARLAND	81133	COSTILLA	Repair/replace valves,replace lines, install meters	\$423,656	500
010043	5	FORT LUPTON, CITY OF	P.O. BOX 148	FORT LUPTON	80621	WELD	Upgrade treatment, add filter	\$2,700,000	5582
010013	5	FOWLER/WESTCAMP	114 E CRANSTON AVE	FOWLER	81039	OTERO	Connect to Town of Fowler	\$500,000	1203
010014	5	GENESSEE WSD	17301 W COLFAX, SUITE 220	GOLDEN	80401	JEFFERSON	Rehab/replace lift station,inc cap,add auxiliary power	\$300,000	3083
960161	5	GENOA, TOWN OF	P.O. BOX 136	GENOA	80818	LINCOLN	Replace line,upgrade storage,trmt,supply,remove nitr	\$500,000	192
960041	5	GLENWOOD SPG, CITY OF	806 COOPER AVE	GLENWOOD SPRINGS	81601	GARFIELD	Const storage,trans,intake structures,improve supply	\$5,550,000	7521
960152	5	GOLDEN, CITY OF	1445 10TH STREET	GOLDEN	80401	JEFFERSON	Upgrade trmt system, SCADA software, and clearwell	\$262,000	13116
960042	5	GRANBY, TOWN OF	BOX 440	GRANBY	80446	GRAND	Complete raw water trans line,purchase water rights	\$1,500,000	1114

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960136	5	GRAND JUNCTION, CITY OF	250 NORTH 5TH STREET	GRAND JUNCTION	81501	MESA	Upgrade transmission and distribution	\$6,131,000	40125
960174	5	GRAND LAKE, TOWN OF	BOX 6	GRAND LAKE	80447	GRAND	Expand WTF,torage and distribution	\$3,000,000	259
960155	5	GREELEY, CITY OF	1000 10TH STREET	GREELEY	80631	WELD	Upgrade/rehab existing treatment facilities	\$20,175,000	66278
960205	5	GREEN MOUNTAIN WSD	13919 WEST UTAH AVE	LAKEWOOD	80228	JEFFERSON	Upgrade/replace distribution and transmission lines	\$900,000	1000
010015	5	GUNNISON CNTY/SOMERSET	200 E VIRGINIA AVE	GUNNISON	81230	GUNNISON	Replace distribution system	\$465,000	520
990009	5	GUNNISON, CITY OF	BOX 239	GUNNISON	81230	GUNNISON	Expand well field	\$180,000	3735
990010	5	GYPSUM, TOWN OF	BOX 130	GYPSUM	81637	EAGLE	Const pump back system and transmission	\$1,100,000	2863
990045	5	HAMILTON CREEK MD	P.O. BOX 4378	BRECKENRIDGE	80424	SUMMIT	Connect new well and const line	\$1,000,000	152
010016	5	HASWELL, TOWN OF	P.O. BOX 206	HASWELL	81045	KIOWA	Construct new well casing	\$12,000	65
960171	5	HIGHLAND LAKES WATER	3136 BLUE MESA RD	DIVIDE	80814	TELLER	Inc capacity,upgrade treatment,add storage & distrib	\$4,500,000	625
990023	5	HOLYOKE, CITY OF	407 E DENVER ST6	HOLYOKE	80734	PHILLIPS	Increase storage, const booster station,drill new well	\$1,200,000	2700
010017	5	HOTCHKISS, TOWN OF	P.O. BOX 369	HOTCHKISS	81419	DELTA	Upgrade treatment, distribution, and storage	\$1,200,000	871
990024	5	HUDSON, TOWN OF	BOX 351	HUDSON	80642	WELD	Add 1,000,000 gallons of treated storage	\$300,000	1250
010018	5	IDAHO SPRINGS, CITY OF	P.O. BOX 907	IDAHO SPRINGS	80452	CLEAR CREEK	Construct storage and pre-trmt reservoir,upgrade WTI	\$3,000,000	2064
960050	5	IGNACIO, TOWN OF	BOX 459	IGNACIO	81137	LA PLATA	Replace old water mains	\$500,000	720
960208	5	KERSEY	P.O. BOX 67	KERSEY	80644	WELD	Upgrade distribution,lines and mains	\$817,080	1079
960055	5	KIOWA, TOWN OF	P.O.BOX 237	KIOWA	80117	ELBERT	Upgrade supply,storage,transmission & distribution	\$2,500,000	353
960057	5	KREMMLING, TOWN OF	BOX 538	KREMMLING	80459	GRAND	Repair/replace distrib lines,expand storage,boost pum	\$2,000,000	1347
960060	5	LA VETA, TOWN OF	BOX 174	LA VETA	81055	HUERFANO	Increase capacity and filtration, high demand	\$383,000	726
010020	5	LAKE CITY, TOWN OF	P.O. BOX 544	LAKE CITY	81235	HINSDALE	Construct storage tank, distribution, meters	\$1,250,000	362
960061	5	LARKSPUR, TOWN OF	BOX 310	LARKSPUR	80118	DOUGLAS	Compliance problems,const WTP,loop dead-end lines	\$882,000	232
960062	5	LAS ANIMAS, CITY OF	532 CARSON	LAS ANIMAS	81054	BENT	Replace distribution lines,const evaporative lagoon	\$1,300,000	2481
990027	5	LEADVILLE MHP'S (LAKE CNTY)	P.O.BOX 923	LEADVILLE	80461	LAKE	Construct lines	\$500,000	100
960173	5	LEFT HAND WATER DIST	P.O. BOX 210	NIWOT	80544	BOULDER	Upgrade treatment,Increase storage,upgrade trans/dist	\$6,464,000	11025
990028	5	LIMON, TOWN OF	BOX 9	LIMON	80828	LINCOLN	Expand/upgrade treatment	\$2,499,700	2298
010021	5	LINCOLN COUNTY/KARVAL	P.O. BOX 67	HUGO	80821	LINCOLN	Const treatment system	\$300,000	50
000023	5	LITTLE THOMPSON WD	P.O. BOX G	BERTHOUD	80513	LARIMER	Upgrade WTP	\$500,000	1000
990030	5	LOOKOUT MOUNTAIN WD	24903 CLUBHOUSE CIRCLE	GOLDEN	80401	JEFFERSON	Upsize distribution lines	\$500,000	1205
990031	5	LOUISVILLE, CITY OF	749 MAIN ST	LOUISVILLE	80027	BOULDER	Increase supply	\$8,000,000	16750
990032	5	LOVELAND, CITY OF	500 E 3RD STREET	LOVELAND	80537	LARIMER	Increase capacity from 30mgd to 38mgd	\$12,000,000	42120
000011	5	MANCOS, TOWN OF	P.O.BOX 487	MANCOS	81328	MONTEZUMA	Replace leaking lines, add storage	\$50,000	1010
960213	5	MANZANOLA, TOWN OF	P.O. BOX 187	MANZANOLA	81058	OTERO	Upgrade filtration, iron,radionuclide problems	\$400,000	453
960138	5	MEAD, TOWN OF	441 3RD STREET	MEAD	80542	WELD	Const storage tank,expand transmission line	\$750,000	551
010023	5	MERINO, TOWN OF	P.O. BOX 211	MERINO	80741	LOGAN	Construct WTP	\$100,000	250
960151	5	MESA CNTY/BREWERS WS	P.O. BOX 20000-5010	GRAND JUNCTION	81502	MESA	Upgrade system	\$200,000	300
960214	5	MESA CORTINA WSD	P.O. BOX 68	BRECKENRIDGE	80424	SUMMIT	Expand storage and meters	\$232,560	400

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010024	5	MESA WSD	P.O. BOX 213	MESA	81643	MESA	Replace old galv. & asbestos pipe, upgrade treatment	\$100,000	300
980246	5	MILLIKEN, TOWN OF	DRAWER 290	MILLIKEN	80543	WELD	Increase storage and const transmission line	\$1,602,000	1573
000012	5	MINTURN, TOWN OF	P.O.BOX 309	MINTURN	81645	EAGLE	Need raw water storage	\$1,000,000	1143
960070	5	MONTE VISTA, CITY OF	720 FIRST AVE	MONTE VISTA	81144	RIO GRANDE	Construct pump stations and loop dead-end lines	\$437,000	4668
960071	5	MONTEZUMA, TOWN OF	BOX 1476	DILLON	80435	SUMMIT	Construct WTP and distribution system	\$1,000,000	68
960073	5	MORGAN CNTY QUALITY WD	P.O.BOX 1218	FORT MORGAN	80701	MORGAN	Const transmission,distribution,storage,and pump sta	\$5,600,000	3300
960075	5	MT CRESTED BUTTE WSD	P.O.DRAWER E	MT CRESTED BUTTE	81225	GUNNISON	Upgrade treatment,pumping,and construct storage	\$4,300,000	938
010025	5	MUNN'S ADDITION WSD	P.O. BOX 85	BRUSH	80723	MORGAN	Construct water system or connect to City of Brush	\$500,000	80
960216	5	N WASHINGTON ST WSD	3172 EAST 78TH AVENUE	DENVER	80229	ADAMS	Upgrade distribution lines	\$850,000	1000
000013	5	NATURITA, TOWN OF	P.O.BOX 505	NATURITA	81422	MONTRROSE	Study alternatives for meeting current & future needs	\$60,000	488
960119	5	NEW CASTLE, TOWN OF	BOX 166	NEW CASTLE	81647	GARFIELD	Expand WTP, replace portion of transmission line	\$1,000,000	1276
960078	5	NORTH SHORE WSD	P.O.BOX 471	GRANBY	80446	GRAND	Upgrade lines	\$1,000,000	275
960079	5	NORTH WELD WD	P.O.BOX 56	LUCERNE	80646	WELD	Upgrade WTP, filter beds, basins, add pipelines	\$7,117,897	5250
000014	5	NUCLA, TOWN OF	P.O.BOX 219	NUCLA	81424	MONTRROSE	Study alternatives for meeting current & future needs	\$40,000	738
960084	5	OLDE STAGE WATER DIST	6378 OLDE STAGE ROAD	BOULDER	80302	BOULDER	Install meters,upgrade pumping,storage,distribution	\$200,000	213
980245	5	OTERO CNTY/SOUTH SWINK	P.O.BOX 442	SWINK	81077	OTERO	Need storage,rehab lines,radionuclide problems	\$200,000	200
960086	5	OTERO COUNTY	P.O.BOX 511	LA JUNTA	81050	OTERO	Failing wells, need study to link several small systems	\$500,000	300
960087	5	PAGOSA AREA WSD	P.O.DRAWER 4610	PAGOSA SPRINGS	81157	ARCHULETA	Replace lines and enlarge reservoir	\$2,500,000	5935
960088	5	PALISADE	BOX 128	PALISADE	81526	MESA	Rebuild cottonwood pipeline,transport high qual wate	\$1,434,200	2162
010028	5	PALMER LAKE, TOWN OF	P.O. BOX 208	PALMER LAKE	80133	EL PASO	Upgrade WTP and replace distribution lines	\$500,000	1500
000015	5	PAONIA, TOWN OF	P.O.BOX 460	PAONIA	81428	DELTA	Add storage	\$1,000,000	1726
010029	5	PARKER WSD	19801 EAST MAINSTREET	PARKER	80138	DOUGLAS	Construct new wells and 5 MG storage tank	\$13,350,000	10000
960092	5	PENROSE WD	P.O.BOX 279	PENROSE	81240	FREMONT	Upgrade distribution and add storage	\$550,000	3238
960219	5	PERRY PARK WSD	5676 WEST RED ROCK DR	LARKSPUR	80118	DOUGLAS	Replace water lines and const interconnect	\$1,580,000	1075
010030	5	PHILLIPS COUNTY/AMHERST	221 S INTEROCEAN	HOLYOKE	80734	PHILLIPS	Develop community water system	\$750,000	85
960178	5	PIEDRA PARK METRO	P.O. BOX 1866	ARBOLES	81121	ARCHULETA	Upgrade supply,transmission,distribution, drill well	\$250,000	188
010031	5	PIONEER LOOKOUT WD	P.O. BOX 851	MONUMENT	80132	EL PASO	Replace leaking lines	\$50,000	85
960094	5	PLATTEVILLE	P.O.DRAWER 70	PLATTEVILLE	80651	WELD	Upgrade WTP,expand storage, rehab tank	\$2,402,683	1885
990036	5	PROJECT 7 WATER AUTH	P.O. BOX 1185	MONTRROSE	81402	MONTRROSE	Add two filters to plant and clear well	\$5,000,000	37500
010050	5	PUEBLO WEST METRO DIST	P.O. BOX 7005	PUEBLO WEST	81007	PUEBLO	Upgrade treatment, transmission & storage	\$15,000,000	4500
960140	5	PUEBLO,BD OF WATER	P.O. BOX 400	PUEBLO	81002	PUEBLO	Upgrade/expand WTP and appurtenances	\$38,298,000	101252
960225	5	RAINBOW VALLEY WD	P.O. BOX 1026	WOODLAND PARK	80866	TELLER	Upgrade treatment and increase storage	\$90,000	135
960098	5	RICO, TOWN OF	P.O.BOX 56	RICO	81332	DOLORES	Repair/replace distribution system,new supply needed	\$1,000,000	136
960099	5	RIDGEWOOD WATER DIST	SR 1252,R.W.D.	WOODLAND PARK	80863	TELLER	Drill well,const 30000 gallon storage tank,replace lines	\$55,000	95
990037	5	RIDGWAY, TOWN OF	BOX 10	RIDGWAY	81432	OURAY	WTP at 85-90% of capacity,const trans lines for irrigata	\$300,000	875
960141	5	ROCK CK MESA WATER	180 ROCK CK MESA ROAD	COLORADO SPRINGS	80926	EL PASO	Upgrade WTP,storage and transmission	\$275,000	500



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960100	5	ROCKVALE, TOWN OF	BOX 91	ROCKVALE	81244	FREMONT	Add storage, rehab distribution system	\$863,000	373
960227	5	ROCKY FORD, CITY OF	203 SOUTH MAIN STREET	ROCKY FORD	81067	OTERO	Upgrade distribution and storage,install lift station	\$500,000	4342
960101	5	ROUND MOUNTAIN WSD	405 SOUTH 4TH STREET	WESTCLIFFE	81252	CUSTER	Const storage,acquire water rights,redrill well,expand	\$300,000	1068
960160	5	ROUTT CNTY/HAHN'S PEAK	BOX 3598	STEAMBOAT SPGS	80477	ROUTT	Construct WTP and distribution system	\$500,000	500
960164	5	ROXBOROUGH PK METRO	6200 S SYRACUSE WAY	GREENWOOD VILL	80111	DOUGLAS	Upgrade WTP or const new plant,add storage tanks	\$3,663,000	3400
960135	5	S. FT COLLINS/LOVELAND WD	4700 S COLLEGE AVE.	FORT COLLINS	80525	LARIMER	Upgrade WTP, transmission and distribution	\$8,000,000	15000
960142	5	SAGUACHE, TOWN OF	P.O. BOX 417	SAGUACHE	81149	SAGUACHE	Replace relay system between wells and storage tank	\$35,000	672
990039	5	SALIDA, CITY OF	BOX 417	SALIDA	81201	CHAFFEE	Construct water tank to increase supply and pressure	\$1,106,250	4737
000016	5	SAN JUAN RIVER VILLAGE MET	578 ALPINE DRIVE	PAGOSA SPRINGS	81147	ARCHULETA	Supply inadequate,const well and trmt, install meters	\$312,102	250
960104	5	SANFORD, TOWN OF	BOX 237	SANFORD	81151	CONEJOS	Small lines, inadequate supply	\$250,000	750
960105	5	SEDALIA WSD	P.O.BOX 222	SEDALIA	80135	DOUGLAS	Inadequate supply,upgrade filtration,replace tank	\$653,400	220
000017	5	SEIBERT, TOWN OF	P.O.BOX 114	SEIBERT	80834	KIT CARSON	Upgrade or replace water tower	\$125,000	178
990040	5	SILVER HEIGHTS WD	1027 HARVEY STREET	CASTLE ROCK	80104	DOUGLAS	Replace backup well,upgrade chlorination	\$300,000	100
960107	5	SILVER PLUME, TOWN OF	BOX 457	SILVER PLUME	80476	CLEAR CREEK	Loop distribution system and increase storage	\$25,000	190
990042	5	SOUTH ADAMS CNTY WSD	P.O. BOX 597	COMMERCE CITY	80037	ADAMS	Upgrade treatment, increase supply and add storage	\$48,000,000	20750
980247	5	SPRING CANYON WSD	4900 S SHORELINE ROAD	FORT COLLINS	80526	LARIMER	Upgrade/expand treatment system	\$700,000	1150
960145	5	ST CHARLES MESA WD	1397 ASPEN RD	PUEBLO	81006	PUEBLO	Upgrade storage,intake and transmission systems	\$2,054,400	8803
010044	5	STEAMBOAT II METRO DIST	P.O. BOX 771277	STEAMBOAT SPGS	80477	ROUTT	Construct 1 MG storage tank to increase pressure	\$1,411,500	8241
980244	5	STRATMOOR HILLS WD	1811 B STREET	COLORADO SPRINGS	80906	EL PASO	Construct lines from well to storage tanks	\$180,000	200
010035	5	SUGAR CITY, TOWN OF	P.O. BOX 69	SUGAR CITY	81076	CROWLEY	Upgrade water system, conduct planning studies	\$100,000	260
000026	5	SUMMIT CNTY/HEENEY	BOX 68	BRECKENRIDGE	80424	SUMMIT	Upgrade/expand WTP	\$300,000	100
960230	5	SUMMIT RIDGE WD	15453 ROAD 33	MANCOS	81328	MONTEZUMA	Increase storage,loop lines,install metering stations	\$359,500	375
010036	5	TELLURIDE, TOWN OF	BOX 397	TELLURIDE	81435	SAN MIGUEL	Replace damaged transmission lines(Bridal Vail Basin	\$172,505	3750
960113	5	UTE WATER CONSER DIST	P.O.BOX 460	GRAND JUNCTION	81502	MESA	Build 18 mile raw water pipeline	\$52,000,000	27535
010037	5	VICTOR, CITY OF	P.O. BOX 86	VICTOR	80860	TELLER	Rehab and stabilize Victor Dam #2	\$799,697	300
010038	5	VILAS, TOWN OF	P.O. BOX 637	VILAS	81087	BACA	Redrill well, replace part of distribution and pump	\$550,000	120
960116	5	WALSENBURG	525 S ALBERT	WALSENBURG	81089	HUERFANO	Upgrade WTP,transmission,and increase storage	\$3,200,000	3785
990047	5	WALSH, TOWN OF	BOX 280	WALSH	81090	BACA	Const well/pump house,replace lines and meters	\$425,000	1050
960147	5	WELLINGTON, TOWN OF	P.O. BOX 127	WELLINGTON	80549	LARIMER	Upgrade WTP,backwash,const tank,pump and mains	\$2,235,000	1526
000041	5	WESTMINSTER, CITY OF	4800 W 92nd AVE	WESTMINSTER	80030	ADAMS/JEFF	Upgrade treatment, const new WTP, const pipeline	\$18,000,000	98000
000020	5	WIGGINS, TOWN OF	304 CENTRAL AVENUE	WIGGINS	80654	MORGAN	Nitrate levels increasing, need alternate source	\$1,000,000	610
960233	5	WILEY, TOWN OF	P.O. BOX 128	WILEY	81092	PROWERS	Add well and related treatment and storage	\$450,000	413
960148	5	WINTER PARK WSD	P.O. BOX 7	WINTER PARK	80482	GRAND	Upgrade supply, storage, treatment and transmission	\$2,600,000	581
960167	5	WOODLAND PARK, CITY OF	P.O. BOX G	WOODLAND PARK	80866	TELLER	Increase supply,develop well field,upgrade treatment	\$3,125,514	4610
000027	5	WRAY, CITY OF	P.O. BOX 35	WRAY	80758	YUMA	Repair/repaint industrial park water storage tank	\$32,270	2100
960238	5	YAMPA, TOWN OF	P.O. BOX 224	YAMPA	80483	ROUTT	Increase storage	\$303,500	359

11/15/00

APPENDIX A - DWRP  
FY 2001  
PROJECT ELIGIBILITY LIST

									\$711,200,255

**APPENDIX B  
FY2001 DWRP PROJECT PRIORITY/FUNDABLE LIST**

Pty	PROJ. #	CAT.	PTS.	FACILITY	COUNTY	PWS ID#	POP	LOAN	EXPECTED	TERM	LOAN	INTRST	PROBLEM DESCRIPTION	PROJECT DESCRIPTION
Rnk								AMOUNT	LOAN DATE	(YRS)	TYPE	RATE		
1	980253	1	45	DEER TRAIL, TOWN OF	Arapahoe	103030	250	\$200,000	12/31/01	20	D	4.00	Exceeding MCL for bacteria	Replace distribution system
2	960139	1	35	OVID, TOWN OF	Sedgwick	158005	338	\$163,600	12/31/01	20	D	4.00	Nitrates exceed MCL	Upgrade treatment including chlorination & nitrate removal
2	960156	1	35	STERLING, CITY OF	Logan	138045	11290	\$2,000,000	12/31/01	20	L	4.80	Exceeding MCL for nitrates	Upgrade WTP
4	960061	2	80	**LARKSPUR, TOWN OF	Douglas	118030	232	\$500,000	3/1/01	20	D	4.00	Exceeding MCL for Radium	Construct WTP, upgrade distribution lines
5	960093	2	50	**PINWOOD SPRINGS WD	Larimer	135610	638	\$330,000	12/31/01	20	D	4.00	Some turbidity & radioactivity, Lead & Copper	Additional water source
6	990005	3	65	**BASALT, TOWN OF	Eagle	119134	1128	\$800,000	4/1/01	20	D	4.00	Under Influence of Surface Water	Construct 2 membrane treatment plants
7	980252	3	40	LAKE CREEK METRO DIST	Eagle	119467	200	\$615,000	12/31/01	20	L	4.80	Insufficient storage	Construct new storage tank
8	990026	4	60	**LA JUNTA, CITY OF	Otero	145420	7750	\$10,000,000	6/1/01	20	L	4.80	WTP in noncompliance	Upgrade treatment & Construct new WTP
9	960167	4	50	WOODLAND PARK, CITY OF	Teller	160900	4610	\$3,125,514	6/1/01	20	L	4.80	Exceeding MCL for Radium and EDB	Upgrade Treatment, develop well field, inc. storage
10	960208	5	40	**KERSEY, TOWN OF	Weld	162439	1079	\$165,000	12/1/00	20	D	4.00	Disribution lines deteriorating	Upgrade and Replace Distribution lines
11	960190	5	35	CASTLE ROCK, TOWN OF	Douglas	118010	12750	\$15,000,000	12/31/01	20	L	4.80	Inadequate supply and treatment	Upgrade trmt,distrib,trans,pump station and wells
11	960062	5	35	LAS ANIMAS, CITY OF	Bent	106300	2481	\$1,000,000	12/31/01	20	D	4.00	Distribution system deteriorating	Replace Distribution Lines
13	960033	5	30	FLORENCE, CITY OF	Fremont	122500	3789	\$2,356,557	9/1/01	20	L	4.80	Pressure issues	Upgrade WTP and storage
14	960087	5	25	PAGOSA AREA WSD	Archuleta	104300	5935	\$2,500,000	12/31/01	20	L	4.80	Distribution & Transmission lines deteriorating	Replace lines
14	960092	5	25	PENROSE WATER DISTRICT	Fremont	122700	3238	\$550,000	12/31/01	20	D	4.00	Pressure issues, concerns over future compliance	Upgrade Distribution and storage
				TOTAL				\$39,305,671						
				* Loan awarded				** Intend to Fund in 2001						

**ATTACHMENT 1**  
**2001 DWRF IUP**

**ELIGIBLE AND INELIGIBLE PROJECTS AND PROJECT-RELATED COSTS UNDER THE  
DRINKING WATER STATE REVOLVING LOAN FUND (DWRF) PROGRAM**

**EXAMPLES OF ELIGIBLE PROJECTS AND PROJECT RELATED COSTS**

Projects that address present Safe Drinking Water Act (SDWA) exceedances

Projects that prevent future SDWA exceedances (applies only to regulations in effect)

Projects to replace aging infrastructure

- rehabilitate or develop drinking water sources (excluding reservoirs, dams, dam rehabilitation and water rights) to replace contaminated sources
- install or upgrade drinking water treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary SDWA standards
- install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system
- install or replace transmission and distribution piping to prevent contamination caused by leaks or breaks, or to improve water pressure to safe levels

Projects to restructure and consolidate water supplies to rectify a contamination problem, or to assist systems unable to maintain SDWA compliance for financial or managerial reasons (assistance must ensure compliance)

Projects that purchase a portion of another system's capacity, if such purchase will cost-effectively rectify a SDWA compliance problem

Land acquisition

- land must be integral to the project (i.e., needed to meet or maintain compliance and further public health protection such as land needed to locate eligible treatment or distribution facilities)
- acquisition must be from a willing seller

Note: The cost of complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act) is an eligible cost.

Planning (including required environmental assessment reports) , design, and construction costs associated with eligible projects.

**ATTACHMENT 1 (cont.)**

**EXAMPLES OF INELIGIBLE PROJECTS AND PROJECT RELATED COSTS**

Dams, or rehabilitation of dams

Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy

Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located

Drinking water monitoring costs

Operation and maintenance costs

Projects needed mainly for fire protection

Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance

Projects for systems in significant noncompliance under the SDWA. unless funding will ensure compliance

Projects primarily intended to serve future growth

ATTACHMENT 2

**DRINKING WATER REVOLVING FUND  
REGULATIONS**

**5 CCR 1003-3**

ADOPTED BY THE BOARD OF HEALTH

October 15, 1997

Revised: April 15, 1998

STATE OF COLORADO  
DRINKING WATER REVOLVING FUND RULES

AUTHORITY

In Senate Bill 95-083, the Colorado General Assembly created the Drinking Water Revolving Fund to provide financial assistance to certain drinking water projects in the State of Colorado. The fund is held and administered by the Colorado Water Resources and Power Development Authority (hereinafter referred to as the "Authority"), which is authorized to issue bonds to finance the program. Moneys in the fund may be used to provide financial assistance to projects included on a Project Eligibility List. The statute at C.R.S. 37-95-103 and C.R.S. 37-95-107.8 directs the Colorado Board of Health ('Board of Health') to submit additions and modifications to the Project Eligibility List annually for adoption by the General Assembly by Joint Resolution signed by the Governor. This regulation provides for the Board of Health's approval of proposed additions and modifications to the Project Eligibility List, and for prioritization of projects for financial assistance from the limited dollars currently available in the fund.

The 1996 amendments to the federal Safe Drinking Water Act (SDWA) include authorization of a state revolving fund program similar to that included in the Clean Water Act for wastewater projects. The Drinking Water Revolving Fund established by Senate Bill 95-083 meets the requirements of the SDWA concerning revolving fund financing programs and allows for federal funding of Colorado's revolving fund financing program.

Section 25-1-107 C.R.S., also provides authority for this regulation.

DEFINITIONS

Section 1.2.2 of the Colorado Primary Drinking Water Regulations (CPDWR) has additional definitions that apply to this rule.

(1) "Beneficial Use" - The use of water treatment plant sludge in conjunction with wastewater treatment plant sludge to act as a soil conditioner or low grade fertilizer for the promotion of vegetative growth on land and that meet the requirements of the state Biosolids Regulations.

(2) "Consolidation" - A proposed new construction or expansion of a drinking water supply system that will eliminate one or more existing water supply or treatment works. A letter of intent or a resolution adopted by the project participants

must be provided to the Water Quality Control Division (Division) to guarantee the facilities will consolidate.

(3) "Emergencies" - Situations or occurrences of a serious nature, developing suddenly and unexpectedly that cause a treatment facilities to be in noncompliance with drinking water standards and require immediate action.

(4) "Governmental Agencies" - means departments, divisions, or other units of state government, special districts, water conservation districts, metropolitan water districts, conservancy districts, irrigation districts, municipal corporations, counties, cities and other political subdivisions, the United States or any agency thereof, and any agency, commission, or authority established pursuant to an interstate compact or agreement.

(5) "Health Hazard" - The Division has identified a maximum contaminant level (MCL) violation or a treatment technique violation. Funding for these projects shall result in compliance with existing standards.

An acute health hazard includes violations of SWTR treatment processes, bacteriological standards, and nitrite/nitrate levels. Acute contaminant health effects can occur immediately or within a short period of time.

A chronic health hazard includes violations of all MCL's (other than those listed as acute) and treatment technique requirements. Chronic contaminant health effects occur after years of exposure.

(6) "Other Future Needs" - Facility is beyond the useful/design life and is in need of equipment replacement, rehabilitation or repair in order to maintain compliance or further the public health protection goals of the SDWA.

(7) "Operational Means" - Taking temporary managerial or technical steps to protect public health during the time period when the plant is out of compliance, e.g., boil order or bottled water.

(8) "Pollution" - The man-made, man-induced, or natural alteration of the physical, chemical, biological, and radiological integrity of water.

(9) "Potential Health Hazard" - The system has periodically exceeded an MCL, has levels greater than 50% of an MCL on a regular basis, or has short term problems meeting a treatment technique requirement.

(10) "Project Eligibility List" - The list of projects eligible for financial assistance from the Authority through the Drinking Water Revolving Fund (DWRP), as adopted



and from time to time modified in accordance with C.R.S. 37-95-107.8(4). The list shall consist of projects which address public health and SDWA compliance issues in the State of Colorado, and shall include only those domestic drinking water supply projects eligible for financial assistance through a state revolving fund pursuant to the terms of the SDWA.

(11) "Source Water Protection" - Structural or nonstructural source water protection activities done in addition to area delineation and contaminant assessment.

(12) "Treatment Facilities" - Any devices or systems used in the collection, storage, treatment, transmission, diversion, or distribution of water intended for drinking water purposes.

(13) "Wastewater Treatment Plant Sludge" - The accumulated solids resulting from treatment of domestic wastewater.

(14) "Water Conservation" - Any structural or nonstructural water conservation measure that achieves a reduction in water consumption for a publicly-owned treatment works. Structural measures shall include installation of interior low-flow plumbing fixtures that are distributed and/or installed by a governmental agency or that are funded in whole or in part by the governmental agency and water meters which are funded and owned by the governmental agency. Nonstructural measures shall include but are not necessarily limited to: incentives for previously installed low-flow fixtures, leak detection or infiltration/inflow programs, public awareness, public education, and incentive water service charges.

(15) "Water Treatment Plant Sludge" - The accumulated solids resulting from treatment of water for domestic use.

## PURPOSE

The purpose of the DWRF is to provide financial assistance to governmental agencies for the construction of treatment facilities for health and compliance purposes as defined above.

The project eligibility list is intended to identify those drinking water projects of governmental agencies that are eligible for financial assistance from the DWRF. The project priority system is intended to establish priorities for financial assistance from the DWRF in order to protect and improve the health, safety, and reliability of drinking water supplies in Colorado. It is the policy of the Board of Health to maintain and improve the existing high quality standards for drinking water in the

State by providing accessibility to the DWRF.

It is also the policy of the Board of Health to encourage consolidation of drinking water systems and to promote water conservation where practicable. The Board of Health and the Water Quality Control Commission shall promote sludge disposal methods for beneficial use.

Any applicant for financial assistance from the DWRF must comply with policies and procedures and other requirements of the Authority.

### INTENDED USE PLAN PROCEDURES

The Division, in cooperation with the Division of Local Government and the Authority will develop an annual Intended Use Plan (IUP). The IUP is required by the SDWA to provide information about how the state will assist communities with their drinking water needs. The IUP will be recommended to the Board of Health for final agency action which will also provide for public comment and review to comply with the SDWA.

The IUP shall include:

- (1) Priority/Eligibility List of projects including description and size of community.
- (2) Descriptions of:
  - criteria and method used for distribution of funds
  - financial status of the DWRF program
  - short and long term goals of the DWRF program
  - amounts transferred between the DWRF and the Water Pollution Control Revolving Fund
  - set aside activities and percentage of the capitalization grant to be used
  - how a state disadvantaged community program will be defined and utilized if applicable.

### PROJECT ELIGIBILITY LIST PROCEDURES

- (1) The initial project eligibility list was authorized by the general assembly through the enactment of Senate Joint Resolution 95-19.
- (2) Each year the Division shall (after consultation with the Division of Local

Government, and the Authority) review, update, and compile additions and modifications to the project eligibility list and recommend such additions and modifications to the Board of Health for final agency action.

(3) Each governmental agency whose project is eligible for inclusion on the proposed project eligibility list will be notified and a public hearing regarding the list shall be held. After considering all pertinent comments, the Board of Health shall adopt additions and modifications to the project eligibility list for submittal to the general assembly by January 15 of each year.

(4) Projects on the eligibility list will be financed in priority order; however, exceptions for funding out of priority order shall be due to one of the following reasons:

- (a) Governmental agencies are not ready to proceed with the project.
- (b) Governmental agencies do not wish to participate in the DWRP or they have received funding from other sources.
- (c) Governmental agencies (on the list) that have an emergency situation occur during the funding year.
- (d) Governmental agencies not approved for funding because of technical, financial or managerial deficiencies. (The Division will attempt to work with the governmental entity to resolve the issue through the capacity development program.)

Determinations for such out of priority financing shall be made by the Authority with recommendations from the Division and Division of Local Government.

## PRIORITY SYSTEM

All governmental agencies' treatment facilities with identified water quality problems related to health and compliance issues may be included in one of the categories listed below.

All treatment facility projects of governmental agencies that fall into one of the categories listed below and have a planning document that describes a project to correct the water quality problem, shall be prioritized as ready for funding on the project eligibility list.

Funding for the projects under each category shall result in the treatment facility's complying with existing standards.

### Eligible Project Criteria

Categories were developed to emphasize the most immediate public health and compliance issues. Projects on the eligibility list will be classified by category 1, 2, 3, 4, or 5 below, with “1” being the highest priority. Once a planning document is received, projects within each category will be further prioritized by the assignment of points from the priority point listings under each category. No consideration will be given to governmental agencies that appear to have violations caused by poor operation and maintenance procedures or are under an administrative order for violating reporting requirements.

### CATEGORIES BY PRIORITY RANKING

- (1) Acute Health Hazard. The Division has identified continuous violation of an acute maximum contaminant level (MCL) or a surface water treatment rule (SWTR) treatment technique requirement.
- (2) Chronic (long term) Health Hazard. The Division has identified a continuous violation of an MCL or a treatment technique requirement for a chronic contaminant.
- (3) Potential Acute Health Hazard. The system has periodically exceeded an acute MCL, has levels greater than 50% of an acute MCL on a regular basis, or has short term problems meeting an SWTR treatment technique requirement that can be controlled temporarily by operational means.
- (4) Potential Chronic Health Hazard. The system has periodically exceeded a chronic MCL, has levels greater than 50% of a chronic MCL on a regular basis, or has short term problems meeting other treatment technique requirements.
- (5) Other Future Needs. Facility is beyond the useful/design life and is in need of equipment replacement, rehabilitation or repair, in order to maintain compliance or further the public health protection goals of the SDWA.

### PRIORITY POINT ASSIGNMENTS WITHIN EACH CATEGORY

Once a planning document is received, projects within each category will be prioritized by the assignment of points from the following:

(1) Population. Points shall be assigned to water systems based on the following schedule of population served by the project with emphasis given to small communities:

25 to 1,000	20 points
1,001 to 3,300	15 points
3,301 to 10,000	10 points
Over 10,000	5 points

(2) Financial Need. Points shall be assigned to water systems in accordance with the following “financial need criteria” established by the state.

(a) ability to pay (annual water service fee as a percentage of median household income):

Over 3.0%	20 points
Over 2%; up to 3.0%	15 points
Over 1%; up to 2%	10 points

(b) local burden (total project cost per equivalent residential tap):

Over \$5,000	20 points
Over \$3,500	15 points
Over \$2,000	10 points

(3) Consolidation. Fifteen points shall be assigned to an entity if the project includes consolidating two or more public water systems.

(4) Water Conservation. Five points shall be assigned to a project if the governmental agency implements a water conservation measure.

(5) Source Water Protection. Two points shall be assigned to a project if the governmental agency implements source water protection measures.

(6) Beneficial Use of Sludge. Two points shall be assigned to a project if the governmental agency intends to utilize water treatment plant sludge for a beneficial use as defined herein.

(7) Health Risk. To further clarify the ranking of treatment facility projects, the Division shall assign up to twenty points for a project’s health risks. Determination of the health risk will be made based upon the type and level

of contaminant present within categories.

### Emergency Procedures

- (1) If a system has an emergency situation causing immediate public health concerns and it is identified on the Eligibility List, it may receive a DWRF loan out of priority order if funds are available.
- (2) If an emergency arises and the system is not identified on the Eligibility List, funding shall be sought from other available sources. The project, which may include refinancing and/or additional construction costs, may be added to the Eligibility List for funding in the following year.

## DRINKING WATER REVOLVING FUND RULES REGULATORY ANALYSIS

Prepared July 3, 1997

(I) This amended rule establishes new procedures for the Board of Health to adopt additions and modifications to the Project Eligibility List. It also establishes a system for prioritizing the projects that are on the Project Eligibility List. This procedure will allow the limited financial resources of the Drinking Water Revolving Fund (DWRP) to be used for projects that provide the greatest drinking water quality benefit. There is no cost associated with the rule, and since it is designed to target drinking water projects with the greatest water quality benefit, the benefits will apply to all residents of Colorado.

This rule also establishes procedures for developing an annual Intended Use Plan and provides information on what the DWRP program will do in case of an emergency funding situation caused by a public health risk.

(II) The impact of the Project Eligibility List and Priority System will be to target distribution of financial assistance to water projects based on public health benefits including financial need criteria and interest in receiving financial assistance. There is no affected class of persons associated with this rule.

(III) This rule is expected to generate resources at either the programmatic or state level; however, the federal grants provided for the DWRP as well as a small loan surcharge will cover the costs associated with program administration.

(IV) The alternative to having the Board of Health hold hearings to approve the annual Intended Use Plan which includes proposed additions and modifications to the prioritized Project Eligibility List would be for the General Assembly to perform the same function. Considerations of cost, timeliness, and intrusion into the legislative process make the Board of Health the preferred entity to perform this function. In addition, the General Assembly has clearly assigned responsibility for this function to the Board of Health by means of legislation passed in Senate Bill 95-083.

(V) The rules were amended by committee and with Guidelines from the Environmental Protection Agency. Alternatives were discussed and the committee reached consensus to the proposed amendments to this rule.

# DRINKING WATER REVOLVING FUND RULES

## STATEMENT OF BASIS AND PURPOSE

October 15, 1997

The amendments to the Drinking Water Revolving Fund (DWRF) Rules establish procedures by the Board of Health for adopting an annual Intended Use Plan (IUP) which includes proposed additions and modifications to the Project Eligibility List for drinking water projects qualified to receive financial assistance from the DWRF.

All governmental agencies with identified water quality problems shall be included in one of the categories on the project eligibility list. The categories are ranked by order of importance to public health and drinking water compliance. The highest priority is "Acute Health Hazard," followed by "Chronic Health Hazard," "Potential Acute Health Hazard," "Potential Chronic Health Hazard," and finally, "Other Future Needs." Once a plan has been received from the governmental agency describing the project specifics, points will be assigned to projects within those categories for population, financial need, consolidation, water conservation, source water protection, beneficial use of water treatment plant sludge and a final clarification of the greater health risks.

The Intended Use Plan is proposed to the Board of Health once each year. A public hearing will be held by the Board to receive input on the proposed changes to the IUP and Project Eligibility List; any appropriate changes will then be made and the approved additions/modifications to the Project Eligibility List will be submitted to the General Assembly for adoption by means of a Joint Resolution signed by the Governor.



# DRINKING WATER REVOLVING FUND RULES STATEMENT OF BASIS AND PURPOSE

April 15, 1998

The amendments to the Drinking Water Revolving Fund (DWRF) Rules establish procedures by the Board of Health for adopting an annual Intended Use Plan (IUP) which includes proposed additions and modifications to the Project Priority/Eligibility List for drinking water projects qualified to receive financial assistance from the DWRF.

The categories are ranked by order of importance to public health and drinking water compliance. The highest priority is "Acute Health Hazard," followed by "Chronic Health Hazard," "Potential Acute Health Hazard," "Potential Chronic Health Hazard," and finally, "Other Future Needs." Once a plan has been received from the governmental agency describing the project specifics, points will be assigned to projects within those categories.

This amendment to the DWRF Rules will change the "Final Clarification" point assignment to a "Health Risk" point assignment. The points shall be assigned to every project that has a plan and is identified on the priority list for funding.

**ATTACHMENT 3  
CAPITALIZATION GRANT FUNDS FOR LOANS AND NON-PROJECT ACTIVITIES  
INCLUDING MATCH DOLLARS**

YEAR	CAP GRANT		
	AMOUNT	SET- ASIDE	DWRF
1997	\$16,784,100	\$2,685,456	\$14,199,326
1998	\$9,581,800	\$2,012,178	\$7,569,622
1999	\$8,034,080	\$0	\$8,034,080
99 amend	\$2,008,520	\$1,606,816	\$401,704
99 transfer	\$6,666,667	\$0	\$6,666,667
2000	\$10,437,200	\$2,307,022	\$8,130,178
2001 est	\$10,500,000	\$1,865,620	\$8,634,380
<b>TOTAL</b>	<b>\$64,012,367</b>	<b>\$10,477,092</b>	<b>\$53,635,957</b>

\*\*\* See footnote below.

YEAR	SET-ASIDES						LOCAL ASSISTANCE SET-ASIDES (15%)*					
	ADMIN (4%)	MATCH	PWSS MGMT (10%)	MATCH	SSTTA (2%)	MATCH REIMB**	CAPACITY DEVELOP	MATCH/ REIMB REQ 2000+ **	WELLHEAD	MATCH REIMB**	SWAP (97 only)	MATCH
1997	\$671,364	\$134,273	\$0	\$0	\$335,682	\$67,136	\$0	\$0	NA		\$1,678,410	\$335,682
1998	\$383,272	\$76,654	\$0	\$0	\$191,636	\$38,327	\$650,000	\$130,000	\$787,270	\$157,454	NA	NA
1999	\$401,704	\$80,341	\$0	\$0	\$200,852	\$40,170	\$650,000	\$130,000	\$354,260	\$70,852	NA	NA
2000	\$417,488	\$83,498	\$505,620	\$101,124	\$208,744	\$41,749	\$650,000	\$130,000	\$525,170	\$105,034	NA	NA
2001 est	\$0***	\$84,000	\$505,620	\$101,124	\$210,000	\$42,000	\$650,000	\$130,000	\$500,000	\$100,000	NA	NA
<b>TOTAL</b>	<b>\$1,873,828</b>	<b>\$458,766</b>	<b>\$1,011,240</b>	<b>\$202,248</b>	<b>\$1,146,914</b>	<b>\$229,382</b>	<b>\$2,600,000</b>	<b>\$520,000</b>	<b>\$2,166,700</b>	<b>\$433,340</b>	<b>\$1,678,410</b>	<b>\$335,682</b>

\* Local Asst = 15% total, with not more than 10% to any one area.

\*\* 20% match reimbursement to Authority required on these set-asides.

\*\*\* Admin \$420,000 set-aside for FFY01 moved to project fund; reserved for future year.

**Attachment 3a**

**DWSRF SET-ASIDE AND FEE ACTIVITY - 2001 IUP**

<u>Set-Aside</u>	<u>Set Aside Through 2000</u>	<u>Transferred To DWSRF Loan Fund</u>	<u>Expended Through 6/30/00</u>	<u>Balance available</u>	<u>Planned FFY01 Set-Aside</u>	<u>Total Funds Available SFY01</u>	<u>Reserved Through 2000</u>	<u>Reserved From FFY01 Allotment</u>	<u>Total Set-Aside Reserved</u>
4% Administration	\$1,873,828		\$649,196	\$1,224,632	\$420,000	\$1,644,632	\$0	\$420,000	\$420,000
10% State Program:									
PWS Supervision	505,620			505,620	505,620	1,011,240			0
Source Water Protection				0		0			0
Capacity Development				0		0			0
Operator Certification				0		0			0
2% Small System Tech. Asst.	936,914		54,150	882,764	210,000	1,092,764			0
15% Local Assistance:									
Loan Assistance for SWP									
Capacity Development	2,789,205	839,205	6,505	1,943,495	650,000	2,593,495			
Source Water Assessment	1,678,410		113,177	1,565,233	0	1,565,233			
Wellhead Protection	1,666,700		0	1,666,700	500,000	2,166,700			
<b>TOTALS</b>	<b>\$9,450,677</b>	<b>\$839,205</b>	<b>\$823,028</b>	<b>\$7,788,444</b>	<b>\$2,285,620</b>	<b>\$10,074,064</b>	<b>\$0</b>	<b>\$420,000</b>	<b>\$420,000</b>

<u>Fees Collected &amp; Expended</u>	<u>Collected through 6/30/00</u>	<u>Grant Funds Used as of 6/30/00</u>	<u>Expended Through 6/30/00</u>	<u>Balance Available as of 6/30/00</u>	<u>Anticipated Collection for 2000 *</u>	<u>Anticipated Collection in 2001 *</u>	<u>Anticipated Fee Funds Available</u>
Administrative Loan Fee	\$1,127,405	\$649,196	\$1,428,411	\$348,190	\$460,146	\$1,005,585	\$1,353,775

\* Based on loans issued as of 6/30/00.

**ATTACHMENT 3b**

**2001 DWRF - IUP**

**Funds Available to the DWRF**

<b>SOURCES</b>	<b>Inception through 2000</b>	<b>Projected 2001</b>	<b>Total</b>
Federal Capitalization Grants	\$46,845,700	\$10,500,000	\$57,345,700
less: Set-Asides	(8,611,472)	(1,785,000)	(10,396,472)
State Match:			
Appropriation/Agency Cash - Committed	9,369,140	2,100,000	11,469,140
Agency Cash for CWSRF Transfer	1,333,333	0	1,333,333
State Match Bonds	0	0	0
Leveraged Bond Proceeds	122,555,000	10,000,000	132,555,000
Loan Repayments (Net of bond debt service):			
Leveraged Loans:			
Principal	5,895,000	4,989,167	10,884,167
Interest	9,681,737	6,048,381	15,730,118
State Match	535,000	420,446	955,446
Direct Loans:			
Principal	119,040	92,668	211,708
Interest	111,179	119,214	230,393
De-allocation from leveraged loan reserves	1,883,214	1,951,097	3,834,311
Fees Deposited to the DWRF	0	0	0
Interest on Investments	207,474	135,000	342,474
Transfer from 1998 Clean Water SRF	6,666,667	0	6,666,667
<b>TOTAL SOURCES</b>			<b>231,161,985</b>
<b>USES</b>			
Loans Executed			
Direct	2,513,200	1,795,000	4,308,200
Leveraged	141,300,597	10,000,000	151,300,597
Reserve for Leveraged Loans	44,798,297	3,170,425	47,968,722
Bond Debt Service for Leveraged Loans	11,441,806	11,037,000	22,478,806
<b>TOTAL USES</b>			<b>226,056,325</b>
<b>FUNDS AVAILABLE AFTER PROJECTED 2001 LOANS</b>			<b>\$5,105,660</b>

**ATTACHMENT 4  
DRINKING WATER REVOLVING FUND (DWRF)  
LOAN SUMMARY as of 06/14/00  
EXISTING LOANS**

A - Cash Provided by Authority	D - Cash Provided by Borrower
B - Cash Provided by DWRF Admin. Acct.	E - Direct Loan Pre-Construction
C - Cash Provided by DWRF Funding Acct.	Account Interest Income (Cash)

**LEVERAGED LOAN PROGRAM**

BOND ISSUE	BORROWER	LOAN DATE	DATE of BOND ISSUE	ORIGINAL LOAN AMOUNT	LOAN TERM	EFFECTIVE INTEREST RATE	FEDERAL GRANT AMOUNT	STATE MATCH PROVIDED	DATE ST. MATCH PROVIDED
1997A	ARAPAHOE ESTATES WATER DISTRICT *	10/01/97	10/22/97	\$1,048,332.75	20 YEARS	4.150%	\$388,360.00	\$98,332.75	C 10/22/97
1997A	CITY of ENGLEWOOD	10/01/97	10/22/97	15,292,635.61	21 YEARS	4.140%	5,361,910.00	1,357,635.61	C 10/22/97
1997A	CITY of FORT COLLINS	10/01/97	10/22/97	10,125,299.77	20 YEARS	4.120%	3,614,928.00	915,299.77	C 10/22/97
1998A	TOWN of BUENA VISTA *	6/01/98	6/23/98	1,324,119.65	20 YEARS	4.010%	490,204.00	124,119.65	C 6/22/98
1998A	CITY of FORT MORGAN	6/01/98	6/23/98	15,433,355.38	21 YEARS	4.020%	5,641,214.00	1,428,355.38	C 6/22/98
1999A	CITY OF AURORA	5/01/99	5/20/99	14,999,898.55	15 YEARS	3.633%	4,751,500.00	1,024,898.55	C 5/19/99
1999A	CITY of FORT COLLINS	5/01/99	5/20/99	4,998,394.59	20 YEARS	3.808%	1,870,165.00	403,394.59	C 5/19/99
1999A	CITY OF GLENWOOD SPRINGS	5/01/99	5/20/99	4,999,017.40	19 YEARS	3.773%	1,710,790.00	369,017.40	C 5/19/99
1999A	GRAND COUNTY W&S DISTRICT	5/01/99	5/20/99	2,998,566.15	19 YEARS	3.783%	1,036,468.00	223,566.15	C 5/19/99
1999A	CITY OF GREELEY	5/01/99	5/20/99	14,999,038.36	20 YEARS	3.802%	5,280,660.00	1,139,038.36	C 5/19/99
1999A	TOWN OF JULESBURG	5/01/99	5/20/99	994,599.70	20 YEARS	3.809%	392,210.00	84,599.70	C 5/19/99
1999A	LEFT HAND WATER DISTRICT	5/01/99	5/20/99	6,571,538.04	20 YEARS	3.802%	2,139,722.00	461,538.04	C 5/19/99
2000A	EVERGREEN METROPOLITAN DISTRICT	4/15/00	5/10/00	5,577,981.71	20 YEARS	4.402%	1,786,069.00	452,981.71	C 5/10/00
2000A	FOUNTAIN VALLEY AUTHORITY	4/15/00	5/10/00	7,607,966.23	20 YEARS	4.405%	2,633,735.00	667,966.23	C 5/10/00
2000A	TOWN OF LIMON	4/15/00	5/10/00	1,440,808.84	20 YEARS	4.408%	436,910.00	110,808.84	C 5/10/00
2000A	CITY OF WESTMINSTER	4/15/00	5/10/00	14,998,357.36	20 YEARS	4.406%	4,764,452.00	1,208,357.36	C 5/10/00
2000A	BOARD OF WATER WORKS OF PUEBLO, CO	4/15/00	5/10/00	9,558,794.83	22 YEARS	4.603%	2,499,000.00	633,794.83	C 5/10/00
<b>TOTAL LEVERAGED LOANS</b>				<b>\$132,968,704.92</b>			<b>\$44,798,297.00</b>	<b>\$10,703,704.92</b>	

**DRINKING WATER REVOLVING FUND (DWRF)  
LOAN SUMMARY as of 06/14/00  
EXISTING LOANS**

A - Cash Provided by Authority	D - Cash Provided by Borrower
B - Cash Provided by DWRF Admin. Acct.	E - Direct Loan Pre-Construction
C - Cash Provided by DWRF Funding Acct.	Account Interest Income (Cash)

**DIRECT LOAN PROGRAM**

<u>BORROWER</u>	<u>LOAN DATE</u>	<u>LOAN EXECUTED</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>LOAN TERM</u>	<u>EFFECTIVE INTEREST RATE</u>	<u>FEDERAL GRANT AMOUNT</u>	<u>STATE MATCH PROVIDED</u>	<u>DATE FUNDING PROVIDED</u>
<b>STATE DIRECT LOAN PROGRAM</b>								
1995	IDLEDALE W&S DISTRICT	7/10/95	7/10/95	250,000.00	20 YEARS	4.500%	0.00	C 10/13/95
1995	TOWN of FAIRPLAY (Loan #1)	8/01/95	8/01/95	250,000.00	20 YEARS	4.500%	0.00	C 10/13/95
1995	TOWN of MINTURN	8/11/95	8/11/95	300,000.00	20 YEARS	4.500%	0.00	C 4/11/96
1995	TOWN of EMPIRE	8/24/95	8/24/95	331,432.00	20 YEARS	4.500%	0.00	C 10/13/95
1995	TOWN of ELIZABETH	10/01/95	10/01/95	500,000.00	20 YEARS	4.500%	0.00	C 10/13/95
1996	LAKE CREEK METROPOLITAN DISTRICT	1/12/96	1/12/96	500,000.00	20 YEARS	4.500%	0.00	C 3/18/96
1996	TOWN of FRASER	4/15/96	4/15/96	200,000.00	5 YEARS	4.500%	0.00	C 10/02/97
1996	BACA GRANDE W&S DISTRICT	2/01/96	4/30/96	500,000.00	10 YEARS	4.500%	0.00	C 5/08/96
1996	TOWN of FIRESTONE	6/13/96	7/09/96	95,000.00	10 YEARS	4.500%	0.00	C 7/30/96
1996	TOWN of NUNN	8/12/96	8/13/96	330,260.00	20 YEARS	4.500%	0.00	C 8/16/96
1996	TOWN of LOCHBUIE	8/28/96	8/28/96	352,000.00	20 YEARS	4.500%	0.00	C 8/29/96
1996	TOWN of LYONS	8/19/96	8/29/96	500,000.00	21 YEARS	4.500%	0.00	C 9/05/96
1996	TOWN of BAYFIELD	11/15/96	12/06/96	350,000.00	20 YEARS	4.500%	0.00	C 12/13/96
1997	TOWN of FAIRPLAY (Loan #2)	7/25/97	7/30/97	200,000.00	20 YEARS	4.500%	0.00	C 7/30/97
1997	CITY of IDAHO SPRINGS	10/15/97	11/03/97	500,000.00	20 YEARS	4.500%	0.00	C 12/05/97
1997	WESTLAKE W&S DISTRICT	8/19/97	12/04/97	250,000.00	20 YEARS	4.500%	0.00	C 12/05/97
1998	REDSTONE W&S DISTRICT	12/01/97	2/10/98	410,000.00	20 YEARS	4.500%	0.00	C 2/10/98
<b>TOTAL STATE PROGRAM DIRECT LOANS</b>			<b>\$5,818,692.00</b>			<b>\$0.00</b>	<b>\$0.00</b>	
<b>FEDERAL DIRECT LOAN PROGRAM</b>								
1997	TOWN of GRAND LAKE *	10/29/97	11/04/97	495,000.00	20 YEARS	4.500%	394,988.00	C 11/03/97
1998	CHATFIELD SOUTH WATER DISTRICT *	7/13/98	8/10/98	728,500.00	20 YEARS	4.500%	581,310.00	C 8/12/98
1998	LEFT HAND W&S DISTRICT *	9/11/98	9/11/98	188,700.00	20 YEARS	4.500%	150,574.00	C 9/16/98
1999	THUNDERBIRD W&S DISTRICT *	6/01/99	6/18/99	285,000.00	20 YEARS	4.500%	223,596.00	C 6/25/99
1999	CITY OF LA JUNTA *	10/15/99	11/1/99	490,000.00	20 YEARS	4.500%	384,475.00	C 11/04/99
2000	SEDALIA W & S DISTRICT *	3/9/00	3/16/00	326,000.00	20 YEARS	4.500%	255,794.00	C 3/16/00
<b>TOTAL FEDERAL PROGRAM DIRECT LOANS</b>			<b>\$2,513,200.00</b>			<b>\$1,990,737.00</b>	<b>\$522,463.00</b>	
<b>TOTAL DIRECT LOANS</b>			<b>\$8,331,892.00</b>			<b>\$1,990,737.00</b>	<b>\$522,463.00</b>	
<b>TOTAL DRINKING WATER REVOLVING FUND - SRF LOANS</b>			<b>\$135,481,904.92</b>			<b>\$46,789,034.00</b>	<b>\$11,226,167.92</b>	
<b>TOTAL DRINKING WATER REVOLVING FUND</b>			<b>\$141,300,596.92</b>			<b>\$46,789,034.00</b>	<b>\$11,226,167.92</b>	

## **Attachment 2**

### **2002 Intended Use Plan**

**STATE OF COLORADO**

**YEAR 2002**

**DRINKING WATER REVOLVING FUND**

**INTENDED USE PLAN**

Date Approved: November 14, 2001



**DWRF IUP**  
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- A. Project Eligibility List
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**Attachments**

- 1. List of Eligible and Ineligible Projects and Project Related Costs
- 2. DWRF Rules for Ranking Projects
- 3. Table of Funds for Loans and Non-Project Activities
  - 3a. Summary of Set-Aside and Fee Activity
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- 4. Status of Funded Projects

**STATE OF COLORADO  
DWRF INTENDED USE PLAN  
JANUARY 1 - DECEMBER 31, 2002**

**I. INTRODUCTION**

An Intended Use Plan (IUP) is required by Section 1452(b) of the Safe Drinking Water Act (SDWA) and by Interim Final Regulations 40 CFR 35.3555 published on August 7, 2000 to be filed annually with the U.S. Environmental Protection Agency (EPA) by each state that has accepted a Federal Capitalization Grant establishing a Drinking Water Revolving Fund (DWRF) program. The IUP must describe how the state intends to use the Capitalization Grant and DWRF program funds to meet the objectives of the SDWA and further the goal of protecting public health. The IUP must be made available to the public for review and comment prior to submitting it to the EPA as the central part of the capitalization grant agreement.

The purpose of the DWRF program is: 1) to provide financial assistance to governmental agencies for the construction of water projects for public health and compliance purposes as described in the Drinking Water Revolving Fund Regulations (Attachment 2), and 2) to set-aside funds from the capitalization grant to fund a variety of activities that are necessary to accomplish the requirements of the SDWA.

The DWRF may be used for: below market rate loans; loan guarantees; a source of reserve and security for leveraged loans (proceeds of which must be placed in the DWRF loan fund); the purchase or refinancing of existing local debt obligations where the initial debt was incurred and construction started after July 1, 1993; and earning interest prior to disbursement of assistance. Colorado limits this assistance to governmental agencies as defined by statute under C.R.S. 37-95-103 (5)(a) and (b).

The SDWA allows a state to set aside up to 31 percent of any yearly capitalization grant for non-project activities as follows; administration and technical assistance (4%), state program activities (10%), small systems technical assistance (2%), and local assistance (15%). Additionally, up to 30 percent of each grant may be used for loan assistance (including forgiveness of principal) to disadvantaged communities.

This IUP will serve as the planning document for explaining how the remainder of Federal Fiscal Year (FFY) 2001 and all of FFY 2002 Capitalization Grant appropriations will be used for the DWRF and non-project set-asides. The program fiscal year for the DWRF is January 1, 2002 to December 31, 2002. As currently developed, the IUP identifies the specific projects and activities associated with the federal appropriation and funds available from repayments to the program.

The “State” as referenced in this document is comprised of three agencies involved in operating the DWRF under a memorandum of agreement - the Colorado Water Resources and Power Development Authority (hereafter referred to as the “Authority”), the Water Quality Control Division at the Department of Public Health and Environment (WQCD), and the Division of Local Government at the Department of Local Affairs (DLG). The SDWA, Section 1542(g)(1)(B), expressly places the authority for establishing assistance priorities and carrying out oversight and related activities (other than financial administration) with the State agency having primary enforcement responsibility. The WQCD is the agency that has this responsibility in Colorado. The DLG evaluates financial and managerial capacity of loan applicants, identifies and tabulates potential projects for the program, and provides outreach to raise awareness of the program. The Authority is named administrator under state statute; therefore, it is the grant recipient and provides financial administration for the DWRF.

The requirements of the SDWA that are included in this IUP are as follows:

- , A comprehensive priority list of those projects eligible to be assisted by the DWRF which must include the name of the public water system, the priority assigned to the project, a description of the project (type), the expected terms of financial assistance, the size of the community and an expected funding schedule. The State must identify which projects on the priority list will, or are projected to, receive funding in 2002;
- , A description of the criteria and method established for the distribution of funds;
- , A description of the financial status of the DWRF;
- , A description of the short and long-term goals of the State's DWRF;
- , A description of amounts transferred between the DWRF and the Water Pollution Control Revolving Fund; and
- , A description of the non-project activities to be funded from the DWRF Capitalization Grant including the percentage of such funds to be devoted thereto.

The State will prepare and submit a grant application for FFY 2002 based on this IUP.

## **II. LIST OF DRINKING WATER REVOLVING FUND PROJECTS**

States are required to develop a comprehensive priority list of eligible projects for funding and to identify projects that will receive funding in the first year after each capitalization grant award. In determining funding priority, states must ensure, to the maximum extent practical, that priority for the use of funds be given to projects that 1) address the most serious risks to human health; 2) are necessary to ensure compliance under SDWA; and 3) assist systems most in need, on a per household basis (i.e.

affordability). Projects primarily to serve future growth are not eligible. Examples of eligible and ineligible projects and project related costs are found in Attachment 1.

Appendix A to this IUP is the statewide Drinking Water Project Eligibility List (Eligibility List) illustrating the various projects and their associated estimated costs as required by Colorado’s authorizing statute. The Eligibility List includes the name of the public water system, a description of the project, the size of the community, the estimated cost of the project and how the projects were ranked by categories described in the DWRP Regulations (included in Attachment 2). Appendix B (Project Priority/Fundable List) is a list of the 16 projects that have or will have a planning document for a specific project, have been prioritized for funding within each category, and are eligible to receive a loan from the DWRP. The supporting documentation covering the assignment of priority points is available from the WQCD. This list includes the anticipated loan terms, interest rate, type of loan and an enumeration of the drinking water problem and project description to correct the problem.

Of the 16 projects prioritized and ready for funding and described in appendix B (Project Priority/Fundable List), one is a category 1 (public health concerns) that needs grant funds to proceed. Projects that have been deleted from Appendix B include: (1) The Town of Ovid, receiving funding from the Department of Local Affairs; (2) The City of Sterling, funding its own project; (3) The Town of Castle Rock, funding its own project; and (4) The City of Las Animas, not ready to proceed with its project.

The DWRP projects that the State intends to fund with its FFY02 capitalization grant are:

Priority Rank	Loan Amount	Entity To Receive Loan	Project Description
2	500,000	Town of Larkspur	Const. WTP, Upgrade Distribution System
3	330,000	Pinewood Springs WD	Add New Water Source
7	3,000,000	City of Idaho Springs	Upgrade WTP, Storage
9	10,000,000	City of La Junta	Upgrade Treatment/Construct New WTP
11	165,000	Town of Kersey	Upgrade/Replace Distribution System
12	900,000	Town of Hayden	Upgrade WTP, Upgrade/Replace Distribution System
14	2,500,000	Pagosa Area WSD	Replace Lines

Total **\$17,395,000** of which 100% is for small systems (those serving less than 10,000 people)

Projects from the Eligibility List can be moved to the Priority/Fundable List (Appendix B) during the funding year when the public water system submits a planning document that provides the WQCD with enough information to prioritize the project. The Priority/Fundable List is amended as projects proceed throughout the year by notification to the Board of Health.

### **III. CRITERIA AND METHODS FOR DISTRIBUTING FUNDS**

The new regulations require that the IUP include "...the process and rationale for distribution of funds between the fund and set-aside accounts." In accordance with the Memorandum of Agreement, the State has a decision-making team comprised of staff from the three agencies to determine the DWRF projects to be funded.

Regarding the non-project activities, the WQCD determines the amount of funds to be set aside for activities documented in the IUP and forwards the amount for funding to the Authority for inclusion in the capitalization grant application. The WQCD anticipates utilizing approximately 17.8 percent of the FFY02 grant to meet various SDWA requirements as described in Section VII (Non-project Activities). However, the 4 percent set-aside for administration will be reserved to allow the state to take it from a future capitalization grant.

Colorado's project priority system is set forth in the DWRF Regulations (5 CCR 1003-3) (Attachment 2). The Regulations include the following criteria:

#### **\$ Categories By Priority Ranking**

- (1) Acute Health Hazard.
- (2) Chronic (long term) Health Hazard.
- (3) Potential Acute Health Hazard.
- (4) Potential Chronic Health Hazard.
- (5) Other Future Needs.

**\$ Priority Point Assignments Within Each Category -** Once a planning document is received, projects within each category will be prioritized by the assignment of points and documented by the WQCD from the following:

- (1) Population.
- (2) Financial Need.
- (3) Consolidation.
- (4) Water Conservation.

- (5) Source Water Protection.
- (6) Beneficial Use of Sludge.
- (7) Health Risk. To further clarify the ranking of treatment facility projects, the WQCD shall assign points for a project once a determination of the greater health risk is made based upon the type and level of contaminant present within each category.

Projects on the Project Priority/Fundable List (Appendix B) will be financed in priority order to the maximum extent practical. Exceptions for funding out of priority order shall be due to one of the following reasons:

- a) Governmental agencies are not ready to proceed with the project.
- b) Governmental agencies do not wish to participate in the DWRF or they have received funding from other sources.
- c) Governmental agencies (on the eligibility or priority list) that have an emergency situation occur during the funding year.
- d) Governmental agencies not approved for funding because of technical, financial or managerial deficiencies. (The WQCD and DLG will attempt to work with the governmental entity to resolve the issue through the capacity development program.)

#### **SMALL SYSTEMS FUNDING GOAL**

To the extent that there are a sufficient number of eligible projects to fund, the State shall use at least 15 percent of all funds credited to the DWRF account on an annual basis to provide loan assistance to systems serving 10,000 persons or fewer. In 2002, the majority of projects to be funded will be small systems.

To further this goal in 2002, planning and/or design grants will be made available (see short term goal No. 7) to assist small systems with meeting some of the requirements of the DWRF. In addition, the DLG is planning to conduct a series of training workshops in 2002 to help build financial and managerial capacity of small rural public water systems. Finally, an annual survey is conducted to identify and update the needs of small systems.

All direct loans, will receive assistance from re-loan funds. Communities receiving assistance from the re-loan funds need only comply with the federal environmental and anti-discrimination requirements.

#### **IV. FINANCIAL STATUS OF THE DWRF**

The DWRF was created by state statute in 1995 prior to the enactment of the 1996 Amendments to the SDWA. Under this legislation the Colorado General Assembly directed the transfer of approximately \$7,253,915 to the DWRF. The final transfer occurred in March 1998. In addition to the funds

transferred by the General Assembly, the Authority has appropriated and authorized the transfer of \$15,039,173 to be deposited into the DWRF for a total of \$22,293,088 in state funds. An additional \$1,970,000 is expected to be transferred from the Authority to the DWRF by the end of 2001.

A federally capitalized DWRF was authorized by the 1996 Amendments to the SDWA and was established in Colorado with the receipt of the first capitalization grant in September 1997. This program requires the state to match the total amount of each federal grant with a 20 percent contribution of state funds. This state match amount must be deposited entirely into the loan fund, which must be maintained in perpetuity. Loan fund amounts are not available for non-project activities.

The State has made 17 direct loans for \$5,818,692 with state funds, which are kept separate from the federal portion of the DWRF so that repayments from these loans may be available for state match in the future. The remaining \$16,474,396 is available for use as state match. Of this amount, \$11,563,822 has been used for state match through June 30, 2001. As of June 30, 2001, \$5,341,694 was available for state match from the uncommitted funds mentioned above, repayments from state loans and interest earnings.

The DWRF provides both direct loans and leveraged loans to finance projects. Direct loans are generally made to smaller projects and borrowers that are not as credit worthy. This allows the program to provide low interest loans to small public water systems without going to the bond market and incurring those associated costs. A direct loan (up to \$1,000,000) utilizes approximately 75 percent capitalization grant and 25 percent state match dollars. Based on an effort to keep the rates for direct loans at or below the leveraged loan rate, the interest rate is set at 4.0% (for 2002) that includes a fee of eight tenths of a percent for administration.

Leveraged loans are generally provided to investment grade borrowers with larger projects. A leveraged loan (composed of grant funds, state match funds and bond proceeds with a maximum amount of \$15,000,000 per borrower) uses the reserve fund concept, whereby grant funds and re-loan funds in the DWRF are used as the source of security for bonds that are sold to increase the loan capacity. The leveraged loan interest rate is 80% of the market rate on the bonds and includes the administrative fee of eight tenths of a percent per year. The market rate on the bonds is determined on the day of pricing (sale) as the "all-in bond yield" (all costs considered) of the "AAA" rated drinking water revenue bonds.

The administrative surcharge on all loans, eight tenths of a percent, ensures long-term administration of the DWRF and provides potential opportunities for grant assistance to small public water systems. In the future, the funds may be deposited in the DWRF to fund loans. The administrative fee supplements the 4% administrative set-aside from the capitalization grant. The fee is deposited into an account separate from the DWRF and is used for costs associated with the DWRF (i.e., Authority, WQCD and DLG staffing and expenses and other operations expenses of the DWRF). Administrative fees received from DWRF loans for 2002 are estimated to be \$1,030,780. These funds will be used to fund direct program costs including legal and accounting fees, trustee fees, and other consultant fees, in addition to labor and overhead allocations of the Authority, WQCD and DLG. Total costs for administration of the DWRF are estimated



to be \$1,120,000, a portion of which will be paid from DWRF set aside grant monies available. Additionally, administrative fee income will be used to fund a planning and/or design grant program that is planned for 2002. Following is a table showing the administrative fee account.

DRINKING WATER REVOLVING FUND  
Administrative Fee Account - Revenues and Expenses as of December 31, 2001

Year	Loan Admin Fee Revenue	Funds drawn from Capitalized Grant for Admin Costs	Other Income	Total Administrative Expenses Incurred	Net Income
1997	5,485.00	0.00	0.00	0.00	\$5,485.00
1998	225,332.00	232,901.00	178,808.00 *	381,042.00	\$255,999.00
1999	508,351.00	287,115.00	110,359.00 ~	414,044.00	\$491,781.00
2000	838,293.00	216,433.00	0.00	400,553.00	\$654,173.00
2001	1,010,585.00	271,850.00	0.00	526,996.00 ^	\$755,439.00
2002 (est)	<u>1,347,447.00</u>	<u>252,075.00</u>	<u>0.00</u>	<u>558,616.00</u>	<u>\$1,040,906.00</u>
TOTALS	<u><u>\$3,935,493.00</u></u>	<u><u>\$1,260,374.00</u></u>	<u><u>\$289,167.00</u></u>	<u><u>\$2,281,251.00</u></u>	<u><u>\$3,203,783.00</u></u>

\* Includes \$103,808 transferred from the Funding Account and \$75,000 transferred from the State Direct Loan Administrative Fee Account to pay administrative costs.

~ Transferred from the State Direct Loan Admin Fee Account to pay administrative costs.

^ Total as of 08/31/01

Leveraging the fund is appropriate where financing needs significantly exceed available funds; however, it impacts the DWRF by reducing the interest rate subsidy provided or reducing future loan capacity. Each year the eligibility list needs (currently over \$700 million) are compared against the loan capacity of the DWRF. Even though demand for loans (Fundable List) in the year 2002 is less than the projected loan capacity, it is in the best interest of the program to continue leveraging in order to maintain the flexibility to meet anticipated future needs in 2003 and thereafter. By continuing to leverage, the program will be able to assist more communities currently on the eligibility list and help those communities' meet the needs that will be added to the list when the arsenic and radon standards are set. Given that the leveraged loan rate of 80% of market rate has produced an average loan rate of between 4.0 and 4.5%, leveraging has not created a loan rate significantly different than the direct loan rate. Although no interest income on the grant funds and state match funds accrue to the DWRF from the leveraged loans, the long-term or perpetual nature of the DWRF remains in place.

States may provide loan subsidies such as reduced interest and principal forgiveness for disadvantaged communities. Those subsidies cannot exceed 30 percent of the amount of the capitalization grant in any given year. Colorado has not defined a disadvantaged system or determined the feasibility of loan subsidies and their impacts on the perpetuity of the DWRF.

Through June 30, 2001, the State has received a total of \$63,992,667 in federal capitalization grants. Of this amount, \$10,476,698 has been set aside for non-project activities. The State anticipates receiving a FFY02 capitalization grant of \$14,025,000 with \$1,936,120 set aside for non-project activities. This amount may change based on final federal appropriations. (See attachment 3, 3a and 3b.) For every \$1 of the capitalization grant that is set aside for non-project activities, it is estimated that the loan capacity of the DWRF over a 20-year period is diminished by \$7.

Under the federal portion of the DWRF, nine direct loans for \$4,081,200 and seventeen leveraged loans for \$132,968,705 have been made to-date from the DWRF utilizing the federal capitalization grants (See attachment 4).

The DWRF anticipates making three leveraged loans and four direct loans on projects for 2002, totaling \$17,395,000, as set-forth above. Set-aside activities are described in the non-project section below. The following table illustrates the amount of funds available for loans:

<b>Drinking Water Revolving Fund Calculation of Loan Capacity for 2002</b>		
Capitalization grants for loans through 2001		\$ 53,797,501
Obligated for loans through 9/30/01		\$ 48,019,380
Remainder		\$ 5,778,121
Expected 2002 Capitalization Grant		
1.65% of \$850 million		\$ 14,025,000
Less Set-Asides		\$ 1,936,120
Total 2002 Grant		\$ 12,088,880
<b>Total Grant Funds Available</b>		<b>\$ 17,867,001</b>
Re-loan funds as of 9/30/01		\$ 3,286,183
September 1, 2002 deallocation to Re-Loan		\$ 2,662,856
<b>Total Re-Loan Funds Available</b>		<b>\$ 5,949,039</b>
<b>Loan Capacity for 2002</b>		
Leveraged Loans from Grants X 2.9		<b>\$ 51,814,303</b>
Direct Loans from Re-Loan Funds		<b>\$ 4,000,000</b>
Leveraged Loans from Re-Loan Funds		
total (less direct loans) X 2.9		<b>\$ 5,652,213</b>

**2002 DWRF Loan Capacity**

**\$ 61,466,516**

### **TRANSFER ACTIVITIES**

The transfer provision expired September 30, 2001; however, steps are being taken to reinstate this provision. There are no plans to transfer any dollars from the Water Pollution Control Revolving Fund (WPCRF) FFY 2002 capitalization grants to the DWRF because anticipated loans for 2002 water quality projects are expected to be in more demand than drinking water project loans.

### **CROSS-COLLATERALIZATION ACTIVITIES**

Beginning in the calendar year commencing on January 1, 1999, the WPCRF, along with the DWRF, may cross-collateralize or pledge moneys on deposit in one fund to act as additional security for bonds secured by moneys on deposit in the other fund. This mechanism was utilized for both programs in 1999 and, as a result, the bond ratings for both programs were upgraded to AAAA@ by all three bond rating agencies. This upgrade translates to lower interest rates and thereby more savings to the borrowers of both programs.

### **OPERATOR CERTIFICATION**

The 1996 Amendments to the Federal Safe Drinking Water Act required that states develop certification programs for operators of water treatment plants and distribution systems. House Bill 00-1431 adopted by the Colorado General Assembly this year revises the existing Colorado operators certification program, in part to meet the new federal requirements. The WQCD and the Water and Wastewater Facility Operators Certification Board have developed a program to implement the new federal requirements, in accordance with the revised state statute; that program has been approved by EPA.

## **V. LONG TERM GOALS**

The State continues to develop long term goals that will ensure the integrity of the DWRF. These goals and the method for achieving them are as follows:

1. Maintain the economic viability of the DWRF while meeting current and projected drinking water system needs in the State of Colorado.

Ensure that the DWRF remains viable and is self perpetuating to meet the long-range needs of the State.

2. Provide loans and technical and financial assistance to governmental agencies to facilitate effective planning, design, financing, and construction or improvement of facilities to comply with the provisions of the Colorado Primary Drinking Water Regulations.

Customer service will be the focus while utilizing the team approach to create an atmosphere conducive to accomplishing the best practicable project.

3. Maintain compliance with companion local, state and federal laws and the provisions of the State/EPA Operating Agreement.

## **VI. SHORT TERM GOALS**

In an effort to continually improve the DWRF program, the State will pursue the following short-term goals throughout the 2002 calendar year:

1. Submit an application for the 2002 Capitalization Grant by January 2002.
2. Update the Handbook of Procedures and seek approval by EPA.
3. Initiate the process for identifying projects in the FY2003 Intended Use Plan by August 2002.
4. Submit the Annual Audit by April 30, 2002.
5. Coordinate with other funding agencies to complete drinking water projects identified in the 2002 IUP.
6. Leverage funds in the DWRF to accommodate the estimated demand for eligible projects in 2002 and thereafter.
7. The Authority Board made the following policy changes at its October 5, 2001 Board meeting:

Beginning January 1, 2002, \$100,000 will be made available for planning and/or design grants for communities under 10,000 population. The maximum amount will be \$10,000 per community. These are non-reimbursable grants, unless the entity is not borrowing funds from the DWRF in which case the authority board wants the ability to review, and if appropriate, waive this requirement. These funds are provided from the administrative fee account.

8. The WQCD will review and revise as necessary the State Environmental Review Policy specific to the DWRF.

9. The DLG is planning to conduct a series of training workshops in 2002 to help build financial and managerial capacity of small rural public water systems around the state.

**VII. DESCRIPTION OF NON-PROJECT (SET-ASIDE) ACTIVITIES TO BE SUPPORTED BY THE DWRF**

**A. INTRODUCTION**

The State may set aside portions of each year’s Capitalization Grant for non-project (Set-Aside) activities. The purpose of the set-asides is to provide the funds needed to administer the DWRF, as well as to meet the programmatic requirements of the 1996 Amendments to the SDWA. The Authority will provide the required 20 percent up-front state match required to receive the federal funds. Reimbursement of the state match to the Authority has been waived through FFY01, unless otherwise noted. A list of the set-asides follows:

- Administration
- Small System Training and Technical Assistance
- State Drinking Water Program Management
- Local Assistance and Other State Programs:
  - Source Water Assessment and Protection Program (SWAP)
  - Wellhead Protection Program
  - Land/Conservation Easement Acquisition for SWAP
  - Implementation of SWAP Program
  - Capacity Development

A description of each set-aside and the funding earmarked from the FFY02 capitalization grant for each activity are described below. The funding for the FFY02 capitalization grant is estimated to be at least \$14,025,000. It is the responsibility of the WQCD to determine the amount of funds necessary to administer the DWRF and to meet the obligations of the SDWA. The financial status of the set-asides are summarized in Attachment 3. Once set-asides funds are allotted, the State must develop, and EPA approve, a workplan that describes the activities to be accomplished to be able to use those funds.

**B. ADMINISTRATION SET-ASIDE**

SET-ASIDE	AMOUNT	PURPOSE
Administration	\$561,000 (4%) for FFY02.	To cover the cost of (1) administering the DWRF, and (2) providing technical assistance to public water systems (PWSs). Admin is an on-going activity.

FFY02 Request: Colorado is entitled to set aside up to 4 percent (\$561,000) from the capitalization grant

for this set-aside. However, this account currently has adequate funds to cover the anticipated 2002 expenses. Therefore, the State will deposit the FFY02 administration set-aside into the DWRP project account and reserve the right to draw the FFY02 four percent set-aside amount (\$561,000) from a future capitalization grant.

Match: The Authority is expected to continue providing this match with no reimbursement.

Use of Funds in 2002 and Expected Accomplishments: Funds expended in 2002 will come from the FFY98 through FFY00 grants. These funds will be used to cover current and future administrative expenses related to projects and activities authorized under the SDWA, including provision of technical assistance to public water systems.

**C. SMALL SYSTEM TRAINING AND TECHNICAL ASSISTANCE (SSTTA)**

SET-ASIDE	AMOUNT	PURPOSE
SSTTA	\$280,500 (2%) for FFY02.	To provide (1) training, and (2) technical assistance to small systems. SSTTA is an on-going activity.

FFY02 Request: Colorado is entitled to set aside up to 2 percent (\$280,500) from the capitalization grant for this set-aside. Based on project needs identified by the WQCD, the WQCD intends to set aside the full \$280,500.

Match: For current contracts funded from the FFY98 and FFY99 SSTTA set-asides, reimbursement of the 20 percent up-front state match to the Authority has been waived. For future work under FY00 and later grants, reimbursement of the up-front state match to the Authority is annually reviewed by the Authority Board to determine whether the state match is to be reimbursed or waived.

Key Accomplishments to Date: In 2001, training programs were conducted for managers and operators of small systems. Providers included:

- Colorado Rural Water Association
- American Water Works Association (Rocky Mountain Section)
- University of Colorado School of Continuing Education.

Use of Funds in 2002 and Expected Accomplishments: Funds expended in 2002 will come from the FFY98 and FFY99 grants. Currently, training programs are being designed for 2002.

The WQCD chairs the SSTTA work group and is working to expand the composition of that work group. The expanded work group will integrate work planning for the operator certification reimbursement grant. Colorado is eligible for a one-time grant to assist training and certification of operators of PWSs that serve less than a 3,300 population.

**D. STATE DRINKING WATER PROGRAM MANAGEMENT**

SET-ASIDE	AMOUNT	PURPOSE
State Program Management	\$505,620 (3.6%) for FFY02.	To administer the state public water supply supervision (PWSS) program which includes regulations development compliance monitoring, data management, compliance assistance and enforcement. Can also be used to: --Administer or provide technical assistance for SWAP, --Administer and implement capacity development program, --Administer and implement operator certification program. PWSS, and other programs, are an on-going activity.

FFY02 Request: Colorado is entitled to set aside up to 10 percent (\$1,402,500) from the capitalization grant for this set-aside. Based on the Authority match, described below, the WQCD intends to set aside \$505,620.

Match: The Authority has authorized up to \$101,124 of administrative fee funds on an annual basis to provide for the state match requirement for \$505,620 of capitalization grant funds for FFY01 and FFY02. As a result of this, the WQCD will not be required to reimburse the Authority for the state match.

In addition to the up-front 20 percent match and match reimbursement waiver (provided by the Authority), a dollar-for-dollar match must be provided by the state. The dollar-for-dollar federal match requirement will be met by utilizing drinking water related expenditures from the state laboratory, 1993 drinking water grant matching funds from the WQCD as well as current year match in excess of the required amount. The laboratory contribution includes the laboratory certification program, as well as analyses of drinking water samples. State program match funds that were expended in 1993 can be used to provide up to 50 percent of the set-aside match. The current year match in excess of the minimum required may also be used. The three match amounts, i.e., laboratory contribution, 1993 match, and current year match allow the WQCD to take \$505,620.

Key Accomplishments to Date: New program requirements include meeting the need for increased sanitary survey elements and sanitary survey frequency; capacity development efforts for new and existing public water systems; new regulations adoption and implementation; improved operator certification programs; and administration of set-aside programs. The new regulatory initiatives will also require increased data handling, compliance assistance, and enforcement for the following rules: Interim Enhanced Surface Water Treatment Rule, Disinfectant/Disinfection Byproducts Rule, Radionuclides Rule, Arsenic Rule, Consumer

Confidence Report Rule and the Public Notification Rule. New staff will also be involved in drafting new regulations including the increased public involvement requirements, and the writing of guidance manuals and implementation procedures for the rules.

A portion of this set-aside is being used to hire 6.5 full time employees (FTE) for implementation of the many new program requirements associated with the 1996 reauthorization of the SDWA. New staff is being allocated to the Drinking Water Program Manager, Drinking Water and Wastewater Technical Services Unit and the Compliance Monitoring and Data Management Unit.

In addition, funds from this set-aside will be used to reimburse the Consumer Protection Division for administering the non-community drinking water system sanitary survey initiative using local health departments that are funded under the Capacity Development Program.

Use of Funds in 2002 and Expected Accomplishments: Funds expended in 2002 will come from the FFY00 and FFY01 grants. For 2002, the efforts highlighted above will be continued.

**E. LOCAL ASSISTANCE AND OTHER STATE PROGRAMS:**

SET-ASIDE	AMOUNT	PURPOSE
Local Assistance Set-Asides:	15% Total <b>(No more than 10% for any one of the following activities).</b>	Consists of the following five activities:
<ul style="list-style-type: none"> <li>• Source Water...(SWAP)</li> <li>• Wellhead...</li> <li>• SWAP Land Acquisition (PWS Loan)</li> <li>• SWAP Implementation (PWS Loan)</li> <li>• Capacity Development</li> </ul>	See below for funding requests.	See below for Set-Aside descriptions.

FFY02 Request: Colorado is entitled to set aside up to 15 percent (\$2,103,750) from the capitalization grant for these five set-asides. However, no more than 10 percent (\$1,402,500) may be use for any one of the Local Assistance Set-Asides. The specific amounts indicated below are based on project needs identified by the WQCD and total \$1,150,000 (8.2 percent). The five set-asides are described below:



## 1. Source Water Assessment and Protection Program (SWAP).

SET-ASIDE	AMOUNT	PURPOSE
SWAP	\$0 for FFY02.	To delineate and assess source water areas for surface and ground water systems. SWAP assessments must be completed by August 2003.

FFY02 Request: N/A. The WQCD set-aside the full FFY97 allotment of \$1,678,410, based on project needs identified by the WQCD. The SWAP allotment was a one-time allotment.

Match: The Authority has provided the required 20 percent up-front state match and has waived the reimbursement requirement.

### Key Accomplishments to Date:

- Development of a SWAP website: [www.cdphe.state.co.us/wq/sw/swaphom.html](http://www.cdphe.state.co.us/wq/sw/swaphom.html)
- Collection of locational data (lat/longs) for surface water intakes.
- Development of a spatial data library.
- Preliminary development of a web-enabled Geographic Information System (GIS) mapping website.
- Selection of a contractor, and initiation of the source water delineation work (Phase 1).
- Issuance of two Requests for Proposals (RFPs) for the contaminant inventory work (Phase 2) and the susceptibility analysis work (Phase 3); contractors to be selected and work to begin by Fall 2001.

Use of Funds in 2002 and Expected Accomplishments: There are three technical phases associated with the SWAP program: (1) delineation of source water areas, (2) inventory of potential sources of contamination, and (3) analysis of the susceptibility of the PWSs to contamination; public involvement is an integral component of all three phases

For 2002, the source water delineations and contaminant inventories for PWSs will be completed. Additional activities will focus on developing an automated Data Analysis Toolset that will be instrumental in conducting the susceptibility analyses and reporting the assessment results for PWSs statewide.

## 2. Wellhead Protection Program (WHP).

SET-ASIDE	AMOUNT	PURPOSE
Wellhead Protection	\$500,000 (3.6%) for FFY02.	To delineate and assess source water areas for ground water systems. WHP assessments must be completed by August 2003.

FFY02 Request: Based on project needs identified by the WQCD, the WQCD intends to set aside \$500,000.

Match: For set-aside grants from FFY98 and FFY99 (unless current or existing contracts require reimbursement) the reimbursement requirement is waived by the Authority. For set-aside grants from FFY00 and FFY01, only those funds to be used in the SWAP activities and to be committed by September 30, 2001 will carry the reimbursement waiver from the Authority. Remaining funds from the FFY00 and FFY01 grants must have the state match reimbursed. This requirement is reviewed annually by the Authority Board and may be waived at a future time. The FFY02 grant did not receive any waiver from the state match reimbursement requirement.

Key Accomplishments to Date:

- Development of a SWAP website (which includes the WHP program): [www.cdphe.state.co.us/wq/sw/swaphom.html](http://www.cdphe.state.co.us/wq/sw/swaphom.html)
- Collection of locational data (lat/longs) for drinking water wells.
- Selection of a contractor, and initiation of the source water delineation work for groundwater systems (Phase 1).
- Issuance of two Requests for Proposals (RFPs) for the contaminant inventory work (Phase 2) and the susceptibility analysis work (Phase 3) for ground water systems; contractors to be selected and work to begin by Fall 2001.

Use of Funds in 2002 and Expected Accomplishments: Funds expended in 2002 will come from the FFY98 through FFY01 grants. Under the WHP program, there are two technical phases associated with the assessment portion of the program: (1) delineation of source water areas for ground water systems, and (2) inventory of potential sources of contamination. Due to the advantages of coordinating the WHP program with the SWAP program, the third technical phase of the SWAP program, the susceptibility of the PWSs to contamination, has been added to assessing ground water systems so that assessment results are consistent between surface water and ground water systems. Again, public involvement is an integral component of all three phases. The WHP program will be utilized on a statewide basis in conducting the source water assessments for ground water systems.

For 2002, the source water delineations and contaminant inventories for ground water-based PWSs will be completed. Additional activities will focus on developing an automated Data Analysis Toolset that will be instrumental in conducting the susceptibility analyses and reporting the assessment results for ground water-based PWSs statewide.

**3. Loans to public water systems to acquire land or conservation easements for source water protection purposes.**

SET-ASIDE	AMOUNT	PURPOSE
Local Land	\$0 for FFY02.	To provide loans to PWSs to acquire land or

Acquisition for SWAP.		conservation easements to protect source water areas.
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FFY02 Request: None. The WQCD is not setting aside any funds for this purpose from its FFY02 capitalization grant.

**4. Loans to community water systems to implement voluntary, incentive based source water quality protection measures.**

SET-ASIDE	AMOUNT	PURPOSE
Local SWAP Implementation	\$0 for FFY02.	To provide loans to PWSs to implement source water protection measures.

FFY02 Request: None. The WQCD is not setting aside any funds for this purpose from its FFY02 capitalization grant.

**5. Capacity Development.**

SET-ASIDE	AMOUNT	PURPOSE
Capacity Development	\$650,000 (4.6%) for FFY02.	To implement the capacity development strategy to assist new and existing systems to achieve and maintain technical, managerial, and financial capacity.

FFY02 Request: Colorado is entitled to set aside up to 10 percent (\$1,361,250) from the capitalization grant for this set-aside. Based on the Authority match, described below, the WQCD intends to set aside \$650,000.

Match: The Authority has authorized up to \$130,000 of Authority funds to be available to waive the match reimbursement requirement for \$650,000 of capitalization grant funds for FFY98 and FFY99.

Key Accomplishments to Date:

- Implementation of new system capacity reviews using the “New Water System Capacity Planning Manual” to evaluate the technical, managerial and financial (TMF) capacity for new systems.
- Implementation of existing system capacity reviews using Chapter 3 of the DWRF Handbook of Procedures, “Evaluation of Technical, Managerial, and Financial Capacity” to evaluate the TMF capacity of existing systems that receive funding under the DWRF.
- Continuation of the on-site sanitary survey effort coordinated by the Consumer Protection Division in conjunction with local health departments. This effort will eventually involve annual sanitary surveys of approximately 800 non-community ground water systems and will provide limited technical assistance to PWSs visited.

Use of Funds in 2002 and Expected Accomplishments: Funds expended in 2002 will come from the FFY98 and FFY99 grants. For 2002, the efforts highlighted above will be continued. Additional activities such as hiring the 2.0 FTE will be completed, as well as the items listed below.

- Preparation of an informational pamphlet for non-community systems on the drinking water regulations and guidelines that apply.
- Upgrading the WQCD's web site to include access to new information and operator training.
- Developing a summary of new federal regulations to be adopted by reference.
- Developing guidance, tailored to system characteristics, for new regulations adopted by reference.
- Providing, via contract, on-site Comprehensive Performance Evaluations (CPEs) of surface water systems that do not provide 99.9 percent (3 log) removal of particulates as measured by the microscopic particulate analysis.
- Developing a Colorado drinking water hotline.
- Development of an areawide optimization program via contract. This effort will work to change the on-site practices of systems that have performance limiting factors as documented by the CPE effort.
- Continued effort to develop an excellence program for PWSs.

## **VIII. MISCELLANEOUS INFORMATION**

The State will provide the necessary assurance and certifications as part of the Capitalization Grant Agreement and Operating Agreement between the State of Colorado and the U.S. Environmental Protection Agency.

The proposed payment schedule using FFY2002 Drinking Water funds will be included in the application for the capitalization grant. The payment schedule identifies the anticipated amount of EPA Automated Clearinghouse (ACH) draws from the capitalization grant and State dollars to be deposited into the DWRF.

The State legislation (SB 95-083) established the DWRF as an enduring and viable fund. The DWRF shall be maintained and be available in perpetuity for providing financial assistance as authorized and limited by the SDWA.

### **Public Review and Comment:**

The Colorado State Board of Health published this information and held a public meeting on November 14, 2001 at which time the State's 2002 IUP including the 2002 DWRF Eligibility List and Project Priority/Fundable List were approved. There were no comments from the general public. The WQCD

requested that the Board approve Appendix B (Project Priority/Fundable List) with the addition of the City of Thornton prioritized as a category 3 with 30 points and the change of points for Idaho Springs from 45 to 55.

Each year, the IUP will be amended to include additional DWRP projects and other appropriate changes. The WQCD will continually seek public review and comment for the proposed list of eligible projects and IUP brought before the State Board of Health for approval annually.

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ID NO.	CAT	FACILITY	ADDRESS	CITY	ZIP	COUNTY	DESCRIPTION	COST	POP
010039	1	ADAMS CNTY/N. WASH. WUA	P.O. BOX 508	EASTLAKE	80614	ADAMS	Contamination in drinking water	\$300,000	130
010042	1	CHEYENNE WELLS, TOWN OF	BOX 125	CHEYENNE WELLS	80810	CHEYENNE	Well high in nitrates, replace	\$270,000	1111
990013	1	COTTONWOOD WSD	7305 S POTOMAC ST	ENGLEWOOD	80112	DOUGLAS	Construct WTP	\$5,000,000	2375
980253	1	DEER TRAIL, TOWN OF	P.O. BOX 217	DEER TRAIL	80105	ARAPAHOE	Coliform/bacteria problems,upgrade trmt,storage,dist	\$866,000	250
960038	1	FOWLER, TOWN OF	114 E CRANSTON AVE	FOWLER	81039	OTERO	Develop/rehab supply,add deep well	\$445,000	1203
960056	1	KIT CARSON, TOWN OF	BOX 239	KIT CARSON	80825	CHEYENNE	Capacity,MCL exceeded,need alternate source	\$1,500,000	290
010019	1	LAFAYETTE/SHADY ACRES	1290 S PUBLIC RD	LAFAYETTE	80026	BOULDER	Unsanitary conditions, connect to Lafayette	\$250,000	15000
010034	1	N DOUGLAS CNTY/STRUBY	13195 N HIGHLAND CIRCLE	LITTLETON	80125	ARAPAHOE	Connect to North Douglas County wsd	\$180,000	30
010026	1	NUNN, TOWN OF	P.O. BOX 171	NUNN	80648	WELD	High nitrates, upgrade treatment	\$150,000	325
010033	1	PARKVILLE WATER DISTRICT	P.O. BOX 45	LEADVILLE	80461	LAKE	Possible contamination of supply	\$300,000	100
020037	1	PONCHA SPRINGS, TOWN OF	BOX 56	PONCHA SPRINGS	81242	CHAFFEE	Copper in water, upgrade treatment	\$100,000	302
960156	1	STERLING, CITY OF	421 N 4TH STREET	STERLING	80751	LOGAN	Upgrade WTP for nitrates,may need new source	\$2,000,000	11290
000001	2	ALAMOSA, CITY OF	P.O. BOX 419	ALAMOSA	81101	ALAMOSA	Arsenic in water, upgrade treatment	\$4,000,000	8775
000007	2	EAST ALAMOSA WSD	P.O. BOX 1092	ALAMOSA	81101	ALAMOSA	Upgrade treatment, arsenic in water	\$300,000	750
960045	2	HOLLY, TOWN OF	BOX 458	HOLLY	81047	PROWERS	MCL viol, drill new well and add storage	\$600,000	891
960047	2	HOT SULPHUR SPG, TOWN OF	BOX 116	HOT SULPHUR SPGS	80451	GRAND	New intake structure,pump controls,upgrade main,dist	\$1,000,000	401
020018	2	IDLEDALE WSD	390 UNION BLVD,SUITE 310	LAKESWOOD	80228	JEFFERSON	Upgrade WTP, treat radiological contamination	\$350,000	500
980242	2	LA PLATA CNTY/PINE RIVER	13029 COUNTY ROAD 501	BAYFIELD	81122	LA PLATA	Construct WTP and distribution system	\$11,608,000	2000
010012	2	OTERO CNTY/EUREKA W C	P.O. BOX 511	LA JUNTA	81050	OTERO	Upgrade water supply & trmt, under enforcement	\$100,000	300
960093	2	PINEWOOD SPRINGS WD	P.O. BOX 3265	LYONS	80540	LARIMER	Upgrade treatment for lead & copper,add storage	\$330,000	638
960102	2	RYE, TOWN OF	BOX 236	RYE	81069	PUEBLO	Construct storage tank and upgrade filtration	\$600,000	170
000019	2	WELD CNTY/WATTENBURG	1826 MARY AVE	FT. LUPTON	80621	WELD	Inadequate storage, high nitrate, const R/O system	\$800,000	375
960003	3	ALLENSPARK WSD	P.O. BOX 91	ALLENSPARK	80510	BOULDER	Upgrade plant,add storage,high turbidity	\$125,000	290
990001	3	AURORA, CITY OF	1470 S HAVANA STREET	AURORA	80012	ARAPAHOE	Upgrade WTP,improve chemical handling & storage	\$20,000,000	222103
990002	3	BAYFIELD, TOWN OF	BOX 80	BAYFIELD	81122	LA PLATA	Add new microfloc cell by 2002,construct tank	\$435,000	1375
960007	3	BENNETT, TOWN OF	355 4TH STREET	BENNETT	80102	ADAMS	Need back-up power supply for one well	\$30,000	1757
990003	3	BERTHOUD, TOWN OF	BOX 1229	BERTHOUD	80513	LARIMER	Increase WTP capacity, connect to southern pipeline	\$2,000,000	4313
990004	3	BRECKENRIDGE, TOWN OF	BOX 168	BRECKENRIDGE	80424	SUMMIT	Add storage tank	\$2,800,000	15850
990008	3	BUFFALO CREEK WD		BUFFALO CREEK		JEFFERSON	Upgrade water supply, establish special district	\$150,000	105
960130	3	CARTER LAKE FILTER PLNT	7100 W COUNTY RD 8E	BERTHOUD	80513	LARIMER	Provide multiple treatment barriers & upgrade equip	\$2,000,000	12913
990038	3	COSTILLA CNTY/SAN ACACI	P.O. BOX 100	SAN LUIS	81152	COSTILLA	Repair well and storage tank,add hydrants and distrib	\$505,500	78
990014	3	CRIPPLE CREEK, TOWN OF	BOX 430	CRIPPLE CREEK	80813	TELLER	Upgrade WTP,replace main,water meters,add storage	\$1,300,000	2100
990016	3	DE BEQUE, TOWN OF	BOX 60	DE BEQUE	81630	MESA	Upgrade WTP	\$199,050	605
960023	3	DINOSAUR, TOWN OF	BOX 238	DINOSAUR	81610	MOFFAT	Upgrade well casings, add new well	\$75,000	324
990019	3	ESTES PARK, TOWN OF	BOX 1200	ESTES PARK	80517	LARIMER	Replace distribution lines	\$3,000,000	9625

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990021	3	GRANADA, TOWN OF	BOX 258	GRANADA	81041	PROWERS	Upgrade storage, distribution, and re-drill well	\$750,000	528
020016	3	GRANBY/MORAINES PARK	BOX 440	GRANBY	80446	GRAND	Compliance order,connect to Granby	\$1,050,000	1500
990020	3	GRAND COUNTY WSD #1	P.O. BOX 3077	WINTER PARK	80482	GRAND	Upgrade treatment, distribution, and storage	\$3,213,500	3300
010018	3	IDAHO SPRINGS, CITY OF	P.O. BOX 907	IDAHO SPRINGS	80452	CLEAR CREEK	Const pre-trmt,WW line,upgrade or const new WTP	\$2,933,000	2064
960051	3	JAMESTOWN,TOWN OF	BOX 298	JAMESTOWN	80455	BOULDER	Const storage tank,replace well and part of distr syste	\$109,342	276
980252	3	LAKE CREEK METRO DIST	P.O. BOX 5280	AVON	81620	EAGLE	Replace storage tank	\$615,000	200
020004	3	LOCHBUIE, TOWN OF	703 WCR 37	BRIGHTON	80601	WELD	Install RO system, nitrate problems,add well	\$2,649,600	1300
960067	3	LYONS, TOWN OF	BOX 49	LYONS	80540	BOULDER	Upgrade WTP or const new facility,install water mete	\$7,500,000	1423
960074	3	MORRISON, TOWN OF	BOX 95	MORRISON	80465	JEFFERSON	Expand/upgrade treatment,reduce organics	\$1,200,000	483
960122	3	NEDERLAND, TOWN OF	BOX 396	NEDERLAND	80466	BOULDER	Const larger pre-sedimentation pond	\$500,000	1099
960080	3	NORWOOD, TOWN OF	BOX 528	NORWOOD	81423	SAN MIGUEL	Upgrade treatment and distribution	\$1,500,000	548
960082	3	OAK CREEK, TOWN OF	BOX 128	OAK CREEK	80467	ROUTT	Upgrade WTP and storage,replace trans lines	\$3,500,000	765
960085	3	ORCHARD CITY, TOWN OF	2102 J50 ROAD	AUSTIN	81410	DELTA	Failed particulate analysis,const 2 mgd trmt plant	\$1,000,000	2663
020011	3	OURAY/MINERAL FARM WUA	BOX 468	OURAY	81427	OURAY	Const WTP or connect to City of Ouray	\$200,000	40
010027	3	OVID, TOWN OF	211 MAIN	OVID	80744	SEDGWICK	Upgrade water tank and distribution	\$305,905	338
990033	3	PAINT BRUSH HILLS MD	3730 SINTON RD, SUITE 25	COLORADO SPRING	80907	EL PASO	Drill new well and construct lift station	\$500,000	500
990035	3	PINE DRIVE WD	P.O. BOX 35	BEULAH	81023	PUEBLO	Upgrade treatment and obtain water rights	\$55,000	413
960220	3	ROUTT CNTY/PHIPPSBURG	P.O. BOX 224	YAMPA	80483	ROUTT	Upgrade treatment	\$5,000	200
990041	3	SILVERTON, TOWN OF	BOX 250	SILVERTON	81433	SAN JUAN	Upgrade WTP, add storage	\$3,000,000	1000
960109	3	ST MARYS GLACIER WSD	833 BROOK DRIVE	IDAHO SPRINGS	80452	CLEAR CREEK	Shallow wells,chlorine contact deficiency,inc storage	\$540,000	450
990043	3	STARKVILLE, TOWN OF	RTE 1, BOX 407	STARKVILLE	81082	LAS ANIMAS	Upgrade lines	\$10,000	200
020009	3	THORNTON, CITY OF	9500 CIVIC CENTER DR	THORNTON	80229	ADAMS	Upgrade Thornton and Columbine WTP's	\$15,000,000	50000
990046	3	TRINIDAD, CITY OF	BOX 880	TRINIDAD	81082	LAS ANIMAS	Increase storage, treatment, and transmission	\$17,800,000	11940
960115	3	WALDEN, TOWN OF	P.O.BOX 489	WALDEN	80480	JACKSON	Failed particulate analysis,const backup trmt facilities	\$795,000	938
960231	3	WESTCREEK LAKES WD	ROUTE 2, BOX 154	SEDALIA	80135	DOUGLAS	Upgrade trmt,add storage and new infiltration gallery	\$250,000	100
990048	3	WESTWOOD LAKES WD	P.O. BOX 4486	WOODLAND PARK	80866	TELLER	Upgrade storage and treatment, replace pipe	\$750,000	325
990049	3	WILSON MESA/TELLURIDE	P.O. BOX 1919	TELLURIDE	81435	SAN MIGUEL	Upgrade distribution, add meters and hydrants	\$250,000	100
010004	4	BENT CNTY/HASTY	P.O. BOX 350	LAS ANIMAS	81054	BENT	Upgrade treatment system	\$500,000	65
000021	4	CHERAW, TOWN OF	P.O. BOX 16	CHERAW	81030	OTERO	Upgrade treatment for iron, move trmt plant	\$310,000	265
010022	4	DOUGLAS CNTY/LOUVIERS	P.O. BOX 121	LOUVIERS	80131	DOUGLAS	Repair wells,replace distribution lines,upgrade chlori	\$500,000	350
960137	4	HAYDEN, TOWN OF	P.O. BOX 190	HAYDEN	81639	ROUTT	Renovate WTP, replace lines,upgrade trmt & distrib	\$3,400,160	1569
990026	4	LA JUNTA, CITY OF	BOX 489	LA JUNTA	81050	OTERO	WTP in noncompliance, const new facility	\$10,000,000	7750
000002	4	LA JUNTA/BENT'S FORT	BOX 489	LA JUNTA	81050	BENT	High floride, connect to La Junta	\$150,000	25
010032	4	RED CLIFF, TOWN OF	P.O. BOX 400	RED CLIFF	81649	EAGLE	Construct 0.24 MGD microfiltrationpackage plant	\$520,000	300
000024	4	WESTLAKE WSD	13751 STUART STREET	BROOMFIELD	80020	ADAMS	Upgrade treatment,high sodium,replace failing well	\$450,000	200
960001	5	AGUILAR, TOWN OF	P.O.BOX 538	AGUILAR	81020	LAS ANIMAS	Poor pressure, repair leaking lines	\$4,000,000	612

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960126	5	ARAP CNTY/COTTONWOOD	7305 S POTOMAC,SUITE 15	ENGLEWOOD	80112	ARAPAHOE	Const WTP, lines, reservoir, and wells	\$9,540,000	3200
010003	5	ASPEN SPRINGS METRO DIS	P.O. BOX 488	PAGOSA SPRINGS	81147	ARCHULETA	Const well, distribution system, and transmission	\$2,500,000	1800
010002	5	ASPEN, CITY OF	130 S GALENA	ASPEN	81611	PITKIN	Upgrade trmt,repair/replace mains,replace headgate	\$1,635,000	5300
960004	5	AULT, TOWN OF	BOX 98	AULT	80610	WELD	Upgrade distribution, add storage and transmission li	\$2,530,000	1259
960005	5	BACA GRANDE WSD	P.O.BOX 84	CRESTONE	81131	SAGUACHE	Trmt & distribution problems, drill new well	\$500,000	563
990005	5	BASALT, TOWN OF	101 MIDLAND AVE	BASALT	81621	EAGLE	Construct filter plant	\$2,117,179	1128
960181	5	BATTLEMENT MESA MD	P.O. BOX 6116	BATTLEMENT MESA	81636	GARFIELD	Upgrade treatment plant and plant drainage	\$35,000	2500
960127	5	BEAR CREEK WSD	2517 SOUTH FLOWER ST	LAKEWOOD	80227	JEFFERSON	Connect 59 homes on poor wells to District	\$1,000,000	148
960182	5	BELLYACHE RIDGE MD	P.O. BOX 40	WOLCOTT	81655	EAGLE	Add 100,000 gallons storage and const new well	\$700,000	55
960184	5	BEULAH WATER WORKS	P.O. BOX 155	BEULAH	81023	PUEBLO	Repair leaking storage tanks and distribution system	\$223,400	398
960009	5	BLANCA, TOWN OF	BOX 365	BLANCA	81123	COSTILLA	Need second well and meters	\$100,000	287
980241	5	BOX ELDER WSD	9600 E ARAPAHOE RD	ENGLEWOOD	80112	ARAPAHOE	Need new treatment system	\$400,000	200
960011	5	BRANSON, TOWN OF	BOX 125	BRANSON	81027	LAS ANIMAS	Add storage and replace distribution lines	\$275,000	55
990006	5	BRIGHTON, CITY OF	22 S. 4TH AVE.	BRIGHTON	80601	ADAMS	Construct sand filter plant, treat for manganese	\$5,940,000	11250
960128	5	BRISTOL WSD	BOX 125	BRISTOL	81028	PROWERS	Replace lines, storage tank, add meters	\$300,000	160
960189	5	BURLINGTON, CITY OF	415 15TH STREET	BURLINGTON	80807	KIT CARSON	Increase wells and storage	\$1,850,000	3023
000003	5	BYERS WSD	P.O.BOX 301	BYERS	80103	ADAMS	Replace wells, part of distrib system,storage,pumps	\$130,000	100
960012	5	CANON CITY, CITY OF	BOX 1460	CANON CITY	81215	FREMONT	Replace undersized mains with 20" mains	\$1,136,000	15059
010006	5	CARBONDALE, TOWN OF	511 COLORADO AVENUE	CARBONDALE	81623	GARFIELD	Construct second WTP	\$1,500,000	3000
960190	5	CASTLE ROCK, TOWN OF	DRAWER 8000	CASTLE ROCK	80104	DOUGLAS	Upgrade/replace distribution system	\$8,000,000	12750
000004	5	CEDAREEDGE, TOWN OF	BOX 398	CEDAREEDGE	81413	DELTA	Repair distribution system	\$4,000,000	1858
960191	5	CENTER, TOWN OF	P.O. BOX 400	CENTER	81125	SAGUACHE	Rehab storage tank, add meters and new well	\$500,000	2298
010008	5	CLEAR CK CNTY/FLOYD HILL	P.O. BOX 2000	GEORGETOWN	80444	CLEAR CREEK	Construct new WTP	\$2,000,000	500
990012	5	CLIFTON WD	P.O.BOX 100	CLIFTON	81520	MESA	Increase pretreatment and const storage tank	\$2,260,000	24225
960017	5	COSTILLA COUNTY WSD	BOX 318	SAN LUIS	81152	COSTILLA	New wells-Chama,Los Fuertes,Old San Acacio	\$300,000	3384
960121	5	COSTILLA COUNTY/MESITA	100 CORONADO	MESITA	81152	COSTILLA	Upgrade wells and distribution lines	\$81,200	200
010009	5	CRAIG, CITY OF	300 W 4TH ST	CRAIG	81625	MOFFAT	Replace lines	\$450,000	8091
960194	5	CRAWFORD, TOWN OF	P.O. BOX 56	CRAWFORD	81415	DELTA	Replace transmission line, construct tank	\$681,250	263
960163	5	CRESTED BUTTE SOUTH MI	BOX 1129	CRESTED BUTTE	81224	GUNNISON	Const underground stor tank,bld pump stat,ext mains	\$1,800,000	375
010010	5	CRESTED BUTTE, TOWN OF	P.O. BOX 390	CRESTED BUTTE	81224	GUNNISON	Expand WTP, install meters, add UV disinfection	\$2,000,000	900
990015	5	CROWLEY COUNTY WATER	6TH & MAIN	ORDWAY	81063	CROWLEY	Enlarge distribution system and add new well	\$8,462,068	688
960195	5	CUCHARAS SWD	16385 STATE HWY 12	LA VETA	81055	HUERFANO	Upgrade distribution, storage, and consolidate plants	\$1,178,465	1250
000006	5	DEL NORTE, TOWN OF	P.O.BOX M	DEL NORTE	81132	RIO GRANDE	Const new lines,install water meters,new well,pump	\$1,031,860	1809
000022	5	DENVER SE SUBURBAN WST	P.O.BOX 166	PARKER	80134	DOUGLAS	Construct additional wells	\$3,000,000	6000
960022	5	DILLON VALLEY MD	P.O.BOX 669	DILLON	80435	SUMMIT	Design and construct additional storage	\$800,000	2273
960021	5	DILLON, TOWN OF	BOX 8	DILLON	80435	SUMMIT	Exp microfiltration WTP,const storage,replace main	\$1,720,000	3075



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960024	5	DOLORES, TOWN OF	BOX 630	DOLORES	81323	MONTEZUMA	Upgrade WTP and lines, replace meters	\$400,000	1025
980250	5	DOUGLAS CNTY/FRANKTOW	100 THIRD ST	CASTLE ROCK	80104	DOUGLAS	Need water system	\$500,000	200
960025	5	DOVE CREEK, TOWN OF	BOX 508	DOVE CREEK	81324	DOLORES	Upgrade treatment, construct line from WTP to tank	\$750,000	664
960026	5	DURANGO WEST MD 1	119 HOLLYHOCK TRAIL	DURANGO	81301	LA PLATA	Increase capacity, upgrade meter pits	\$240,000	480
020031	5	DURANGO, CITY OF	949 E. SECOND AVE	DURANGO	81301	LA PLATA	Upgrade treatment	\$7,000,000	14485
980240	5	EADS, TOWN OF	P.O. BOX 8	EADS	81036	KIOWA	Transmission line leaks,replace, add storage	\$800,000	787
020013	5	EAGLE CNTY/RED TABLE AC	BOX 850	EAGLE	81631	EAGLE	Construct new distribution system	\$1,400,000	150
020019	5	EAGLE RIVER WSD	846 FOREST ROAD	VAIL	81657	EAGLE	Const storage tank, connect to Edwards WTP	\$5,542,900	24492
010011	5	EAST CHERRY CK VALLEY V	4343 S BUCKLEY, SUITE 30	AURORA	80015	ARAPAHOE	Upgrade well, treatment, and distribution	\$15,000,000	40000
960197	5	EAST DILLON WATER DIST	P.O. BOX 627	FRISCO	80443	SUMMIT	Const 1,500,000 gal storage tank	\$1,850,000	1750
020021	5	EAST LARIMER CNTY WD	P.O. BOX 2044	FORT COLLINS	80522	LARIMER	Exp filtration capacity,const transmission line	\$3,320,000	8000
960027	5	EAST VALLEY WSD	6611 SOUTH BILLINGS WAY	ENGLEWOOD	80111	ARAPAHOE	Const new turbine pump and upgrade lines	\$100,000	138
020001	5	ELBERT COUNTY/AGATE	BOX 597	KIOWA	80117	ELBERT	Replace distrib system,inc pumping and storage	\$500,000	150
990018	5	ELIZABETH, TOWN OF	BOX 159	ELIZABETH	80107	ELBERT	Add 750,000 gallons of storage	\$550,000	1763
020022	5	EMPIRE, TOWN OF	BOX 187	EMPIRE	80438	CLEAR CREEK	Const trans line to serve 47 homes west of twn	\$1,000,000	433
960199	5	EVANS, CITY OF	3700 GOLDEN STREET	EVANS	80620	WELD	Obtain water rights, additional supply & distribution	\$1,000,000	6809
000008	5	EVERGREEN METRO DISTRI	P.O.BOX 3819	EVERGREEN	80437	JEFFERSON	Upgrade/expand trmt,upgrade distribution,const tank	\$7,000,000	6000
960031	5	FAIRPLAY, TOWN OF	BOX 267	FAIRPLAY	80440	PARK	Upgrade pumping station,repair distribution,storage	\$500,000	512
960032	5	FIRESTONE, TOWN OF	BOX 100	FIRESTONE	80520	WELD	Replace distribution main, add storage	\$1,010,000	1473
960033	5	FLORENCE, CITY OF	300 W MAIN	FLORENCE	81226	FREMONT	Const storage,booster station,upgrade/expand trmt	\$1,657,288	3789
960201	5	FOREST LAKES METRO DIS	1401 17TH ST, SUITE 1100	DENVER	80217	LA PLATA	Need distribution, storage and pump station	\$225,000	585
960035	5	FORT COLLINS, CITY OF	BOX 580	FORT COLLINS	80522	LARIMER	Upgrade WTP,add sedimentation basin,transmission	\$51,000,000	101316
000009	5	FORT GARLAND WSD	P.O.BOX 309	FORT GARLAND	81133	COSTILLA	Repair/replace valves,replace lines, install meters	\$423,656	500
010043	5	FORT LUPTON, CITY OF	P.O. BOX 148	FORT LUPTON	80621	WELD	Upgrade treatment, add filter	\$2,700,000	5582
010013	5	FOWLER/WESTCAMP	114 E CRANSTON AVE	FOWLER	81039	OTERO	Connect to Town of Fowler	\$500,000	1203
020033	5	FRASER, TOWN OF	BOX 1200	FRASER	80442	GRAND	Upgrade wells and distribution lines	\$750,000	732
960161	5	GENOA, TOWN OF	P.O. BOX 136	GENOA	80818	LINCOLN	Replace line,upgrade storage,trmt,supply,remove nit	\$500,000	192
960041	5	GLENWOOD SPG, CITY OF	806 COOPER AVE	GLENWOOD SPRING	81601	GARFIELD	Const storage,trans,intake structures,improve supply	\$5,550,000	7521
960152	5	GOLDEN, CITY OF	1445 10TH STREET	GOLDEN	80401	JEFFERSON	Upgrade trmt system, SCADA software, and clearwell	\$1,322,000	13116
960136	5	GRAND JUNCTION, CITY OF	250 NORTH 5TH STREET	GRAND JUNCTION	81501	MESA	Upgrade transmission and distribution	\$6,131,000	40125
960174	5	GRAND LAKE, TOWN OF	BOX 6	GRAND LAKE	80447	GRAND	Expand WTF,storage and distribution	\$3,000,000	259
960155	5	GREELEY, CITY OF	1000 10TH STREET	GREELEY	80631	WELD	Upgrade/rehab existing treatment facilities,const pipe	\$12,750,000	66278
960205	5	GREEN MOUNTAIN WSD	13919 WEST UTAH AVE	LAKEWOOD	80228	JEFFERSON	Upgrade/replace distribution and transmission lines	\$2,000,000	1000
020003	5	GUNNISON CNTY/DOS RIOS	200 E VIRGINIA AVE	GUNNISON	81230	GUNNISON	Extend lines,const pump stations and storage	\$3,900,000	750
010015	5	GUNNISON CNTY/SOMERSE	200 E VIRGINIA AVE	GUNNISON	81230	GUNNISON	Replace distribution system	\$465,000	520
990009	5	GUNNISON, CITY OF	BOX 239	GUNNISON	81230	GUNNISON	Expand well field	\$180,000	3735

**APPENDIX A - DWRF  
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PROJECT ELIGIBILITY LIST**

990010	5	GYPSUM, TOWN OF	BOX 130	GYPSUM	81637	EAGLE	Const pump back system and transmission	\$1,100,000	2863
990045	5	HAMILTON CREEK MD	P.O. BOX 4378	BRECKENRIDGE	80424	SUMMIT	Connect new well and const line	\$1,000,000	152
010016	5	HASWELL, TOWN OF	P.O. BOX 206	HASWELL	81045	KIOWA	Construct new well casing	\$12,000	65
020020	5	HIGHLAND ACRES WSD	15860 ELMIRA ST	BRIGHTON	80601	ADAMS	Replace distribution system,add storage,pump	\$1,460,000	300
960171	5	HIGHLAND LAKES WATER	3136 BLUE MESA RD	DIVIDE	80814	TELLER	Inc capacity,upgrade treatment,add storage & distrib	\$4,500,000	625
990023	5	HOLYOKE, CITY OF	407 E DENVER ST6	HOLYOKE	80734	PHILLIPS	Increase storage, const booster station,drill new well	\$1,200,000	2700
020032	5	HOOVER HILL WSD	1220 GLACIER PL	BOULDER	80303	BOULDER	Replace Ravenwood water line	\$250,000	100
010017	5	HOTCHKISS, TOWN OF	P.O. BOX 369	HOTCHKISS	81419	DELTA	Const storage tank	\$750,000	871
020023	5	HUDSON, TOWN OF	BOX351	HUDSON	80642	WELD	Upgrade/repair distribution system	\$100,000	1250
960050	5	IGNACIO, TOWN OF	BOX 459	IGNACIO	81137	LA PLATA	Replace old water mains	\$500,000	720
020017	5	JULESBURG, TOWN OF	122 W FIRST ST	JULESBURG	80737	SEDGWICK	Const brine storage reservoir and trans line	\$325,000	1262
960208	5	KERSEY	P.O. BOX 67	KERSEY	80644	WELD	Upgrade distribution,lines and mains	\$817,080	1079
960055	5	KIOWA, TOWN OF	P.O.BOX 237	KIOWA	80117	ELBERT	Upgrade supply,storage,transmission & distribution	\$2,264,000	353
960057	5	KREMMLING, TOWN OF	BOX 538	KREMMLING	80459	GRAND	Repair/replace distrib lines,expand storage,boost pur	\$2,000,000	1347
020024	5	LA VETA, TOWN OF	BOX 174	LA VETA	81055	HUERFANO	Upgrade treatment,chlorine contact,storage	\$500,000	726
010020	5	LAKE CITY, TOWN OF	P.O. BOX 544	LAKE CITY	81235	HINSDALE	Construct storage tank	\$250,000	362
960061	5	LARKSPUR, TOWN OF	BOX 310	LARKSPUR	80118	DOUGLAS	Compliance problems,const WTP,loop dead-end line	\$882,000	232
020012	5	LAS ANIMAS CNTY/MODEL V	200 E 1ST ST	TRINIDAD	81082	LAS ANIMAS	Const water treatment system	\$500,000	
960062	5	LAS ANIMAS, CITY OF	532 CARSON	LAS ANIMAS	81054	BENT	Replace distribution lines	\$1,300,000	2481
990027	5	LEADVILLE MHP'S (LAKE CN	P.O.BOX 923	LEADVILLE	80461	LAKE	Construct lines	\$500,000	100
960173	5	LEFT HAND WATER DIST	P.O. BOX 210	NIWOT	80544	BOULDER	Upgrade treatment,Increase storage,upgrade trans/dis	\$6,571,538	11025
010021	5	LINCOLN COUNTY/KARVAL	P.O. BOX 67	HUGO	80821	LINCOLN	Const treatment system	\$300,000	50
000023	5	LITTLE THOMPSON WD	P.O. BOX G	BERTHOUD	80513	LARIMER	Upgrade WTP, filtration, replace lines	\$500,000	1000
990030	5	LOOKOUT MOUNTAIN WD	24903 CLUBHOUSE CIRCLE	GOLDEN	80401	JEFFERSON	Upsize distribution lines	\$500,000	1205
990031	5	LOUISVILLE, CITY OF	749 MAIN ST	LOUISVILLE	80027	BOULDER	Increase supply	\$8,500,000	16750
020025	5	LOVELAND, CITY OF	500 E 3RD STREET	LOVELAND	80537	LARIMER	Upgrade trmt,add disch line,chlo diox,bkwash	\$4,500,000	42120
000011	5	MANCOS, TOWN OF	P.O.BOX 487	MANCOS	81328	MONTEZUMA	Replace leaking lines, add storage	\$50,000	1010
960213	5	MANZANOLA, TOWN OF	P.O. BOX 187	MANZANOLA	81058	OTERO	Construct RO WTP, under enforcement action	\$591,000	453
960138	5	MEAD, TOWN OF	441 3RD STREET	MEAD	80542	WELD	Const storage tank,expand transmission line	\$750,000	551
020005	5	MEEKER, TOWN OF	345 MARKET ST	MEEKER	81641	RIO BLANCO	Replace 8" water line	\$999,238	3000
010023	5	MERINO, TOWN OF	P.O. BOX 211	MERINO	80741	LOGAN	Construct WTP	\$50,000	250
960151	5	MESA CNTY/BREWERS WS	P.O. BOX 20000-5010	GRAND JUNCTION	81502	MESA	Upgrade system	\$200,000	300
960214	5	MESA CORTINA WSD	P.O. BOX 68	BRECKENRIDGE	80424	SUMMIT	Expand storage and meters	\$232,560	400
010024	5	MESA WSD	P.O. BOX 213	MESA	81643	MESA	Replace old galv. & asbestos pipe	\$100,000	300
980246	5	MILLIKEN, TOWN OF	DRAWER 290	MILLIKEN	80543	WELD	Increase storage and const transmission line	\$1,602,000	1573
000012	5	MINTURN, TOWN OF	P.O.BOX 309	MINTURN	81645	EAGLE	Need raw water storage	\$1,000,000	1143

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960070	5	MONTE VISTA, CITY OF	720 FIRST AVE	MONTE VISTA	81144	RIO GRANDE	Construct pump stations and loop dead-end lines	\$437,000	4668
960071	5	MONTEZUMA, TOWN OF	BOX 1476	DILLON	80435	SUMMIT	Construct WTP and distribution system	\$1,000,000	68
960073	5	MORGAN CNTY QUALITY WD	P.O.BOX 1218	FORT MORGAN	80701	MORGAN	Const transmission,distribution,storage,and pump sta	\$5,600,000	3300
960075	5	MT CRESTED BUTTE WSD	P.O.DRAWER E	MT CRESTED BUTT	81225	GUNNISON	Upgrade treatment,pumping,and construct storage	\$4,300,000	938
010025	5	MUNN'S ADDITION WSD	P.O. BOX 85	BRUSH	80723	MORGAN	Construct water system or connect to City of Brush	\$500,000	80
020026	5	NATURITA, TOWN OF	P.O. BOX 505	NATURITA	81422	MONTROSE	Const WTP or joint trmt plant with Nucla	\$2,004,000	488
960119	5	NEW CASTLE, TOWN OF	BOX 166	NEW CASTLE	81647	GARFIELD	Expand WTP, replace portion of transmission line	\$1,000,000	1276
960078	5	NORTH SHORE WSD	P.O.BOX 471	GRANBY	80446	GRAND	Upgrade lines	\$1,000,000	275
020027	5	NUCLA, TOWN OF	P.O. BOX 219	NUCLA	81424	MONTROSE	Const WTP or joint trmt plant with Naturita	\$2,004,000	738
960084	5	OLDE STAGE WATER DIST	6378 OLDE STAGE ROAD	BOULDER	80302	BOULDER	Upgrade pumping,storage,distribution	\$200,000	213
020014	5	OLNEY SPRINGS, TOWN OF	BOX 156	OLNEY SPRINGS	81062	CROWLEY	Rehab springs,add storage,upgrade distribution	\$800,000	400
980245	5	OTERO CNTY/SOUTH SWINK	P.O.BOX 442	SWINK	81077	OTERO	Need storage,rehab/replace lines	\$200,000	200
960086	5	OTERO COUNTY	P.O.BOX 511	LA JUNTA	81050	OTERO	Failing wells,link small systems,study freshwater line	\$500,000	300
960087	5	PAGOSA AREA WSD	P.O.DRAWER 4610	PAGOSA SPRINGS	81157	ARCHULETA	Replace lines and enlarge reservoir,construct WTP	\$7,000,000	5935
010028	5	PALMER LAKE, TOWN OF	P.O. BOX 208	PALMER LAKE	80133	EL PASO	Upgrade WTP and replace distribution lines	\$500,000	1500
000015	5	PAONIA, TOWN OF	P.O.BOX 460	PAONIA	81428	DELTA	Add storage	\$1,000,000	1726
010029	5	PARKER WSD	19801 EAST MAINSTREET	PARKER	80138	DOUGLAS	Construct new wells and 5 MG storage tank	\$13,350,000	10000
960219	5	PERRY PARK WSD	5676 WEST RED ROCK DR	LARKSPUR	80118	DOUGLAS	Replace water lines, increase supply	\$600,000	1075
010030	5	PHILLIPS COUNTY/AMHERS	221 S INTEROCEAN	HOLYOKE	80734	PHILLIPS	Develop community water system	\$750,000	85
960178	5	PIEDRA PARK METRO	P.O. BOX 1866	ARBOLES	81121	ARCHULETA	Upgrade supply,transmission,distribution	\$165,173	188
010031	5	PIONEER LOOKOUT WD	P.O. BOX 851	MONUMENT	80132	EL PASO	Replace leaking lines	\$30,000	85
960094	5	PLATTEVILLE	P.O.DRAWER 70	PLATTEVILLE	80651	WELD	Expand storage, rehab tank	\$2,402,683	1885
990036	5	PROJECT 7 WATER AUTH	P.O. BOX 1185	MONTROSE	81402	MONTROSE	Upgrade WTP	\$5,000,000	37500
960140	5	PUEBLO C225BD OF WATER	P.O. BOX 400	PUEBLO	81002	PUEBLO	Upgrade/expand WTP, relocate intake	\$38,298,000	101252
010050	5	PUEBLO WEST METRO DIST	P.O. BOX 7005	PUEBLO WEST	81007	PUEBLO	Upgrade treatment, transmission & storage	\$15,000,000	4500
960225	5	RAINBOW VALLEY WD	P.O. BOX 1026	WOODLAND PARK	80866	TELLER	Upgrade treatment,increase storage, purchase truck	\$62,000	135
020006	5	RANGELY, TOWN OF	209 E MAIN ST	RANGELY	81648	RIO BLANCO	Extend distribution system	\$300,000	2250
960098	5	RICO, TOWN OF	P.O.BOX 56	RICO	81332	DOLORES	Repair/replace distribution system,new supply needed	\$1,000,000	136
960099	5	RIDGEWOOD WATER DIST	SR 1252,R.W.D.	WOODLAND PARK	80863	TELLER	Const 30000 gallon storage tank,replace lines & met	\$750,000	95
020007	5	RIFLE, CITY OF	P.O. BOX 1908	RIFLE	81650	GARFIELD	Extend water system, upgrade pumping & distribution	\$2,000,000	6250
960141	5	ROCK CK MESA WATER	180 ROCK CK MESA ROAD	COLORADO SPRING	80926	EL PASO	Upgrade WTP,storage and transmission	\$275,000	500
960100	5	ROCKVALE, TOWN OF	BOX 91	ROCKVALE	81244	FREMONT	Add storage, rehab distribution system	\$863,000	373
960227	5	ROCKY FORD, CITY OF	203 SOUTH MAIN STREET	ROCKY FORD	81067	OTERO	Upgrade distribution and storage,install lift station	\$500,000	4342
020028	5	ROUND MOUNTAIN WSD	405 SOUTH 4TH STREET	WESTCLIFFE	81252	CUSTER	Install ctrl system for wells,inc chlor contact	\$87,000	1068
960160	5	ROUTT CNTY/HAHN'S PEAK	BOX 3598	STEAMBOAT SPGS	80477	ROUTT	Construct WTP and distribution system	\$500,000	500
960164	5	ROXBOROUGH PK METRO	6200 S SYRACUSE WAY	GREENWOOD VILL	80111	DOUGLAS	Upgrade WTP or const new plant,add storage tanks	\$3,404,500	3400

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PROJECT ELIGIBILITY LIST**

960135	5	S. FT COLLINS/LOVELAND W	4700 S COLLEGE AVE.	FORT COLLINS	80525	LARIMER	Upgrade WTP, transmission and distribution	\$8,000,000	15000
960142	5	SAGUACHE, TOWN OF	P.O. BOX 417	SAGUACHE	81149	SAGUACHE	Replace relay system between wells and storage tank	\$35,000	672
990039	5	SALIDA, CITY OF	BOX 417	SALIDA	81201	CHAFFEE	Construct water tank to increase supply and pressure	\$1,106,250	4737
000016	5	SAN JUAN RIVER VILLAGE M	578 ALPINE DRIVE	PAGOSA SPRINGS	81147	ARCHULETA	Supply inadequate, const well and trmt, install meters	\$312,102	250
960104	5	SANFORD, TOWN OF	BOX 237	SANFORD	81151	CONEJOS	Small lines, inadequate supply	\$250,000	750
960105	5	SEDALIA WSD	P.O. BOX 222	SEDALIA	80135	DOUGLAS	Inadequate supply, upgrade filtration, replace tank	\$653,400	220
000017	5	SEIBERT, TOWN OF	P.O. BOX 114	SEIBERT	80834	KIT CARSON	Upgrade or replace water tower, install pumps	\$300,393	178
020034	5	SHERIDAN LAKE SCH DIST		SHERIDAN LAKE	81071	KIOWA	Extend supply line to Sheridan Lake Water Co	\$250,000	100
020008	5	SILT, TOWN OF	BOX 70	SILT	81652	GARFIELD	Upgrade/replace WTP to meet current/future capacity	\$500,000	1600
960107	5	SILVER PLUME, TOWN OF	BOX 457	SILVER PLUME	80476	CLEAR CREEK	Loop distribution system, inc storage, const well	\$350,000	190
980247	5	SPRING CANYON WSD	4900 S SHORELINE ROAD	FORT COLLINS	80526	LARIMER	Upgrade/expand treatment system	\$700,000	1150
960145	5	ST CHARLES MESA WD	1397 ASPEN RD	PUEBLO	81006	PUEBLO	Upgrade storage, intake, transmission systems, distribut	\$2,500,000	8803
010044	5	STEAMBOAT II METRO DIST	P.O. BOX 771277	STEAMBOAT SPGS	80477	ROUTT	Construct 1 MG storage tank to increase pressure	\$1,411,500	8241
980244	5	STRATMOOR HILLS WD	1811 B STREET	COLORADO SPRING	80906	EL PASO	Construct lines from well to storage tanks	\$180,000	200
010035	5	SUGAR CITY, TOWN OF	P.O. BOX 69	SUGAR CITY	81076	CROWLEY	Upgrade water system, transmission, construct tank	\$400,000	260
000026	5	SUMMIT CNTY/HEENEY	BOX 68	BRECKENRIDGE	80424	SUMMIT	Upgrade/expand WTP	\$300,000	100
960230	5	SUMMIT RIDGE WD	15453 ROAD 33	MANCOS	81328	MONTEZUMA	Increase storage, loop lines, install metering stations	\$359,500	375
010036	5	TELLURIDE, TOWN OF	BOX 397	TELLURIDE	81435	SAN MIGUEL	Replace damaged transmission lines(Bridal Vail Bas	\$172,505	3750
020010	5	THUNDERBIRD WSD	3333 S BANNOCK ST, SUITE	ENGLEWOOD	80110	ARAPAHOE	Construct new well	\$400,000	
960113	5	UTE WATER CONSER DIST	P.O. BOX 460	GRAND JUNCTION	81502	MESA	Build 18 mile raw water pipeline	\$52,000,000	27535
010037	5	VICTOR, CITY OF	P.O. BOX 86	VICTOR	80860	TELLER	Rehab and stabilize Victor Dam #2, install meters	\$799,697	300
010038	5	VILAS, TOWN OF	P.O. BOX 637	VILAS	81087	BACA	Redrill well, replace part of distribution and pump	\$500,000	120
960116	5	WALSENBURG	525 S ALBERT	WALSENBURG	81089	HUERFANO	Replace transmission, increase storage	\$3,200,000	3785
990047	5	WALSH, TOWN OF	BOX 280	WALSH	81090	BACA	Const well/pump house, replace lines, upgrade storage	\$425,000	1050
960147	5	WELLINGTON, TOWN OF	P.O. BOX 127	WELLINGTON	80549	LARIMER	Upgrade WTP, backwash, const tank, pump and mains	\$2,235,000	1526
020029	5	WESTMINSTER, CITY OF	4800 W 92nd AVE	WESTMINSTER	80030	ADAMS/JEFF	Upgrade Semper WTP, inc capacity to 48MGD	\$11,100,000	98000
000020	5	WIGGINS, TOWN OF	304 CENTRAL AVENUE	WIGGINS	80654	MORGAN	Nitrate levels increasing, need alternate source	\$1,000,000	610
960233	5	WILEY, TOWN OF	P.O. BOX 128	WILEY	81092	PROWERS	Add well and related treatment and storage	\$925,000	413
020015	5	WILLIAMSBURG, TOWN OF	1 JOHN STREET	FLORENCE	81226	FREMONT	Replace/upgrade distribution system	\$650,000	650
020030	5	WINTER PARK WSD	P.O. BOX 7	WINTER PARK	80482	GRAND	Const diversion structure, standby power	\$30,000	581
960167	5	WOODLAND PARK, CITY OF	P.O. BOX G	WOODLAND PARK	80866	TELLER	Increase supply, develop well field, upgrade treatment	\$1,100,000	4610
020038	5	WOODMOOR WSD	P.O. BOX 1407	MONUMENT	80132	EL PASO	Surface water trmt compliance problem, upgrade WT	\$4,500,000	6200
960238	5	YAMPA, TOWN OF	P.O. BOX 224	YAMPA	80483	ROUTT	Increase storage	\$303,500	359

**APPENDIX B  
FY2002 DWRP PROJECT PRIORITY/FUNDABLE LIST**

Pty	PROJ. #	CAT.	PTS.	FACILITY	COUNTY	PWS ID#	POP	LOAN	EXPECTED	TERM	LOAN	INTRST	PROBLEM DESCRIPTION	PROJECT DESCRIPTION
Rnk								AMOUNT	LOAN DATE	(YRS)	TYPE	RATE		
1	980253	1	45	DEER TRAIL, TOWN OF	Arapahoe	103030	250	\$200,000	12/31/2001	20	D	4.00	Exceeding MCL for bacteria	Replace distribution system
2	960061	2	80	**LARKSPUR, TOWN OF	Douglas	118030	232	\$500,000	3/1/2001	20	D	4.00	Exceeding MCL for Radium	Construct WTP, upgrade distribution lines
3	960093	2	50	**PINWOOD SPRINGS WD	Larimer	135610	638	\$330,000	12/31/2001	20	D	4.00	Some turbidity & radioactivity, Lead & Copper	Additional water source
4	990005	3	65	*BASALT, TOWN OF	Eagle	119134	1128	\$800,000	4/1/2001	20	D	4.00	Under Influence of Surface Water	Construct 2 membrane treatment plants
5	010018	3	55	**IDAHO SPRINGS, CITY OF	Clear Creek	110020	2064	\$3,000,000	12/31/2001	20	L	4.80	Periodically exceeds MCL for Turbidity	Construct pre-trmt, ww line, construct new WTP
6	960147	3	55	*WELLINGTON, TOWN OF	Larimer	135838	1526	\$1,000,000	8/1/2001	20	D	4.00	Potential Health Risks due to replacement of surface water treatment techniques	Upgrade WTP,backwash,const tank,pump and mains
7	980242	3	50	PINE RIVER IRRIG DIST	La Plata	NEW	2000	\$19,000,000	11/1/2001	20	D	4.00	Private Wells are experiencing Health Hazards	Construct WTP and distribution system
8	980252	3	40	LAKE CREEK METRO DIST	Eagle	119467	200	\$615,000	12/31/2001	20	L	4.80	Insufficient storage	Construct new storage tank
9	020009	3	30	THORNTON, CITY OF	Adams	101150	50000	\$15,000,000	6/1/2002	29	L	4.80	Need Protection from pathogens & viruses in raw water supplies	Upgrade Thornton and Columbine WTP's
10	990026	4	60	**LA JUNTA, CITY OF	Otero	145420	7750	\$10,000,000	6/1/2001	20	L	4.80	WTP in noncompliance	Upgrade treatment & Construct new WTP
11	960167	4	50	*WOODLAND PARK, CITY OF	Teller	160900	4610	\$3,125,514	6/1/2001	20	L	4.80	Exceeding MCL for Radium and EDB	Upgrade Treatment, develop well field, inc. storage
12	960208	5	40	**KERSEY, TOWN OF	Weld	162439	1079	\$165,000	12/1/2000	20	D	4.00	Disribution lines deteriorating	Upgrade and Replace Distribution lines
13	960137	5	35	**HAYDEN, TOWN OF	Routt	154333	1569	\$900,000	4/1/2002	20	L	4.00	Maintain compliance with primary standards and prevention of microbiological contaminants	replace lines, upgrade treatment & distribution
14	960033	5	30	FLORENCE, CITY OF	Fremont	122500	3789	\$2,356,557	9/1/2001	20	L	4.80	Pressure issues	Upgrade WTP and storage
15	960087	5	25	**PAGOSA AREA WSD	Archuleta	104500 & 104300	5935	\$2,500,000	12/31/2001	20	L	4.80	Distribution & Transmission lines deteriorating	Replace lines
16	960092	5	25	PENROSE WATER DISTRICT	Fremont	122700	3238	\$550,000	12/31/2001	20	D	4.00	Pressure issues, concerns over future compliance	Upgrade Distribution and storage
				TOTAL				\$60,042,071						
				* Loan awarded										** Intend to Fund in 2002

**ATTACHMENT 1**  
2002 DWRP IUP

ELIGIBLE AND INELIGIBLE PROJECTS AND PROJECT-RELATED COSTS UNDER THE  
DRINKING WATER STATE REVOLVING LOAN FUND (DWRP) PROGRAM

**EXAMPLES OF ELIGIBLE PROJECTS AND PROJECT RELATED COSTS**

Projects that address present Safe Drinking Water Act (SDWA) exceedances

Projects that prevent future SDWA exceedances (applies only to regulations in effect)

Projects to replace aging infrastructure

- rehabilitate or develop drinking water sources (excluding reservoirs, dams, dam rehabilitation and water rights) to replace contaminated sources
- install or upgrade drinking water treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary SDWA standards
- install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system
- install or replace transmission and distribution piping to prevent contamination caused by leaks or breaks, or to improve water pressure to safe levels

Projects to restructure and consolidate water supplies to rectify a contamination problem, or to assist systems unable to maintain SDWA compliance for financial or managerial reasons (assistance must ensure compliance)

Projects that purchase a portion of another system's capacity, if such purchase will cost-effectively rectify a SDWA compliance problem

Land acquisition

- land must be integral to the project (i.e., needed to meet or maintain compliance and further public health protection such as land needed to locate eligible treatment or distribution facilities)
- acquisition must be from a willing seller

Note: The cost of complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act) is an eligible cost.

Planning (including required environmental assessment reports) , design, and construction costs associated with eligible projects.



**ATTACHMENT 1 (cont.)**

**EXAMPLES OF INELIGIBLE PROJECTS AND PROJECT RELATED COSTS**

Dams, or rehabilitation of dams

Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy

Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located

Drinking water monitoring costs

Operation and maintenance costs

Projects needed mainly for fire protection

Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance

Projects for systems in significant noncompliance under the SDWA, unless funding will ensure compliance

Projects primarily intended to serve future growth



ATTACHMENT 2

**DRINKING WATER REVOLVING FUND  
REGULATIONS**

**5 CCR 1003-3**

ADOPTED BY THE BOARD OF HEALTH

October 15, 1997

Revised: April 15, 1998

STATE OF COLORADO  
DRINKING WATER REVOLVING FUND RULES

AUTHORITY

In Senate Bill 95-083, the Colorado General Assembly created the Drinking Water Revolving Fund to provide financial assistance to certain drinking water projects in the State of Colorado. The fund is held and administered by the Colorado Water Resources and Power Development Authority (hereinafter referred to as the "Authority"), which is authorized to issue bonds to finance the program. Moneys in the fund may be used to provide financial assistance to projects included on a Project Eligibility List. The statute at C.R.S. 37-95-103 and C.R.S. 37-95-107.8 directs the Colorado Board of Health (Board of Health) to submit additions and modifications to the Project Eligibility List annually for adoption by the General Assembly by Joint Resolution signed by the Governor. This regulation provides for the Board of Health's approval of proposed additions and modifications to the Project Eligibility List, and for prioritization of projects for financial assistance from the limited dollars currently available in the fund.

The 1996 amendments to the federal Safe Drinking Water Act (SDWA) include authorization of a state revolving fund program similar to that included in the Clean Water Act for wastewater projects. The Drinking Water Revolving Fund established by Senate Bill 95-083 meets the requirements of the SDWA concerning revolving fund financing programs and allows for federal funding of Colorado's revolving fund financing program.

Section 25-1-107 C.R.S., also provides authority for this regulation.

DEFINITIONS

Section 1.2.2 of the Colorado Primary Drinking Water Regulations (CPDWR) has additional definitions that apply to this rule.

(1) "Beneficial Use" - The use of water treatment plant sludge in conjunction with wastewater treatment plant sludge to act as a soil conditioner or low grade fertilizer for the promotion of vegetative growth on land and that meet the requirements of the state Biosolids Regulations.

(2) "Consolidation" - A proposed new construction or expansion of a drinking water supply system that will eliminate one or more existing water supply or treatment works. A letter of intent or a resolution adopted by the project participants must be provided to the Water Quality Control Division (Division) to guarantee the

facilities will consolidate.

(3) AEmergencies@ - Situations or occurrences of a serious nature, developing suddenly and unexpectedly that cause a treatment facilities to be in noncompliance with drinking water standards and require immediate action.

(4) "Governmental Agencies" - means departments, divisions, or other units of state government, special districts, water conservation districts, metropolitan water districts, conservancy districts, irrigation districts, municipal corporations, counties, cities and other political subdivisions, the United States or any agency thereof, and any agency, commission, or authority established pursuant to an interstate compact or agreement.

(5) "Health Hazard" - The Division has identified a maximum contaminant level (MCL) violation or a treatment technique violation. Funding for these projects shall result in compliance with existing standards.

An acute health hazard includes violations of SWTR treatment processes, bacteriological standards, and nitrite/nitrate levels. Acute contaminant health effects can occur immediately or within a short period of time.

A chronic health hazard includes violations of all MCL-s (other than those listed as acute) and treatment technique requirements. Chronic contaminant health effects occur after years of exposure.

(6) AOther Future Needs@ - Facility is beyond the useful/design life and is in need of equipment replacement, rehabilitation or repair in order to maintain compliance or further the public health protection goals of the SDWA.

(7) AOperational Means@ - Taking temporary managerial or technical steps to protect public health during the time period when the plant is out of compliance, e.g., boil order or bottled water.

(8) "Pollution" - The man-made, man-induced, or natural alteration of the physical, chemical, biological, and radiological integrity of water.

(9) "Potential Health Hazard" - The system has periodically exceeded an MCL, has levels greater than 50% of an MCL on a regular basis, or has short term problems meeting a treatment technique requirement.

(10) "Project Eligibility List" - The list of projects eligible for financial assistance from the Authority through the Drinking Water Revolving Fund (DWRP), as adopted and from time to time modified in accordance with C.R.S. 37-95-107.8(4). The list

shall consist of projects which address public health and SDWA compliance issues in the State of Colorado, and shall include only those domestic drinking water supply projects eligible for financial assistance through a state revolving fund pursuant to the terms of the SDWA.

(11) Source Water Protection - Structural or nonstructural source water protection activities done in addition to area delineation and contaminant assessment.

(12) Treatment Facilities - Any devices or systems used in the collection, storage, treatment, transmission, diversion, or distribution of water intended for drinking water purposes.

(13) Wastewater Treatment Plant Sludge - The accumulated solids resulting from treatment of domestic wastewater.

(14) Water Conservation - Any structural or nonstructural water conservation measure that achieves a reduction in water consumption for a publicly-owned treatment works. Structural measures shall include installation of interior low-flow plumbing fixtures that are distributed and/or installed by a governmental agency or that are funded in whole or in part by the governmental agency and water meters which are funded and owned by the governmental agency. Nonstructural measures shall include but are not necessarily limited to: incentives for previously installed low-flow fixtures, leak detection or infiltration/inflow programs, public awareness, public education, and incentive water service charges.

(15) Water Treatment Plant Sludge - The accumulated solids resulting from treatment of water for domestic use.

## PURPOSE

The purpose of the DWRP is to provide financial assistance to governmental agencies for the construction of treatment facilities for health and compliance purposes as defined above.

The project eligibility list is intended to identify those drinking water projects of governmental agencies that are eligible for financial assistance from the DWRP. The project priority system is intended to establish priorities for financial assistance from the DWRP in order to protect and improve the health, safety, and reliability of drinking water supplies in Colorado. It is the policy of the Board of Health to maintain and improve the existing high quality standards for drinking water in the State by providing accessibility to the DWRP.

It is also the policy of the Board of Health to encourage consolidation of drinking water systems and to promote water conservation where practicable. The Board of Health and the Water Quality Control Commission shall promote sludge disposal methods for beneficial use.

Any applicant for financial assistance from the DWRF must comply with policies and procedures and other requirements of the Authority.

### INTENDED USE PLAN PROCEDURES

The Division, in cooperation with the Division of Local Government and the Authority will develop an annual Intended Use Plan (IUP). The IUP is required by the SDWA to provide information about how the state will assist communities with their drinking water needs. The IUP will be recommended to the Board of Health for final agency action which will also provide for public comment and review to comply with the SDWA.

The IUP shall include:

- (1) Priority/Eligibility List of projects including description and size of community.
- (2) Descriptions of:
  - criteria and method used for distribution of funds
  - financial status of the DWRF program
  - short and long term goals of the DWRF program
  - amounts transferred between the DWRF and the Water Pollution Control Revolving Fund
  - set aside activities and percentage of the capitalization grant to be used
  - how a state disadvantaged community program will be defined and utilized if applicable.

### PROJECT ELIGIBILITY LIST PROCEDURES

- (1) The initial project eligibility list was authorized by the general assembly through the enactment of Senate Joint Resolution 95-19.
- (2) Each year the Division shall (after consultation with the Division of Local Government, and the Authority) review, update, and compile additions and

modifications to the project eligibility list and recommend such additions and modifications to the Board of Health for final agency action.

(3) Each governmental agency whose project is eligible for inclusion on the proposed project eligibility list will be notified and a public hearing regarding the list shall be held. After considering all pertinent comments, the Board of Health shall adopt additions and modifications to the project eligibility list for submittal to the general assembly by January 15 of each year.

(4) Projects on the eligibility list will be financed in priority order; however, exceptions for funding out of priority order shall be due to one of the following reasons:

- (a) Governmental agencies are not ready to proceed with the project.
- (b) Governmental agencies do not wish to participate in the DWRP or they have received funding from other sources.
- (c) Governmental agencies (on the list) that have an emergency situation occur during the funding year.
- (d) Governmental agencies not approved for funding because of technical, financial or managerial deficiencies. (The Division will attempt to work with the governmental entity to resolve the issue through the capacity development program.)

Determinations for such out of priority financing shall be made by the Authority with recommendations from the Division and Division of Local Government.

## PRIORITY SYSTEM

All governmental agencies- treatment facilities with identified water quality problems related to health and compliance issues may be included in one of the categories listed below.

All treatment facility projects of governmental agencies that fall into one of the categories listed below and have a planning document that describes a project to correct the water quality problem, shall be prioritized as ready for funding on the project eligibility list.

Funding for the projects under each category shall result in the treatment facility-s complying with existing standards.

### Eligible Project Criteria

Categories were developed to emphasize the most immediate public health and compliance issues. Projects on the eligibility list will be classified by category 1, 2, 3, 4, or 5 below, with A1@being the highest priority. Once a planning document is received, projects within each category will be further prioritized by the assignment of points from the priority point listings under each category. No consideration will be given to governmental agencies that appear to have violations caused by poor operation and maintenance procedures or are under an administrative order for violating reporting requirements.

### CATEGORIES BY PRIORITY RANKING

(1) Acute Health Hazard. The Division has identified continuous violation of an acute maximum contaminant level (MCL) or a surface water treatment rule (SWTR) treatment technique requirement.

(2) Chronic (long term) Health Hazard. The Division has identified a continuous violation of an MCL or a treatment technique requirement for a chronic contaminant.

(3) Potential Acute Health Hazard. The system has periodically exceeded an acute MCL, has levels greater than 50% of an acute MCL on a regular basis, or has short term problems meeting an SWTR treatment technique requirement that can be controlled temporarily by operational means.

(4) Potential Chronic Health Hazard. The system has periodically exceeded a chronic MCL, has levels greater than 50% of a chronic MCL on a regular basis, or has short term problems meeting other treatment technique requirements.

(5) Other Future Needs. Facility is beyond the useful/design life and is in need of equipment replacement, rehabilitation or repair, in order to maintain compliance or further the public health protection goals of the SDWA.

### PRIORITY POINT ASSIGNMENTS WITHIN EACH CATEGORY

Once a planning document is received, projects within each category will be prioritized by the assignment of points from the following:

(1) Population. Points shall be assigned to water systems based on the following schedule of population served by the project with emphasis given to small communities:

25 to 1,000	20 points
1,001 to 3,300	15 points
3,301 to 10,000	10 points
Over 10,000	5 points

(2) Financial Need. Points shall be assigned to water systems in accordance with the following financial need criteria established by the state.

(a) ability to pay (annual water service fee as a percentage of median household income):

Over 3.0%	20 points
Over 2%; up to 3.0%	15 points
Over 1%; up to 2%	10 points

(b) local burden (total project cost per equivalent residential tap):

Over \$5,000	20 points
Over \$3,500	15 points
Over \$2,000	10 points

(3) Consolidation. Fifteen points shall be assigned to an entity if the project includes consolidating two or more public water systems.

(4) Water Conservation. Five points shall be assigned to a project if the governmental agency implements a water conservation measure.

(5) Source Water Protection. Two points shall be assigned to a project if the governmental agency implements source water protection measures.

(6) Beneficial Use of Sludge. Two points shall be assigned to a project if the governmental agency intends to utilize water treatment plant sludge for a beneficial use as defined herein.

(7) Health Risk. To further clarify the ranking of treatment facility projects, the Division shall assign up to twenty points for a project's health risks. Determination of the health risk will be made based upon the type and level of contaminant present within categories.



## Emergency Procedures

- (1) If a system has an emergency situation causing immediate public health concerns and it is identified on the Eligibility List, it may receive a DWRF loan out of priority order if funds are available.
  
- (2) If an emergency arises and the system is not identified on the Eligibility List, funding shall be sought from other available sources. The project, which may include refinancing and/or additional construction costs, may be added to the Eligibility List for funding in the following year.

## DRINKING WATER REVOLVING FUND RULES REGULATORY ANALYSIS

Prepared July 3, 1997

(I) This amended rule establishes new procedures for the Board of Health to adopt additions and modifications to the Project Eligibility List. It also establishes a system for prioritizing the projects that are on the Project Eligibility List. This procedure will allow the limited financial resources of the Drinking Water Revolving Fund (DWRF) to be used for projects that provide the greatest drinking water quality benefit. There is no cost associated with the rule, and since it is designed to target drinking water projects with the greatest water quality benefit, the benefits will apply to all residents of Colorado.

This rule also establishes procedures for developing an annual Intended Use Plan and provides information on what the DWRF program will do in case of an emergency funding situation caused by a public health risk.

(II) The impact of the Project Eligibility List and Priority System will be to target distribution of financial assistance to water projects based on public health benefits including financial need criteria and interest in receiving financial assistance. There is no affected class of persons associated with this rule.

(III) This rule is expected to generate resources at either the programmatic or state level; however, the federal grants provided for the DWRF as well as a small loan surcharge will cover the costs associated with program administration.

(IV) The alternative to having the Board of Health hold hearings to approve the annual Intended Use Plan which includes proposed additions and modifications to the prioritized Project Eligibility List would be for the General Assembly to perform the same function. Considerations of cost, timeliness, and intrusion into the legislative process make the Board of Health the preferred entity to perform this function. In addition, the General Assembly has clearly assigned responsibility for this function to the Board of Health by means of legislation passed in Senate Bill 95-083.

(V) The rules were amended by committee and with Guidelines from the Environmental Protection Agency. Alternatives were discussed and the committee reached consensus to the proposed amendments to this rule.

## DRINKING WATER REVOLVING FUND RULES STATEMENT OF BASIS AND PURPOSE

October 15, 1997

The amendments to the Drinking Water Revolving Fund (DWRf) Rules establish procedures by the Board of Health for adopting an annual Intended Use Plan (IUP) which includes proposed additions and modifications to the Project Eligibility List for drinking water projects qualified to receive financial assistance from the DWRf.

All governmental agencies with identified water quality problems shall be included in one of the categories on the project eligibility list. The categories are ranked by order of importance to public health and drinking water compliance. The highest priority is AAcute Health Hazard,@followed by AChronic Health Hazard,@APotential Acute Health Hazard,@ APotential Chronic Health Hazard,@and finally, AOther Future Needs.@ Once a plan has been received from the governmental agency describing the project specifics, points will be assigned to projects within those categories for population, financial need, consolidation, water conservation, source water protection, beneficial use of water treatment plant sludge and a final clarification of the greater health risks.

The Intended Use Plan is proposed to the Board of Health once each year. A public hearing will be held by the Board to receive input on the proposed changes to the IUP and Project Eligibility List; any appropriate changes will then be made and the approved additions/modifications to the Project Eligibility List will be submitted to the General Assembly for adoption by means of a Joint Resolution signed by the Governor.

## DRINKING WATER REVOLVING FUND RULES STATEMENT OF BASIS AND PURPOSE

April 15, 1998

The amendments to the Drinking Water Revolving Fund (DWRf) Rules establish procedures by the Board of Health for adopting an annual Intended Use Plan (IUP) which includes proposed additions and modifications to the Project Priority/Eligibility List for drinking water projects qualified to receive financial assistance from the DWRf.

The categories are ranked by order of importance to public health and drinking water compliance. The highest priority is Acute Health Hazard, followed by Chronic Health Hazard, Potential Acute Health Hazard, Potential Chronic Health Hazard, and finally, Other Future Needs. Once a plan has been received from the governmental agency describing the project specifics, points will be assigned to projects within those categories.

This amendment to the DWRf Rules will change the Final Clarification point assignment to a Health Risk point assignment. The points shall be assigned to every project that has a plan and is identified on the priority list for funding.

**ATTACHMENT 3  
CAPITALIZATION GRANT FUNDS FOR LOANS AND NON-PROJECT ACTIVITIES  
INCLUDING MATCH DOLLARS**

YEAR	CAP GRANT		
	AMOUNT	SET- ASIDE	DWRF
1997	\$16,784,100	\$2,685,456	\$14,199,326
1998	\$9,581,800	\$2,012,178	\$7,569,622
1999	\$8,034,080	\$0	\$8,034,080
99 amend	\$2,008,520	\$1,606,816	\$401,704
99 transfer	\$6,666,667	\$0	\$6,666,667
2000	\$10,437,200	\$2,307,022	\$8,130,178
2001	\$10,480,300	\$1,865,226	\$8,615,074
2002 est	\$14,025,000	\$1,936,120	\$11,859,580
<b>TOTAL</b>	<b>\$78,017,667</b>	<b>\$12,412,818</b>	<b>\$65,476,231</b>

\*\*\*\* See footnote below.

YEAR	SET-ASIDES						LOCAL ASSISTANCE SET-ASIDES (15%)*					
	ADMIN (4%)	MATCH	PWSS MGMT (10%)	MATCH	SSTTA (2%)	MATCH REIMB**	CAPACITY DEVELOP	MATCH/ REIMB REQ 2000+ **	WELLHEAD	MATCH REIMB**	SWAP (97 only)	MATCH
1997	\$671,364	\$134,273	\$0	\$0	\$335,682	\$67,136	\$0	\$0	NA		\$1,678,410	\$335,682
1998	\$383,272	\$76,654	\$0	\$0	\$191,636	\$38,327	\$650,000	\$130,000	\$787,270	\$157,454	NA	NA
1999	\$401,704	\$80,341	\$0	\$0	\$200,852	\$40,170	\$650,000	\$130,000	\$354,260	\$70,852	NA	NA
2000	\$417,488	\$83,498	\$505,620	\$101,124	\$208,744	\$41,749	\$650,000	\$130,000	\$525,170	\$105,034	NA	NA
2001	\$0***	\$84,000	\$505,620	\$101,124	\$209,606	\$42,000	\$650,000	\$130,000	\$500,000	\$100,000	NA	NA
2002 Est.	\$0****	\$112,200	\$505,620	\$101,124	\$280,500	\$56,100	\$650,000	\$130,000	\$500,000	\$145,860	NA	NA
<b>TOTAL</b>	<b>\$1,873,828</b>	<b>\$570,966</b>	<b>\$1,011,240</b>	<b>\$202,248</b>	<b>\$1,427,020</b>	<b>\$285,482</b>	<b>\$3,250,000</b>	<b>\$650,000</b>	<b>\$2,666,700</b>	<b>\$579,200</b>	<b>\$1,678,410</b>	<b>\$335,682</b>

\* Local Asst = 15% total, with not more than 10% to any one area.

\*\* 20% match reimbursement to Authority required on these set-asides.

\*\*\* Admin \$420,000 set-aside for FFY01 moved to project fund; reserved for future year.

\*\*\*\* Admin \$561,000 set-aside for FFY02 moved to project fund; reserved for future year.

**ATTACHMENT 3a**

**DWSRF SET-ASIDE AND FEE ACTIVITY - 2002 IUP**

<u>Set-Aside</u>	<u>Set Aside Through Sept 2001</u>	<u>Transferred To DWSRF Loan Fund</u>	<u>Expended Through 6/30/01</u>	<u>Balance available</u>	<u>Estimated FFY02 Set- Aside</u>	<u>Total Funds Available SFY02</u>	<u>Reserved Through 2001</u>	<u>Reserved From FFY02 Allotment</u>	<u>Total Set-Aside Reserved</u>
4% Administration	\$1,873,828	\$0	\$938,275	\$935,553	\$561,000	\$1,496,553	\$420,000	\$561,000	\$981,000
10% State Program:									
PWS Supervision	919,505	0	91,735	827,770	505,620	1,333,390			0
Source Water Protection				0		0			0
Capacity Development				0		0			0
Operator Certification				0		0			0
2% Small System Tech. Asst.	936,914	0	123,594	813,320	280,500	1,093,820			0
15% Local Assistance:									
Loan Assistance for SWP									
Capacity Development	2,469,637		130,363	2,339,274	650,000	2,989,274			
Source Water Assessment	1,235,334		443,076	792,258	0	792,258			
Wellhead Protection	1,853,435		376,422	1,477,013	500,000	1,977,013			
<b>TOTALS</b>	<b>\$9,288,653</b>	<b>\$0</b>	<b>\$2,103,465</b>	<b>\$7,185,188</b>	<b>\$2,497,120</b>	<b>\$9,682,308</b>	<b>\$420,000</b>	<b>\$561,000</b>	<b>\$981,000</b>

<u>Fees Collected &amp; Expended</u>	<u>Collected through 6/30/01</u>	<u>Grant Funds Used as of 6/30/01</u>	<u>Expended Through 6/30/01</u>	<u>Balance Available as of 6/30/01</u>	<u>Anticipated Collection for 6/30/02 *</u>	<u>Anticipated Collection in 6/30/03 *</u>	<u>Anticipated Fee Funds Available</u>
Administrative Loan Fee	\$2,071,405	\$938,275	\$2,225,183	\$784,496	\$1,032,279	\$1,083,764	\$1,868,260

\* Based on loans issued as of 6/30/01.

**ATTACHMENT 3b**

**2002 DWRF - IUP**

**Funds Available to the DWRF**

<b>SOURCES</b>	<b>Inception through Sept. 2001</b>	<b>Projected 2002</b>	<b>Total</b>
Federal Capitalization Grants	\$57,326,000	\$14,025,000	\$71,351,000
less: Set-Asides	(10,195,166)	(2,524,500)	(12,719,666)
State Match:			
Appropriation/Agency Cash - Committed	11,563,822	2,805,000	14,368,822
Agency Cash for CWSRF Transfer	0	0	0
State Match Bonds	0	0	0
Leveraged Bond Proceeds	122,265,000	20,000,000	142,265,000
Loan Repayments (Net of bond debt service):			
Leveraged Loans:			
Principal	9,440,000	11,800,000	21,240,000
Interest	5,840,304	7,300,380	13,140,684
State Match	302,340	377,925	680,265
Direct Loans:			
Principal	178,557	223,196	401,753
Interest	155,110	193,887	348,997
De-allocation from leveraged loan reserves	2,845,516	2,277,073	5,122,589
Fees Deposited to the DWRF	0	0	0
Interest on Investments	10,682,292 *	135,000	10,817,292
Transfer from 1998 Clean Water SRF	6,666,667	0	6,666,667
<b>TOTAL SOURCES</b>			<b>273,683,403</b>
<b>USES</b>			
Loans Executed			
Direct	4,081,200	1,795,000	5,876,200
Leveraged	132,968,705	20,000,000	152,968,705
Reserve for Leveraged Loans	34,770,331	5,229,852	40,000,183
Bond Debt Service for Leveraged Loans	23,858,801	34,298,671	58,157,472
<b>TOTAL USES</b>			<b>257,002,560</b>
<b>FUNDS AVAILABLE AFTER PROJECTED 2002 LOANS</b>			<b>\$16,680,843</b>

\* Through August 2001.

**DRINKING WATER REVOLVING FUND (DWRF)  
LOAN SUMMARY as of 12/31/00  
EXISTING LOANS**

A - Cash Provided by Authority	D - Cash Provided by Borrower
B - Cash Provided by DWRF Admin. Acct.	E - Direct Loan Pre-Construction
C - Cash Provided by DWRF Funding Acct.	Account Interest Income (Cash)

**LEVERAGED LOAN PROGRAM**

BOND ISSUE	BORROWER	LOAN DATE	DATE of BOND ISSUE	ORIGINAL LOAN AMOUNT	LOAN TERM	EFFECTIVE INTEREST RATE	FEDERAL GRANT AMOUNT	STATE MATCH PROVIDED	DATE ST. MATCH PROVIDED	TOTAL NUMBER OF PROJECTS	
1997A	ARAPAHOE ESTATES WATER DISTRICT	10/01/97	10/22/97	\$1,048,332.75	20 YEARS	4.150%	\$388,360.00	\$98,332.75	C	10/22/97	1
1997A	CITY of ENGLEWOOD	10/01/97	10/22/97	15,292,635.61	21 YEARS	4.140%	5,361,910.00	1,357,635.61	C	10/22/97	2
1997A	CITY of FORT COLLINS	10/01/97	10/22/97	10,125,299.77	20 YEARS	4.120%	3,614,928.00	915,299.77	C	10/22/97	3
1998A	TOWN of BUENA VISTA	6/01/98	6/23/98	1,324,119.65	20 YEARS	4.010%	490,204.00	124,119.65	C	6/22/98	4
1998A	CITY of FORT MORGAN	6/01/98	6/23/98	15,433,355.38	21 YEARS	4.020%	5,641,214.00	1,428,355.38	C	6/22/98	5
1999A	CITY OF AURORA	5/01/99	5/20/99	14,999,898.55	15 YEARS	3.633%	4,751,500.00	1,024,898.55	C	5/19/99	6
1999A	CITY of FORT COLLINS	5/01/99	5/20/99	4,998,394.59	20 YEARS	3.808%	1,870,165.00	403,394.59	C	5/19/99	7
1999A	CITY OF GLENWOOD SPRINGS	5/01/99	5/20/99	4,999,017.40	19 YEARS	3.773%	1,710,790.00	369,017.40	C	5/19/99	8
1999A	GRAND COUNTY W&S DISTRICT	5/01/99	5/20/99	2,998,566.15	19 YEARS	3.783%	1,036,468.00	223,566.15	C	5/19/99	9
1999A	CITY OF GREELEY	5/01/99	5/20/99	14,999,038.36	20 YEARS	3.802%	5,280,660.00	1,139,038.36	C	5/19/99	10
1999A	TOWN OF JULESBURG	5/01/99	5/20/99	994,599.70	20 YEARS	3.809%	392,210.00	84,599.70	C	5/19/99	11
1999A	LEFT HAND WATER DISTRICT	5/01/99	5/20/99	6,571,538.04	20 YEARS	3.802%	2,139,722.00	461,538.04	C	5/19/99	12
2000A	EVERGREEN METROPOITAN DISTRICT	4/15/2000	5/10/2000	5,577,981.71	20 YEARS	4.402%	1,786,069.00	452,981.71	C	5/10/2000	13
2000A	FOUNTAIN VALLEY AUTHORITY	4/15/2000	5/10/2000	7,607,966.23	20 YEARS	4.405%	2,633,735.00	667,966.23	C	5/10/2000	14
2000A	TOWN OF LIMON	4/15/2000	5/10/2000	1,440,808.84	20 YEARS	4.408%	436,910.00	110,808.84	C	5/10/2000	15
2000A	CITY OF WESTMINSTER	4/15/2000	5/10/2000	14,998,357.36	20 YEARS	4.406%	4,764,452.00	1,208,357.36	C	5/10/2000	16
2000A	BOARD OF WATER WORKS OF PUEBLO, CO	4/15/2000	5/10/2000	9,558,794.83	22 YEARS	4.603%	2,499,000.00	633,794.83	C	5/10/2000	17
<b>TOTAL LEVERAGED LOANS</b>				<b>\$132,968,704.92</b>			<b>\$44,798,297.00</b>	<b>\$10,703,704.92</b>			



**DRINKING WATER REVOLVING FUND (DWRF)  
LOAN SUMMARY as of 12/31/00  
EXISTING LOANS**

A - Cash Provided by Authority	D - Cash Provided by Borrower
B - Cash Provided by DWRF Admin. Acct.	E - Direct Loan Pre-Construction
C - Cash Provided by DWRF Funding Acct.	Account Interest Income (Cash)

**DIRECT LOAN PROGRAM**

BORROWER	LOAN DATE	LOAN EXECUTED	ORIGINAL LOAN AMOUNT	LOAN TERM	EFFECTIVE INTEREST RATE	FEDERAL GRANT AMOUNT	STATE MATCH PROVIDED	DATE FUNDING PROVIDED	TOTAL NUMBER OF PROJECTS		
<b>STATE DIRECT LOAN PROGRAM</b>											
1995	IDLEDALE W&S DISTRICT	7/10/95	7/10/95	250,000.00	20 YEARS	4.500%	0.00	0.00	C	10/13/95	18
1995	TOWN of FAIRPLAY (Loan #1)	8/01/95	8/01/95	250,000.00	20 YEARS	4.500%	0.00	0.00	C	10/13/95	19
1995	TOWN of MINTURN	8/11/95	8/11/95	300,000.00	20 YEARS	4.500%	0.00	0.00	C	4/11/96	20
1995	TOWN of EMPIRE	8/24/95	8/24/95	331,432.00	20 YEARS	4.500%	0.00	0.00	C	10/13/95	21
1995	TOWN of ELIZABETH	10/01/95	10/01/95	500,000.00	20 YEARS	4.500%	0.00	0.00	C	10/13/95	22
1996	LAKE CREEK METROPOLITAN DISTRICT	1/12/96	1/12/96	500,000.00	20 YEARS	4.500%	0.00	0.00	C	3/18/96	23
1996	TOWN of FRASER	4/15/96	4/15/96	200,000.00	5 YEARS	4.500%	0.00	0.00	C	10/02/97	24
1996	BACA GRANDE W&S DISTRICT	2/01/96	4/30/96	500,000.00	10 YEARS	4.500%	0.00	0.00	C	5/08/96	25
1996	TOWN of FIRESTONE	6/13/96	7/09/96	95,000.00	10 YEARS	4.500%	0.00	0.00	C	7/30/96	26
1996	TOWN of NUNN	8/12/96	8/13/96	330,260.00	20 YEARS	4.500%	0.00	0.00	C	8/16/96	27
1996	TOWN of LOCHBUIE	8/28/96	8/28/96	352,000.00	20 YEARS	4.500%	0.00	0.00	C	8/29/96	28
1996	TOWN of LYONS	8/19/96	8/29/96	500,000.00	21 YEARS	4.500%	0.00	0.00	C	9/05/96	29
1996	TOWN of BAYFIELD	11/15/96	12/06/96	350,000.00	20 YEARS	4.500%	0.00	0.00	C	12/13/96	30
1997	TOWN of FAIRPLAY (Loan #2)	7/25/97	7/30/97	200,000.00	20 YEARS	4.500%	0.00	0.00	C	7/30/97	31
1997	CITY of IDAHO SPRINGS	10/15/97	11/03/97	500,000.00	20 YEARS	4.500%	0.00	0.00	C	12/05/97	32
1997	WESTLAKE W&S DISTRICT	8/19/97	12/04/97	250,000.00	20 YEARS	4.500%	0.00	0.00	C	12/05/97	33
1998	REDSTONE W&S DISTRICT	12/01/97	2/10/98	410,000.00	20 YEARS	4.500%	0.00	0.00	C	2/10/98	34
<b>TOTAL STATE PROGRAM DIRECT LOANS</b>			<b>\$5,818,692.00</b>			<b>\$0.00</b>	<b>\$0.00</b>				

**FEDERAL DIRECT LOAN PROGRAM**

1997	TOWN of GRAND LAKE	10/29/97	11/04/97	495,000.00	20 YEARS	4.500%	394,988.00	100,012.00	C	11/03/97	35
1998	CHATFIELD SOUTH WATER DISTRICT	7/13/1998	8/10/98	728,500.00	20 YEARS	4.500%	581,310.00	147,190.00	C	8/12/98	36
1998	LEFT HAND W&S DISTRICT	9/11/98	9/11/98	188,700.00	20 YEARS	4.500%	150,574.00	38,126.00	C	9/16/98	37
1999	THUNDERBIRD W&S DISTRICT	6/01/99	6/18/99	285,000.00	20 YEARS	4.500%	223,596.00	61,404.00	C	6/25/99	38
1999	CITY OF LA JUNTA	10/15/99	11/1/99	490,000.00	20 YEARS	4.500%	384,475.00	105,525.00	C	11/04/99	39
2000	SEDALIA W & S DISTRICT	3/9/2000	3/16/2000	326,000.00	20 YEARS	4.500%	255,794.00	70,206.00	C	3/16/00	40
2000	TOWN OF SPRINGFIELD	7/28/2000	7/28/2000	425,000.00	20 YEARS	4.500%	333,473.00	91,527.00	C	8/02/00	41
2000	CITY OF CRAIG	#####	#####	450,000.00	5 YEARS	4.000%	353,089.00	96,911.00	C	12/15/00	42
<b>TOTAL FEDERAL PROGRAM DIRECT LOANS</b>			<b>\$3,388,200.00</b>			<b>\$2,677,299.00</b>	<b>\$710,901.00</b>				
<b>TOTAL DIRECT LOANS</b>			<b>\$9,206,892.00</b>			<b>\$2,677,299.00</b>	<b>\$710,901.00</b>				
<b>TOTAL DRINKING WATER REVOLVING FUND - SRF LOANS</b>			<b>\$136,356,904.92</b>			<b>\$47,475,596.00</b>	<b>\$11,414,605.92</b>				
<b>TOTAL DRINKING WATER REVOLVING FUND</b>			<b>\$142,175,596.92</b>			<b>\$47,475,596.00</b>	<b>\$11,414,605.92</b>				

**Attachment 3**

**Audit Report for 2001**

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Basic Financial Statements, Supplemental Information, and  
Reports Required by OMB Circular A-133

December 31, 2001

(With Independent Auditors' Reports Thereon)

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

December 31, 2001

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707 Seventeenth Street  
Suite 2300  
Denver, CO 80202

## Independent Auditors' Report

The Board of Directors

Colorado Water Resources and Power Development Authority:

We have audited the accompanying basic financial statements of the Colorado Water Resources and Power Development Authority (the Authority), a component unit of the State of Colorado, as of and for the year ended December 31, 2001, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Colorado Water Resources and Power Development Authority as of December 31, 2001, and the results of its operations and the cash flows of its enterprise funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 11, effective January 1, 2001, the Authority implemented Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*; Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 17, 2002, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the table of contents as supplemental information are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements of the Authority. In addition, the accompanying schedule of expenditures of federal awards, listed in the table of contents under Reports Required by OMB Circular A-133, is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

April 17, 2002  
Denver, Colorado

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Management's Discussion and Analysis

December 31, 2001

As management of the Colorado Water Resources and Power Development Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2001.

**Financial Highlights**

- Note 11 to the basic financial statements (Accounting Changes) describes the Authority's implementation of GASB Statement Nos. 33, 34, 37, and 38. One of the more significant impacts to the 2001 financial statements is the presentation of the enterprise funds. In prior years, the Authority reported the asset and liability balances for borrowers' unrequisioned loan proceeds in agency funds. In the accompanying financial statements, those agency funds have been merged into the respective enterprise funds. The assets of those funds are classified as restricted assets in the noncurrent assets section of the Statement of Net Assets.
- Net assets of the Authority's enterprise funds increased \$67.9 million (29%) bringing the total to \$300.8 million at December 31, 2001. Two major sources contributed to that increase. First, \$35.1 million was contributed from the Animas-La Plata Agency Fund to the Water Operations Enterprise Fund; see note 1 to the basic financial statements for additional information on this contribution. The second major source of funds was capitalization grants received from the United States Environmental Protection Agency (EPA) totaling \$22.2 million.
- Bonds payable at the end of the fiscal year totaled \$527.5 million, a net increase of approximately \$58.3 million (12%). The Small Water Resources Projects program (SWRP), within the Water Operations Enterprise Fund, issued revenue bonds totaling \$15.5 million, and the Water Pollution Control Revolving Fund (WPCRF), within the Water Pollution Control Enterprise Fund, issued revenue bonds totaling \$69.7 million.
- The WPCRF also issued \$51.6 million of refunding revenue bonds, defeasing \$51.5 million of revenue bonds with higher interest rates. This advance refunding will produce a present value debt service savings of approximately \$4 million over the next 14 years. The Authority passed this savings through to the local governments by reducing the interest payments on program loans made under the refunded bond issues.
- The Authority's loans receivable totaled \$576.5 million at the end of the fiscal year. Included in this amount are loans made in 2001 totaling \$89.7 million, resulting in a net increase in loans receivable of \$61.8 million (12%) for the fiscal year. New loans were executed in the following enterprise funds:

WPCRF	\$	73.2 million
SWRP		15.5 million
DWRF		1.0 million



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Management's Discussion and Analysis

December 31, 2001

**Overview of the Basic Financial Statements**

Management's discussion and analysis is intended to serve as an introduction of the Authority's basic financial statements. Prior year's activity would normally be provided in a comparative presentation in this discussion. However, no comparison data is being provided, because this is the first year this discussion and analysis is being provided. The basic financial statements consist of the fund financial statements and the notes to the basic financial statements.

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are categorized as proprietary funds or fiduciary funds.

**Proprietary Funds.** The Authority uses enterprise funds to report substantially all of its operations. These enterprise funds are business-type activities that include three separately maintained funds: 1) The Water Operations Fund, 2) The Water Pollution Control Fund, and 3) The Drinking Water Fund. The basic financial statements for each proprietary fund are included in this report. All proprietary funds are considered major funds.

**Fiduciary Fund.** A fiduciary fund is used to account for resources held for the benefit of parties outside the government. This fund is not combined with the totals of the proprietary funds, because the resources are not available for use by the enterprise funds. The fiduciary fund is described in more detail later in this analysis.

***Notes to the Basic Financial Statements***

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

***Other Information***

In addition to the basic financial statements and the accompanying notes, this report also presents certain other supplemental information. Regulatory basis financial statements are included for both the Water Pollution Control Enterprise Fund and the Drinking Water Enterprise Fund. Also included in this section of the report are budget-based enterprise fund schedules, detailed schedules of loans receivable and bonds payable, and schedules of cash and investments.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Management's Discussion and Analysis

December 31, 2001

**Financial Analysis of Enterprise Funds**

*Summary of Net Assets*

The Authority's basic financial statements are comprised of enterprise funds and a fiduciary fund. A table summarizing the financial position of each enterprise fund as of December 31, 2001 is presented below.

<b>Summary of Net Assets as of December 31, 2001</b>					
		<b>Water Operations</b>	<b>Water Pollution Control</b>	<b>Drinking Water</b>	<b>Totals</b>
Current assets and other assets	\$	75,512,569	161,948,477	70,019,631	310,480,677
Restricted assets		24,372,000	100,154,503	13,548,452	138,074,955
Capital assets, net		13,233	10,808	10,808	34,849
Long-term loans receivable		96,365,000	328,019,762	124,114,547	548,499,309
Total assets	\$	199,262,802	590,133,550	207,693,438	997,089,790
Current and other liabilities	\$	31,914,571	139,096,939	24,037,500	195,049,010
Long-term debt outstanding		96,618,333	296,606,662	107,985,000	501,209,995
Total liabilities		128,532,904	432,703,601	132,022,500	696,259,005
Fund net assets:					
Invested in capital assets, net of related debt		13,233	10,808	10,808	34,849
Restricted		8,863,145	154,419,141	59,316,677	222,598,963
Unrestricted		61,853,520	—	16,343,453	78,196,973
Total fund net assets		70,729,898	154,429,949	75,670,938	300,830,785
Total liabilities and fund net assets	\$	199,262,802	590,133,550	207,693,438	997,089,790

Unrestricted current and other assets totaled \$310.5 million and restricted assets totaled \$138.1 million at year end. These balances primarily consist of cash equivalents, investment and loan interest receivable, loan principal payments due in 2002, investments, and other receivables and totaled \$448.6 million at the end of the fiscal year. The two most significant sources of funds were contributions received from the Animas-La Plata Agency Fund of \$37.9 million and federal capitalization grants received totaling \$22.2 million. These amounts are shown in the Summary of Changes in Fund Net Assets statement displayed later in this analysis. Included in the cash equivalents and investment balance is approximately \$158.3 million that is deposited into debt service reserve funds providing security for the Authority's bonds. Within the Water Operations Enterprise Fund the Authority's Board of Directors has designated \$15 million to be used specifically for water projects in southwestern Colorado. As discussed in the Financial Highlights section, the restricted assets represent the remaining funds available for borrowers project cost reimbursements. Other cash and investment balances are available for bond debt service and other operating activities of the enterprise funds.

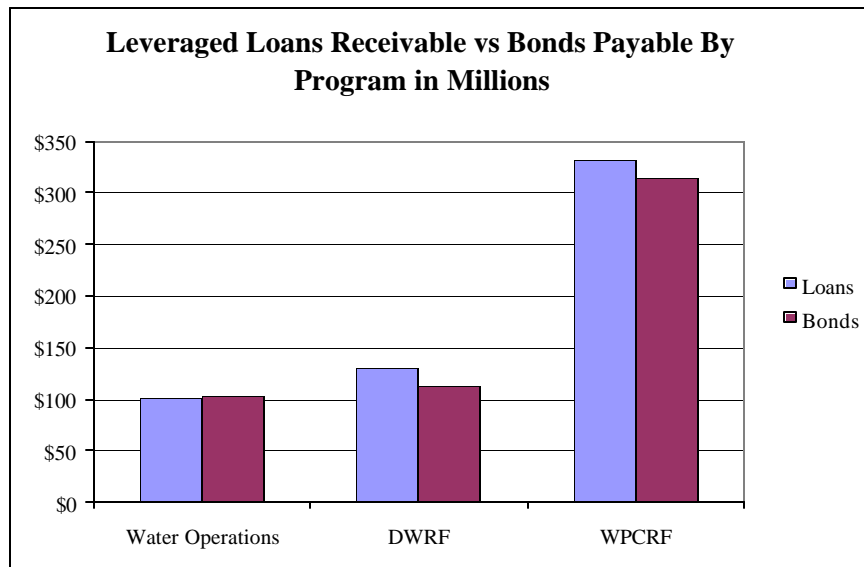
**COLORADO WATER RESOURCES  
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Management's Discussion and Analysis

December 31, 2001

Long-term debt is issued to raise the capital needed for approved program loans. Please refer to the notes to the basic financial statements for a description of the program financing arrangements. As shown below, long-term loans receivable exceed long-term debt by \$47.3 million. This difference consists of approximately \$22 million of outstanding principal balance on direct loans (loans not funded by bond proceeds) and the remainder represents the portion of the remaining loan balance funded by the State's matching component.

Below is a graphical representation of the total outstanding loans receivable at year-end that was funded from bond proceeds (leveraged loans). In a comparative form, the outstanding balances of the bonds payable are also shown. The loans and bonds are shown for each of the three separately operated enterprise funds. You will note that the Water Operations Enterprise Fund loan receivable balance is slightly less than the outstanding bonds payable. For this fund, bond principal is paid on November 1<sup>st</sup> each year; however, loan repayments received in December reduce the respective loan principal balances.



As discussed in the preceding Financial Highlights section, combined net assets of the Enterprise Funds rose \$67.9 million mainly due to contributions received from the agency fund and capitalization grants received. Of the total net assets, \$222.6 million is restricted. The net assets of the two State Revolving Funds (SRFs) are restricted by nature of the programs as established by the EPA. Within the Water Operations Enterprise Fund, two Debt Service Reserve Funds (DSRFs) are established to provide security for the bonds issued in that fund. Except for a small amount of net assets invested in capital assets, the remaining \$78.2 million unrestricted balance in combined net assets of the enterprise funds is available for fulfilling the purposes of the Authority, as directed by its Board of Directors.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Management's Discussion and Analysis

December 31, 2001

*Summary of Changes in Fund Net Assets*

Below is a table summarizing the changes in fund net assets for the current fiscal year, which reports the results of operations of the Authority's Enterprise Funds.

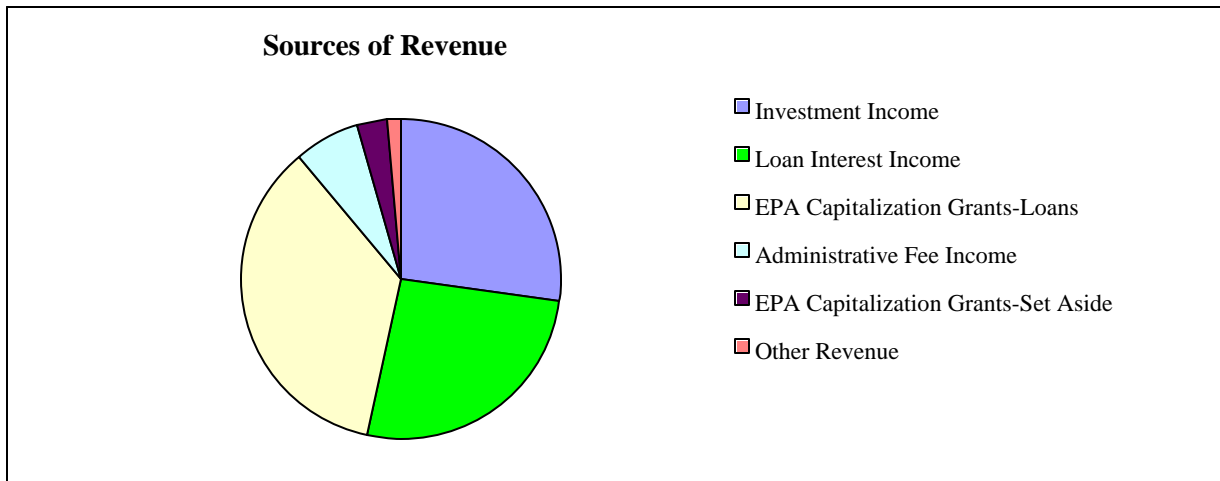
<b>Summary of Changes in Fund Net Assets as of December 31, 2001</b>					
		<b>Water Operations</b>	<b>Water Pollution Control</b>	<b>Drinking Water</b>	<b>Totals</b>
Operating revenues:					
Interest on investments	\$	1,556,438	11,533,748	3,158,123	16,248,309
Interest on loans		6,086,835	7,085,961	3,096,573	16,269,369
Administrative fee and other income		—	3,760,213	1,233,740	4,993,953
EPA set aside grants		—	—	1,932,401	1,932,401
Total operating revenues		7,643,273	22,379,922	9,420,837	39,444,032
Operating expenses:					
Interest on bonds	\$	5,762,541	15,666,961	5,734,620	27,164,122
Grant administration		—	1,199,441	883,730	2,083,171
General, administrative, and other expenses		608,251	79,985	12,978	701,214
EPA set asides		—	—	1,672,309	1,672,309
Total operating expenses		6,370,792	16,946,387	8,303,637	31,620,816
Operating income		1,272,481	5,433,535	1,117,200	7,823,216
EPA capitalization grants		—	10,299,198	11,894,377	22,193,575
Contributions from agency fund		35,143,250	—	2,737,802	37,881,052
Change in net assets		36,415,731	15,732,733	15,749,379	67,897,843
Net assets – beginning of year		34,314,167	138,697,216	59,921,559	232,932,942
Net assets – end of year	\$	70,729,898	154,429,949	75,670,938	300,830,785

As described in the notes to the basic financial statements, the Authority issues bonds to raise capital for making program loans. The bonds are repaid from receipts of loan repayments (principal and interest) and, in the WPCRF and DWRP, from investment income generated in bond debt service reserve funds and earnings on restricted investments. This investment income used for paying bond debt service in the Revolving Funds represents the loan subsidy provided. Therefore, the Authority's Summary of Changes in Fund Net Assets shows interest income of \$32.5 million and bond interest expense of \$27.2 million. The graph below shows the sources of revenue for the current fiscal year.

# COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

## Management's Discussion and Analysis

December 31, 2001



Total capitalization grant revenue received from the EPA totaled \$22.2 million. This revenue is nearly \$4 million (15%) lower than the previous year. Beginning in 2001, capitalization grant receipts are required to be recorded as revenue, rather than as contributed capital as in previous years. Two major factors contribute to the amount of grant revenue recognized. First is the number and size of loans made in the revolving funds for the year. The second factor is the timing of requisitions submitted by borrowers for project cost reimbursement. Each requisition generates a draw from the respective program's grant(s). The more timely borrowers requisition funds, the more grant funds are drawn. During 2001, no leveraged loans were executed under the DWRF, and certain borrowers in both SRF programs experienced delays in their projects. Those project delays postponed draws of grant funds.

Please refer to the notes to the basic financial statements for an explanation of the set aside programs funded by the DWRF. These programs directly fund costs incurred for special programs to aid the improvement of safe drinking water supplies. As program costs are incurred, EPA grant funds are drawn for those specific purposes. The activity in these set aside programs is gaining momentum, and the grant income and related expenses for 2001 totaled over \$1.9 and \$1.7 million, respectively, up more than \$1.4 million from the previous year.

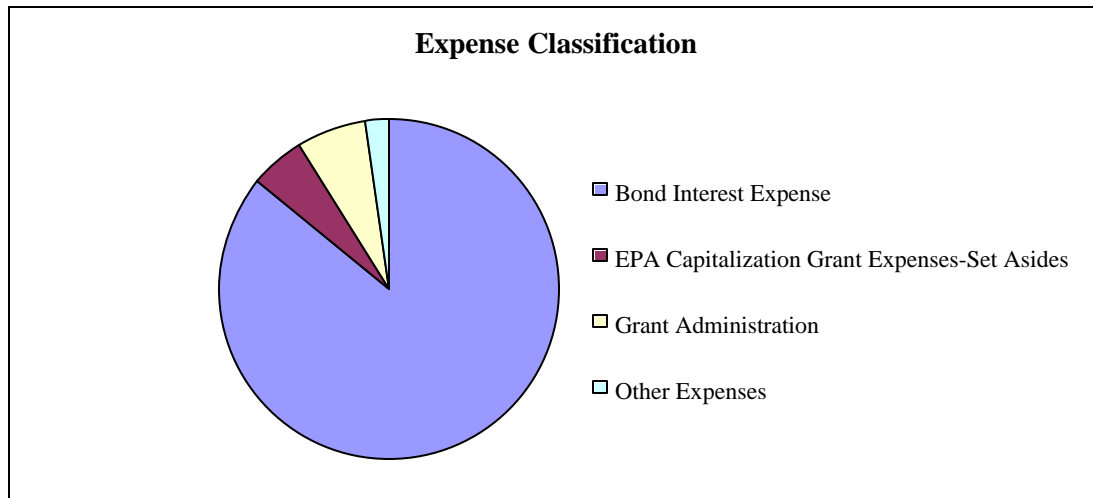
The cost to administer the WPCRF and the DWRF for 2001 was \$2.1 million. Included in this amount are \$1.34 million of reimbursed costs paid to the Water Quality Control Division of the Colorado Department of Public Health and Environment, and the Division of Local Government of the Colorado Department of Local Affairs. These two agencies of the State provide environmental, technical, marketing and financial analysis services in operating the state revolving fund programs.

The graphical illustration below shows the significance of bond interest expense in relation to all costs associated with the Authority's operations.

**COLORADO WATER RESOURCES  
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Management's Discussion and Analysis

December 31, 2001



***Fiduciary Fund***

The Authority manages one fiduciary fund type, an agency fund.

**Agency Fund.** The only agency fund managed by the Authority is the Animas-La Plata Agency Fund. This agency fund contains monies the Authority has obligated to help construct a federal reservoir project in southwestern Colorado.

The Animas-La Plata Agency fund totaled \$7.3 million at year-end. Until the project has been completed, investment income will continue to accumulate. Refer to the notes to the basic financial statement for a description of the changes to this fund that resulted in the contribution of \$37.9 million to the enterprise funds during the current fiscal year.

**Summary of Fiduciary Assets and Liabilities (Agency Fund) as of December 31, 2001**

<b>Assets:</b>	
Cash held by State Treasurer	\$ 7,278,497
Investment income receivable	33,014
	<hr/>
Total assets	\$ 7,311,511
	<hr/> <hr/>
<b>Liabilities:</b>	
Project costs payable – Animas-La Plata	\$ 7,311,511
	<hr/> <hr/>

***Economic Factors***

Despite a downturn in the State's general economy during 2001, large infrastructure projects, such as the water and wastewater projects financed by the Authority, tend to lag those general economic downturns. Due to more stringent water quality standards and continued population growth in the State, the demand for financing of water and wastewater projects is expected to remain strong in 2002.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Management's Discussion and Analysis

December 31, 2001

The following table illustrates the Authority's approved 2002 budgeted loan amounts for these programs.

**2002 Authority Budget for Water Project Loans**

<b>Enterprise Fund (program)</b>	<b>Loan budget (millions)</b>
Water Pollution Control Fund	\$ 106.6
Water Operations Fund	110.0
Drinking Water Fund	43.5
Total budget loans	\$ 260.1

As discussed earlier in this analysis, the Authority includes all probable loans in its budget. The demand for loans in the Water Pollution Control Enterprise Fund is expected to remain very strong. To accommodate this demand, the WPCRF included nearly all of its estimated loan capacity in the 2002 budget. The Authority may be requested to finance certain reservoir and other water related projects in the Water Operations Enterprise Fund in 2002; therefore, a significant amount has been included in the budget. The Drinking Water Enterprise Fund is expecting a moderate demand in 2002, and approximately 50% of its new loan capacity has been included in the budget.

To fund the loans discussed above, the Authority has included, in the respective enterprise fund budgets, sufficient resources from additional bond issues and capitalization grants as needed and available. Furthermore, budget provisions for loan repayment revenue and bond debt service were made, including the new financing activities for 2002.

Program administration costs were budgeted by taking into consideration the projected 2002 Denver-Boulder-Greeley consumer price index of approximately 2.9%. Also, in 2001, the Authority engaged a consulting firm to conduct a salary survey. The results of this survey were used to adjust the 2002 staff salary ranges to ensure those ranges were comparable and competitive with similar positions in the Denver employment market.

***Requests for Information***

This financial report was designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Duane Dohrer, Controller  
Colorado Water Resources & Power Development Authority  
1580 Logan Street, Suite 620  
Denver, CO 80203

## **BASIC FINANCIAL STATEMENTS**



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statement of Net Assets

Enterprise Funds

December 31, 2001

Assets	Water Operations	Water Pollution Control	Drinking Water	Totals
<b>Current assets:</b>				
Cash and cash equivalents	\$ 30,123,588	30,949,305	24,531,820	85,604,713
Federal grants receivable	—	79,265	264,908	344,173
Investment income receivable	378,470	4,277,550	1,132,030	5,788,050
Loans receivable	4,375,417	17,872,704	5,772,220	28,020,341
Due from other funds	777,494	—	—	777,494
Accounts receivable – borrowers	214,135	3,473,199	1,013,053	4,700,387
Accounts receivable – other	50,143	—	—	50,143
Total current assets	<u>35,919,247</u>	<u>56,652,023</u>	<u>32,714,031</u>	<u>125,285,301</u>
<b>Noncurrent assets:</b>				
<b>Restricted assets:</b>				
Cash and cash equivalents	3,416,382	18,082,181	59,039	21,557,602
Investments	20,861,258	82,072,322	13,489,413	116,422,993
Investment income receivable	94,360	—	—	94,360
Advance receivable	12,229,648	—	—	12,229,648
Loans receivable	96,365,000	328,019,762	124,114,547	548,499,309
Investments – trust accounts	30,354,280	105,296,454	37,305,600	172,956,334
Capital assets – equipment, net of accumulated depreciation of \$147,223	13,233	10,808	10,808	34,849
Other assets	9,394	—	—	9,394
Total noncurrent assets	<u>163,343,555</u>	<u>533,481,527</u>	<u>174,979,407</u>	<u>871,804,489</u>
Total assets	<u>\$ 199,262,802</u>	<u>590,133,550</u>	<u>207,693,438</u>	<u>997,089,790</u>
<b>Liabilities and Fund Net Assets</b>				
<b>Current liabilities:</b>				
Bonds payable	\$ 4,930,000	16,505,000	4,840,000	26,275,000
Accrued interest payable	839,963	5,026,186	1,866,623	7,732,772
Accounts payable – borrowers	2,518,308	—	13,785	2,532,093
Due to other funds	—	339,801	437,693	777,494
Accounts payable – other	636,129	195,670	—	831,799
Total current liabilities	<u>8,924,400</u>	<u>22,066,657</u>	<u>7,158,101</u>	<u>38,149,158</u>
<b>Noncurrent liabilities:</b>				
Project costs payable – direct loans	—	10,593	876,003	886,596
Project costs payable – leveraged loans	21,857,893	100,154,503	13,548,452	135,560,848
Advance payable	—	12,229,648	—	12,229,648
Bonds payable	96,618,333	296,606,662	107,985,000	501,209,995
Deferred revenue	—	315,741	—	315,741
Debt service reserve deposit	600,000	—	—	600,000
Other liabilities	532,278	4,319,797	2,454,944	7,307,019
Total noncurrent liabilities	<u>119,608,504</u>	<u>413,636,944</u>	<u>124,864,399</u>	<u>658,109,847</u>
Total liabilities	<u>128,532,904</u>	<u>435,703,601</u>	<u>132,022,500</u>	<u>696,259,005</u>
<b>Fund net assets:</b>				
Invested in capital assets, net of related debt	13,233	10,808	10,808	34,849
Restricted	8,863,145	154,419,141	59,316,677	222,598,963
Unrestricted	61,853,520	—	16,343,453	78,196,973
Total fund net assets	<u>70,729,898</u>	<u>154,429,949</u>	<u>75,670,938</u>	<u>300,830,785</u>
Total liabilities and fund net assets	<u>\$ 199,262,802</u>	<u>590,133,550</u>	<u>207,693,438</u>	<u>997,089,790</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Enterprise Funds

Year ended December 31, 2001

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Operating revenues:				
Interest on loans	\$ 6,086,835	7,085,961	3,096,573	16,269,369
Interest on investments	1,556,438	11,533,748	3,158,123	16,248,309
Surcharge from borrowers	—	653,993	—	653,993
Administrative fee	—	3,073,559	1,096,530	4,170,089
EPA set aside grants	—	—	1,932,401	1,932,401
Other	—	32,661	137,210	169,871
	<u>7,643,273</u>	<u>22,379,922</u>	<u>9,420,837</u>	<u>39,444,032</u>
Total operating revenues				
Operating expenses:				
Interest on bonds	5,762,541	15,666,961	5,734,620	27,164,122
Grant administration	—	1,199,441	883,730	2,083,171
Project expenses	176,120	—	—	176,120
General and administrative	432,070	—	—	432,070
EPA set asides	—	—	1,672,309	1,672,309
Other	61	79,985	12,978	93,024
	<u>6,370,792</u>	<u>16,946,387</u>	<u>8,303,637</u>	<u>31,620,816</u>
Total operating expenses				
Operating income	1,272,481	5,433,535	1,117,200	7,823,216
EPA capitalization grants	—	10,299,198	11,894,377	22,193,575
Contributions from agency fund	35,143,250	—	2,737,802	37,881,052
	<u>36,415,731</u>	<u>15,732,733</u>	<u>15,749,379</u>	<u>67,897,843</u>
Change in net assets				
Fund net assets – beginning of year, as restated	34,314,167	138,697,216	59,921,559	232,932,942
Fund net assets – end of year	\$ <u>70,729,898</u>	<u>154,429,949</u>	<u>75,670,938</u>	<u>300,830,785</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statement of Cash Flows

Enterprise Funds

Year ended December 31, 2001

	<b>Water Operations</b>	<b>Water Pollution Control</b>	<b>Drinking Water</b>	<b>Totals</b>
Cash flows from operating activities:				
Interest received on loans	\$ 5,726,284	7,038,489	2,639,197	15,403,970
Interest received on investments	3,571,681	12,412,052	4,604,159	20,587,892
Loan administrative fees received	—	3,542,076	1,080,135	4,622,211
Federal funds received	—	421,955	1,810,766	2,232,721
Interest paid on bonds	(5,309,538)	(15,930,522)	(5,801,995)	(27,042,055)
Cash payments for salaries and related benefits	(341,659)	(267,485)	(179,701)	(788,845)
Cash payments to other state agencies for services	—	(901,058)	(712,288)	(1,613,346)
Cash payments to vendors	(292,666)	(249,852)	(1,585,936)	(2,128,454)
Net cash provided by operating activities	<u>3,354,102</u>	<u>6,065,655</u>	<u>1,854,337</u>	<u>11,274,094</u>
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	15,067,779	71,986,575	—	87,054,354
Federal funds received	—	9,965,421	11,894,377	21,859,798
Contributions from Animas-La Plata agency fund	35,143,250	—	2,737,802	37,881,052
Cash received – set aside state match reimbursement	—	—	109,907	109,907
Principal repayments from localities on loans	4,219,584	15,261,798	5,647,352	25,128,734
Principal paid on bonds	(4,460,000)	(15,530,000)	(4,735,000)	(24,725,000)
Loan defeasance paid	—	(2,773,371)	—	(2,773,371)
Cash disbursed to localities for loans	(15,919,670)	(32,819,174)	(36,111,238)	(84,850,082)
Cash payments of interest to borrowers	(1,305,364)	—	—	(1,305,364)
Cash payment for arbitrage rebate and bond issuance costs	(67,779)	(489,049)	—	(556,828)
Cash received from (paid to) other accounts	288,827	(288,827)	—	—
Net cash provided (used) by noncapital financing activities	<u>32,966,627</u>	<u>45,313,373</u>	<u>(20,456,800)</u>	<u>57,823,200</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	—	(10,808)	(10,808)	(21,616)
Cash flows from investing activities:				
Purchase of investments	(39,193,555)	(101,982,617)	(10,573,250)	(151,749,422)
Proceeds from sales or maturities of investments	16,630,663	77,795,016	36,332,962	130,758,641
Net cash provided (used) by investing activities	<u>(22,562,892)</u>	<u>(24,187,601)</u>	<u>25,759,712</u>	<u>(20,990,781)</u>
Net increase in cash and cash equivalents	13,757,837	27,180,619	7,146,441	48,084,897
Cash and cash equivalents, beginning of year	19,782,133	21,850,867	17,444,418	59,077,418
Cash and cash equivalents, end of year	<u>\$ 33,539,970</u>	<u>49,031,486</u>	<u>24,590,859</u>	<u>107,162,315</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,272,481	5,433,535	1,117,200	7,823,216
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	21,724	—	—	21,724
Accrued sick leave expense	6,000	—	—	6,000
Loss on asset disposal	2,661	—	—	2,661
Amortization expense	(4,117)	90,447	—	86,330
Adjustment to fair value of investments	—	90,529	—	90,529
Change in assets and liabilities:				
Accounts receivable – borrowers	(214,135)	1,991,114	1,528,427	3,305,406
Due from other funds	108,916	2,715,121	—	2,824,037
Investment income receivable	(233,287)	(1,740,281)	(379,034)	(2,352,602)
Other receivables	83,212	—	(121,635)	(38,423)
Accrued interest payable	81,336	(288,549)	(67,375)	(274,588)
Accounts payable – borrowers	2,508,871	(2,389,274)	(287,035)	(167,438)
Accounts payable – other	(78,292)	162,012	(27,304)	56,416
Deferred revenue	(201,268)	315,741	—	114,473
Due to other funds	—	(314,740)	91,093	(223,647)
Net cash provided by operating activities	<u>\$ 3,354,102</u>	<u>6,065,655</u>	<u>1,854,337</u>	<u>11,274,094</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statement of Fiduciary Assets and Liabilities

Animas-La Plata Agency Fund

December 31, 2001

**Assets**

Cash held by State Treasurer	\$ 7,278,497
Investment income receivable	<u>33,014</u>
Total assets	<u><u>\$ 7,311,511</u></u>

**Liabilities**

Liabilities – payable to Animas-La Plata project	<u><u>\$ 7,311,511</u></u>
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See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2001

**(1) Organization**

The Colorado Water Resources and Power Development Authority (the Authority) is a political subdivision of the State of Colorado (the State) established pursuant to the Colorado Water Resources and Power Development Act, Title 37, article 95 of the Colorado Revised Statutes, as amended. The Authority is governed by a nine member board of directors who are appointed by the Governor of the State of Colorado with consent of the Colorado State Senate.

***Reporting Entity***

The Authority follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's governing body as the basic criterion for including a possible governmental component unit in a primary government's financial reporting entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Authority is not financially accountable for any other organization. Under current GASB pronouncements, the Authority has been determined to be a component unit of the State of Colorado (the primary government). As such, the Authority's financial statements are included in the Comprehensive Annual Financial Report issued by the State of Colorado.

***Water Operations Enterprise Fund***

The Authority was created to initiate, acquire, construct, maintain, repair and operate or cause to be operated projects for the protection, preservation, conservation, upgrading, development and utilization of the water resources of the State. The Authority is authorized to issue bonds, notes or other obligations which constitute its debt and not debt of the State of Colorado.

The primary activity of the Water Operations Enterprise Fund is to administer the Small Water Resources Projects Program (SWRP) for which the Authority is authorized to finance individual water resources projects of \$25 million or less. All costs of project development may be financed through the SWRP.

Pursuant to the SWRP, proceeds of the bonds issued by the Authority are to be used to fund loans to local governments. Each local government evidences its obligations under its loan agreement by the issuance to the Authority of a governmental agency bond which is to be secured by a pledge of a specific revenue source or by a general obligation pledge. The repayments pursuant to the loan agreements by the local governments participating in the SWRP are structured, in the aggregate, to provide amounts sufficient to pay the principal and interest on the bonds issued by the Authority. The SWRP Debt Service Reserve for the bonds issued by the Authority is funded by the Authority from available monies of the Authority. The principal and interest on the bonds issued by the Authority have been insured as to repayment to the bondholders.

In addition to the Small Water Resources Projects Program, in 1998 the Authority established the Water Revenue Bonds Program (WRBP) as part of the Water Operations Fund. The WRBP was created in order

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2001

to fund those projects which are not able to be approved under the Small Water Resources Projects Program and which are not eligible for funding under the Drinking Water Revolving Fund or the Water Pollution Control Revolving Fund.

***Water Pollution Control Enterprise Fund***

The Water Pollution Control Enterprise Fund includes the operations of the Water Pollution Control Revolving Fund (WPCRF), also known as the State Revolving Fund, and Nonrevolving Fund. The Nonrevolving Fund accounts for administrative grant proceeds and loan administrative fees.

The WPCRF was created by State statute (CRS 37-98-107.6) in response to the mandate from the Federal Clean Water Act of 1987 (Act). The Authority was authorized statutorily to implement the revolving loan portion of the Act. The WPCRF was established for the purpose of financing loans to local governments for the construction of publicly owned wastewater treatment projects that meet specified eligibility requirements and that are placed on a project eligibility list established in accordance with State statute.

Pursuant to statutes, with the written consent of the Colorado Department of Public Health and Environment, the Authority is authorized, on behalf of the State, to execute all operating agreements and capitalization grant agreements with the United States Environmental Protection Agency (EPA). The Authority, the Water Quality Control Division of the Colorado Department of Public Health and Environment, and the Division of Local Government of the Colorado Department of Local Affairs have entered into a Memorandum of Understanding under which each has agreed to assume specified responsibilities in connection with the operation of the WPCRF. The statutes also authorize the Authority to issue bonds for such purposes and to designate assets in the WPCRF that may be pledged and assigned as security for payment of such bonds.

The WPCRF is capitalized through capitalization grants awarded by the EPA. Matching funds are provided by the Authority or its borrowers. In order to receive capitalization grants, matching funds must be provided in a ratio of \$1 of state match for every \$5 of capitalization grants. Administrative expense reimbursements funded by EPA capitalization grants are limited to a percentage (5/6th of 4%) of the capitalization grants.

The Authority issues bonds to provide loans to local governmental entities, either individually or in pools. Loans to borrowers may be provided from federal grants and/or from bond proceeds. The matching requirement is provided by the Authority in the form of cash.

When a loan to a local governmental entity is provided from the proceeds of bonds, the Authority allocates a specified amount from its federal capitalization grant for deposit to the project account(s). An amount of bond proceeds equal to the allocated capitalization grant is transferred to a reserve fund as project draws are made. Earnings on such reserve are used to reduce the amounts payable by the borrower.

Each local government evidences its obligation to the Authority under its loan agreement by the issuance to the Authority of a governmental agency bond which is secured by a pledge of a specific revenue source or by a general obligation pledge. The repayments pursuant to the loan agreements by the local governments participating in the WPCRF are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (including an administrative surcharge) on direct loans and

**COLORADO WATER RESOURCES  
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Notes to Basic Financial Statements

December 31, 2001

to repay principal, premium (if any) and interest on the bonds issued by the Authority for the leveraged loans, as well as cash advances or bonds issued to provide the matching requirements, and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years) with principal and interest payments commencing not later than one year after completion of the borrowers' projects.

***Drinking Water Enterprise Fund***

**Drinking Water Revolving Fund**

The Drinking Water Enterprise Fund (DWF) includes the operations of the Drinking Water Revolving Fund (DWRF), also known as the State Revolving Fund, and the Nonrevolving Fund. The Nonrevolving Fund accounts for Safe Drinking Water set asides, including administrative grant proceeds, state direct loan program and loan administrative fees.

The DWRF was created by State statute (CRS 37-95-107.8) in 1995, in anticipation of the reauthorization of the Federal Safe Drinking Water Act (SDWA). The SDWA was reauthorized in 1996 with a state revolving loan program. The DWRF was established to provide assistance to governmental agencies for projects that appear on the *Drinking Water Project Eligibility List* (the List). The List, established in accordance with State statute, consists of new or existing water management facilities that extend, protect, improve, or replace domestic drinking water supplies in the State of Colorado and for any other means specified in the SDWA.

Pursuant to statutes, with the written consent of the Colorado Department of Public Health and Environment, the Authority is authorized, on behalf of the State, to execute all operating agreements and capitalization grant agreements with the EPA. The Authority, the Water Quality Control Division of the Colorado Department of Public Health and Environment and the Division of Local Government of the Colorado Department of Local Affairs have entered into a Memorandum of Understanding under which each has agreed to assume specified responsibilities in connection with the operation of the DWRF. The statutes also authorize the Authority to issue bonds for such purposes and to designate assets in the DWRF that may be pledged and assigned as security for payment of such bonds.

The DWRF is capitalized through capitalization grants awarded by the EPA. Matching funds are provided by the Authority. In order to receive capitalization grants, matching funds must be provided in a ratio of \$1 of state match for every \$5 of total capitalization grants. Administrative expense reimbursements funded by EPA capitalization grants are limited to a percentage (4%) of the capitalization grants.

The Authority issues bonds to provide loans to local governmental entities, either individually or in pools. Loans/grants to borrowers may be provided from federal grants and/or from bond proceeds. The matching requirement for DWF is provided by State monies deposited in the DWRF.

When a loan to a local governmental entity is provided from the proceeds of bonds, the Authority allocates a specific amount from its federal capitalization grant for deposit to the project account(s). An amount of bond proceeds equal to the allocated capitalization grant is transferred to a reserve fund as project draws are made. Earnings on such reserve are used to reduce the amounts payable by the borrower.

**COLORADO WATER RESOURCES  
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Notes to Basic Financial Statements

December 31, 2001

Each local government evidences its obligation to the Authority under its loan agreement by the issuance to the Authority of a governmental agency bond which is secured by a pledge of a specific revenue source or by a general obligation pledge. The repayments pursuant to the loan agreements by the local governments participating in the DWRF are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (including an administrative surcharge) on direct loans and to repay principal, premium (if any) and interest on the bonds issued by the Authority for the leveraged loans, as well as cash provided to meet the matching requirements, and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years) with principal and interest payments commencing not later than one year after completion of the borrowers' projects.

**Set Asides**

The SDWA allows the State to "set aside" up to 31% of the annual capitalization grant for prevention programs and administration. With these set asides, the Authority, through the Water Quality Control Division of the Colorado Department of Public Health and Environment, provides assistance in the form of grants, with no repayment obligations, to eligible entities. Up to 10% of the Authority's capitalization grants may be used for source water protection (1997 grant only), capacity development and wellhead protection. Up to 15% (no more than 10% for any one purpose) may be used for these prevention projects in water systems, including source water protection loans, technical and financial aid for capacity, source water assessments and wellhead protection. Four percent of the Authority's capitalization grants may be used for administration and up to 10% of the grants may be used to run the State's public water system supervision program. Up to 2% of the Authority's grants each year may be used for an operator training and technical assistance set aside to aid small community systems.

The Authority deposits the matching requirement (20%) for set aside grants in the State Revolving Fund at closing for the Drinking Water Revenue Bond issues. For certain set aside programs, the Authority requires state match reimbursement from recipients.

**State Loans**

Prior to receiving the award of the federal capitalization grant, the DWRF loaned State-funded monies directly to local governments.

***Animas-La Plata Agency Fund***

Colorado, New Mexico, the Ute Mountain Ute, and Southern Ute Indian Tribes entered into a cost-sharing agreement in 1986 with United States Secretary of the Interior to construct a dam and reservoir and associated facilities in the Southwest part of Colorado. The Authority was also a part of that agreement and had pledged \$42.4 million as a portion of the State's cost-sharing obligation. In December of 2000, Congress approved legislation authorizing a re-configured and much smaller Animas-La Plata project and eliminated irrigated agriculture as a project purpose. As a result, cost-sharing was no longer required.

On November 9, 2001, the Authority entered into a number of amended and restated agreements dealing with the original project to release the \$42.4 million from the agency fund. In addition, on November 5, 2001, the Authority entered into an agreement with the Animas-La Plata Water Conservancy District (the



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Notes to Basic Financial Statements

December 31, 2001

District) to have the Authority fund the payment of the non-tribal water capital obligation of the re-configured project attributable to the District's depletion allocation. As a result of this agreement, the Authority entered into a Funding Agreement and Repayment Contract with the United States Bureau of Reclamation, and thus, \$7,256,700 of the balance in the agency fund will cover this upfront capital obligation. The remainder of the agency fund was contributed to the enterprise funds of the Authority in 2001.

At December 31, 2001, the Authority had net assets of \$7,311,511 in the Animas-La Plata Agency Fund.

**(2) Summary of Significant Accounting Policies**

The significant accounting policies of the Authority are described as follows:

**(a) Accounting Changes**

Effective January 1, 2001, the Authority implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*; Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*. See note 11 for further discussion of these accounting changes.

**(b) Fund Accounting**

The Authority is engaged only in business-type and fiduciary activities. To account for these activities, the accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. Fund types used by the Authority are described below.

**Proprietary Fund Type**

Enterprise Funds – The accounting policies of the Enterprise Funds (Water Operations Fund, Water Pollution Control Fund and Drinking Water Fund) conform to accounting principles generally accepted in the United States of America as applicable to governmental units accounted for as enterprise funds. Enterprise funds are used since the Authority's powers are related to those operated in a manner similar to a financing institution where net income and capital maintenance are appropriate determinations of accountability. Each Enterprise Fund is considered a major fund in accordance with GASB Statement No. 34.

**Fiduciary Fund Type**

Agency Fund – The Animas-La Plata Agency Fund is an agency fund that is used to account for assets held by the Authority in a fiduciary capacity.

**(c) Basis of Accounting**

The Authority utilizes the accrual basis of accounting in preparing its financial statements where revenues are recognized when earned and expenses when incurred. The Authority has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other*

**COLORADO WATER RESOURCES  
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Notes to Basic Financial Statements

December 31, 2001

*Governmental Entities that Use Proprietary Fund Accounting.* The Authority elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989, as allowed by GASB Statement No. 20.

**(d) Cash Equivalents**

The Authority considers cash deposits, money market mutual funds, investment pools, U.S. Government obligations, repurchase agreements and other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**(e) Loans Receivable**

Loans receivable represent outstanding principal amounts lent to borrowers for the construction of water projects. An allowance for uncollectible loans receivable has not been established since historical collection experience has shown amounts to be fully collected when due.

**(f) Restricted Assets**

Restricted assets represent cash and cash equivalents, investments, and investment income receivable in the Enterprise Funds that are held for borrowers until requisitioned. These restricted assets are offset by a liability for project costs payable – leveraged loans.

**(g) Capital Assets – Equipment**

Equipment is recorded at cost. Depreciation expense is computed using the straight-line method over the estimated economic useful life of five years.

**(h) Amortization**

The deferred costs on bond refundings are amortized using the interest method over the life of the outstanding bonds. The amortization amount is a component of interest on bonds, and the unamortized deferred costs are reflected as a reduction of bonds payable.

**(i) Compensated Absences**

The Authority has a policy which allows employees to accumulate unused vacation and sick leave benefits up to a certain maximum number of days. Compensated absences are recognized as current salary costs are incurred.

**(j) Project Costs Payable**

Project costs payable represents the principal amounts loaned to borrowers that have not been requisitioned by the borrowers for their projects as of year end.

**(k) Advance Payable**

The Water Operations Fund makes advances to the WPCRF for the purpose of financing the WPCRF's capitalization grant matching requirements. The advance is non-interest bearing. The advance is repaid from surplus WPCRF loan administrative fees.

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**(l) Restricted Net Assets**

Net assets of the Authority are classified as restricted when external constraints imposed by debt agreements, grantors, or laws are placed on net asset use.

**(m) Operating Revenues and Expenses**

Substantially all revenues and expenses, including interest received on investments and loans and interest paid on bonds, are considered operating items since the Authority issues bonds to finance loans for specific projects. In accordance with GASB Statement No. 34, federal capital contributions and contributions from the agency fund are shown below operating income on the statement of revenues, expenses, and changes in fund net assets.

**(n) Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management of the Authority to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ significantly from those estimates.

**(3) Deposits and Investments**

**(a) Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of Colorado government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another financial institution or held in trust. The fair value of the collateral must be at least equal to the aggregate uninsured deposits.

The State regulatory commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2001, the Authority's deposits had a bank balance of \$332,285 and a carrying amount of \$(41,207). The difference between the bank balance and carrying amount is due to outstanding reconciling items (primarily outstanding checks) at year end. The Authority's bank balance was entirely insured by federal depository insurance at December 31, 2001.

**(b) Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which Colorado governmental units may invest, which include:

- Obligations of the United States and certain U.S. government agency securities

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- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools

The Authority's investments are recorded at fair value and are categorized below to give an indication of the level of credit risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the entity or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Authority's name.

Category 3 investments include investments held by trustees pursuant to bond indentures. These investments were acquired by the trustees at the direction of the Authority. Investments are held in the trustee's bank account at the Federal Reserve in book entry form. Consequently, the trustees are considered to be the purchaser as well as the custodian of the investments.

Investments in local government investment pools or in money market mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form:

	<b>Category</b>			<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Repurchase agreements – collateralized with U.S. Treasury obligations	\$ —	—	230,898,588	230,898,588
U.S. Treasury Bonds	—	—	9,798,693	9,798,693
U.S. Treasury Notes	48,682,046	—	—	48,682,046
	\$ 48,682,046	—	240,697,281	289,379,327
Investment Pools or Money Market Mutual Funds:				
Cash held by State Treasurer			\$ 43,935,819	43,935,819
Local government investment pool – COLOTRUST PLUS+			57,470,267	57,470,267
Money market mutual funds			13,075,933	13,075,933
Total investments not categorized				114,482,019
Total investments				403,861,346
Total deposits (overdraft)				(41,207)
Total cash, cash equivalents, and investments			\$ 403,820,139	403,820,139

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Cash held by State Treasurer has been invested in the State Treasurer's cash pool. A detailed composition of the cash and investments in this pool is available in the annual State Treasurer's Report.

Colorado Local Government Liquid Asset Trust (the COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2001, the Authority had \$57,470,267 invested in COLOTRUST PLUS+.

As of December 31, 2001, the Authority had invested \$13,075,933 in the Milestone Treasury Obligation Portfolio. This Fund is a money market mutual fund which may invest only in U.S. Treasury obligations and repurchase agreements fully collateralized by U.S. Treasury obligations.

**(4) Loans Receivable**

The following is an analysis of changes in loans receivable for the year ended December 31, 2001:

	<u>Balance January 1, 2001</u>	<u>New loans</u>	<u>Repayments/ loans canceled</u>	<u>Balance December 31, 2001</u>
Water Operations Fund:				
Small Water				
Resources Program	\$ 86,620,000	15,510,000	4,074,583	98,055,417
Water Revenue Bond				
Program	2,830,000	—	145,000	2,685,000
Water Pollution Control				
Fund:				
Direct loans	12,674,825	1,800,000	1,029,105	13,445,720
Leveraged loans	278,109,006	71,421,798	17,084,058	332,446,746
Drinking Water Fund:				
Direct loans	7,995,413	1,000,000	464,405	8,531,008
Leveraged loans	126,538,705	—	5,182,946	121,355,759
	<u>514,767,949</u>	<u>\$ 89,731,798</u>	<u>27,980,097</u>	<u>576,519,650</u>
Less current portion	<u>24,395,771</u>			<u>28,020,341</u>
Noncurrent portion	<u>\$ 490,372,178</u>			<u>548,499,309</u>

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Scheduled maturities of the loans receivable are as follows:

	<u>Water Operations</u>		<u>WPCRF</u>		<u>DWF</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2002	\$ 4,375,417	5,065,281	17,872,704	7,994,429	5,772,220	3,368,298	44,448,349
2003	4,764,167	5,109,211	18,510,282	9,027,696	6,169,970	3,606,075	47,187,401
2004	5,017,500	4,852,890	19,132,426	8,987,443	6,319,387	3,448,142	47,757,788
2005	5,343,333	4,575,087	19,821,956	8,654,673	6,452,300	3,278,960	48,126,309
2006	5,705,000	4,274,238	20,795,178	8,095,252	6,533,966	3,115,446	48,519,080
2007-2011	31,199,167	16,284,122	113,585,949	31,149,208	35,324,867	13,052,544	240,595,857
2012-2016	24,273,333	8,895,852	90,585,299	15,846,492	38,585,864	7,507,404	185,694,244
2017-2021	17,228,333	2,986,221	45,559,951	3,741,769	20,820,439	2,190,437	92,527,150
2022-2023	2,834,167	202,353	28,721	282	3,907,754	153,472	7,126,749
Total	<u>\$ 100,740,417</u>	<u>52,245,255</u>	<u>345,892,466</u>	<u>93,497,244</u>	<u>129,886,767</u>	<u>39,720,778</u>	<u>761,982,927</u>

The schedule above does not include administrative fees due from the borrowers, which are recorded as revenue when due.

The Water Operations Fund – Small Water Resources Program loans receivable, which had original amounts of \$121,135,000, have interest rates of 4.19% to 7.19% and have scheduled final maturity dates of 2001 to 2020. The Water Revenue Bond Program loan receivable, which had an original amount of \$3,140,000, has an interest rate of 7.23% and has a final maturity date of 2013.

The WPCRF direct loans receivable, which had original amounts of \$17,081,339, have interest rates of 1.43% to 5.17% and have maturity dates of 2010 to 2022. The WPCRF leveraged loans receivable which had original amounts of \$395,386,731, have interest rates of 3.77% to 5.20% and have scheduled final maturity dates of 2007 to 2021.

The Drinking Water Fund direct loans receivable, which had original amounts of \$10,006,892, have interest rates of 4.0% to 4.5% and have scheduled final maturity dates of 2001 to 2022. The Drinking Water Fund leveraged loans receivable, which had original amounts of \$142,975,597, have interest rates of 3.63% to 4.6% and have scheduled final maturity dates of 2014 to 2022.

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**(5) Bonds Payable**

The following is an analysis of changes in bonds payable for the year ended December 31, 2001:

	<u>Balance January 1, 2001</u>	<u>New issues</u>	<u>Retirements/ refundings</u>	<u>Balance December 31, 2001</u>
Water Operations – Small Water Resources Program:				
1990 Series A	\$ 1,140,000	—	550,000	590,000
1991 Series A	185,000	—	185,000	—
1992 Series A	1,160,000	—	565,000	595,000
1992 Series B	2,685,000	—	745,000	1,940,000
1993 Series A	6,040,000	—	95,000	5,945,000
1994 Series A	4,540,000	—	260,000	4,280,000
1994 Series B	1,165,000	—	275,000	890,000
1996 Series A/B	6,050,000	—	345,000	5,705,000
1997 Series A	8,755,000	—	350,000	8,405,000
1997 Series B	11,965,000	—	155,000	11,810,000
1998 Series A	8,025,000	—	420,000	7,605,000
1998 Series B	13,655,000	—	120,000	13,535,000
2000 Series A	24,110,000	—	250,000	23,860,000
2001 Series A	—	15,510,000	—	15,510,000
	<u>89,475,000</u>	<u>15,510,000</u>	<u>4,315,000</u>	<u>100,670,000</u>
Water Revenue Bonds Program:				
1998 Taxable Rio Blanco	2,830,000	—	145,000	2,685,000
Total Water Operations	<u>92,305,000</u>	<u>15,510,000</u>	<u>4,460,000</u>	<u>103,355,000</u>
Water Pollution Control Revolving Fund – State Match Revenue Bonds:				
1991 Series A	1,275,000	—	1,275,000	—
1991 Series B	975,000	—	975,000	—
	<u>2,250,000</u>	<u>—</u>	<u>2,250,000</u>	<u>—</u>
Water Pollution Control Revolving Fund – Clean Water Revenue Bonds:				
1989 Series A	860,000	—	115,000	745,000
1990 Series A	415,000	—	65,000	350,000
1991 Series A	3,985,000	—	1,040,000	2,945,000
1991 Series B	3,235,000	—	935,000	2,300,000

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	<u>Balance January 1, 2001</u>	<u>New issues</u>	<u>Retirements/ refundings</u>	<u>Balance December 31, 2001</u>
Water Pollution Control Revolving Fund – Clean Water Revenue Bonds:				
1992 Series A	\$ 11,030,000	—	9,410,000	1,620,000
1992 Series B	19,225,000	—	15,520,000	3,705,000
1994 Series A	18,785,000	—	14,900,000	3,885,000
1995 Series A	20,400,000	—	15,550,000	4,850,000
1996 Series A	5,855,000	—	295,000	5,560,000
1997 Series A	28,085,000	—	1,405,000	26,680,000
1998 Series A	28,965,000	—	1,415,000	27,550,000
1998 Series B	19,865,000	—	500,000	19,365,000
1999 Series A	37,530,000	—	4,530,000	33,000,000
2000 Series A	33,575,000	—	1,305,000	32,270,000
2001 Series A	—	69,710,000	—	69,710,000
	<u>231,810,000</u>	<u>69,710,000</u>	<u>66,985,000</u>	<u>234,535,000</u>
Water Pollution Control Revolving Fund – Wastewater Revolving Fund Refunding Revenue Bonds:				
1996 Series A	28,175,000	—	505,000	27,670,000
2001 Series A	—	51,620,000	—	51,620,000
	<u>28,175,000</u>	<u>51,620,000</u>	<u>505,000</u>	<u>79,290,000</u>
Total Water Pollution Control Revolving Fund	<u>262,235,000</u>	<u>121,330,000</u>	<u>69,740,000</u>	<u>313,825,000</u>
Drinking Water Revolving Fund – Revenue Bonds:				
1997 Series A	22,095,000	—	1,010,000	21,085,000
1998 Series A	14,545,000	—	620,000	13,925,000
1999 Series A	44,810,000	—	2,085,000	42,725,000
2000 Series A	36,110,000	—	1,020,000	35,090,000
Total Drinking Water Revolving Fund	<u>117,560,000</u>	<u>—</u>	<u>4,735,000</u>	<u>112,825,000</u>
Total bonds payable	472,100,000	\$ <u>136,840,000</u>	<u>78,935,000</u>	530,005,000
Less deferred costs	(2,876,364)			(2,520,005)
Less current portion	<u>(21,915,061)</u>			<u>(26,275,000)</u>
Noncurrent bonds payable	\$ <u>447,308,575</u>			<u>501,209,995</u>



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All of the Authority Small Water Resources Program bonds and the Series 1989A and Series 1990A Clean Water Revenue Bonds are insured as to payment of principal and interest by the Financial Guaranty Insurance Company. The Clean Water Revenue Bonds, Series 1992A are insured as to payment of principal and interest by Financial Security Assurance, Inc. The Wastewater Revolving Fund Refunding Revenue Bonds, Series 1996A are insured as to payment of principal and interest by AMBAC Indemnity Corporation.

The outstanding bonds had original principal amounts of \$158,300,000 for the Small Water Resources Program, \$3,140,000 for Water Revenue Bonds Program, \$381,275,000 of Clean Water Revenue Bonds, \$80,570,000 of Wastewater Revolving Fund Refunding Revenue Bonds and \$122,265,000 for Drinking Water Revolving Fund Bonds, for a total of \$742,410,000. The bonds are payable semiannually with interest rates ranging from 2.7% to 7.4% and serial and term principal maturities, including mandatory call provisions, through the year 2023. All bonds, except the Small Water Resources Series 1996B and the Wastewater Revolving Fund Refunding Revenue Bonds Series 1996A and 2001A, have optional initial call provisions through 2012, generally eight years from the issue date with maximum call premiums of 2% and decreasing to no premium.

The Authority's debt service requirements to maturity, excluding unamortized original issue discount and premium and deferred costs on refundings, are as follows:

	Water Operations		WPCRF		DWF		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2002	\$ 4,930,000	5,225,645	16,505,000	15,897,999	4,840,000	5,599,870	52,998,514
2003	5,085,000	4,965,830	17,065,000	15,491,316	5,160,000	5,381,425	53,148,571
2004	5,300,000	4,732,441	17,505,000	14,714,178	5,295,000	5,146,723	52,693,342
2005	5,580,000	4,484,092	18,000,000	13,872,795	5,360,000	4,898,803	52,195,690
2006	5,875,000	4,223,198	18,730,000	13,017,326	5,595,000	4,648,678	52,089,202
2007-2011	31,520,000	16,603,628	100,785,000	50,176,499	30,140,000	19,332,825	248,557,952
2012-2016	24,325,000	9,194,399	82,595,000	24,105,761	32,635,000	11,357,086	184,212,246
2017-2021	17,655,000	3,140,394	42,640,000	5,762,823	20,185,000	3,411,190	92,794,407
2022-2023	3,085,000	227,419	—	—	3,615,000	207,863	7,135,282
Total	\$ 103,355,000	52,797,046	313,825,000	153,038,697	112,825,000	59,984,463	795,825,206

Total interest expense for 2001 amounted to \$5,762,541, \$15,666,961, and \$5,734,620 for the Water Operations, Water Pollution Control, and Drinking Water Funds, respectively.

The bond resolutions authorizing the various bond issues contain general provisions and provisions related to accounting and financial operations of the Authority. Management of the Authority believes they are in substantial compliance with these provisions.

The Authority has provided a Debt Service Bond Reserve Fund at least equal to the debt service reserve requirement under the Small Water Resources Bond Resolution. At December 31, 2001, the Small Water Resources Debt Service Reserve Fund amounted to \$8,500,000 and was fully funded. This amount is reflected in restricted net assets of the Water Operations Enterprise Fund. The Authority can issue up to \$150,000,000 of Small Water Resources Revenue Bonds at the current funding level for the Small Water Debt Service Reserve Fund. At December 31, 2001, the Authority had \$100,670,000 of outstanding Small Water Resources Revenue Bonds.

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***Refunded Debt***

Various bonds previously issued by the Authority have been defeased, and thus, are not reflected in bonds payable in the accompanying statement of net assets. The detail of the Authority's total defeased bonds outstanding at December 31, 2001 and year of final maturity of the defeased bonds are as follows:

	<b>Amount defeased</b>	<b>Year of maturity</b>
1992A Small Water Resources Revenue Bonds	\$ 2,575,000	2002
1992B Small Water Resources Revenue Bonds	7,845,000	2002
1994B Small Water Resources Revenue Bonds	4,885,000	2004
1992A Clean Water Revenue Bonds	8,725,000	2002
1992B Clean Water Revenue Bonds	14,355,000	2002
1994A Clean Water Revenue Bonds	13,945,000	2002
1995A Clean Water Revenue Bonds	14,485,000	2003
	\$ 66,815,000	

During the current year, the Authority issued \$51,620,000 of revenue bonds in the Water Pollution Control Fund to advance refund portions of the Fund's 1992A, 1992B, 1994A, and 1995A Clean Water Revenue Bonds, amounting to \$51,510,000. The difference between the new debt and the carrying amount of the old debt of \$110,000 is being netted against the new debt and amortized over the remaining life of the refunded debt. The economic gain as a result of the refunding was approximately \$4,000,000.

**(6) EPA Capitalization Grants**

The WPCRF and DWRF are capitalized through capitalization grants awarded by the EPA. Matching funds are provided by the Authority or its borrowers in a ratio of \$1 of state match for every \$5 of capitalization grants.

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The following table details the EPA capitalization grants and matching requirements recognized by project during 2001:

	<b>Federal grants recognized in 2001</b>	<b>Matching requirement for 2001</b>
<b>Water Pollution Control Revolving Fund Projects:</b>		
Administration	\$ 421,955	84,391
1995A – City of Steamboat Springs	20,734	4,147
1996A – City of Idaho Springs	125,251	25,050
1998A – Buena Vista Sanitation District	8,474	1,695
1998A – City of Trinidad	137,903	27,581
1999A – Fremont Sanitation District	853,768	170,754
1999A – City of Aurora	727,983	145,597
1999A – City of Steamboat Springs	726,309	145,262
2000A – Summit County	3,847,469	769,494
2000A – Parker Water and Sanitation District	392,806	78,561
2000A – Three Lakes Water and Sanitation District	802,860	160,572
2001A – City of Steamboat Springs	2,144,678	428,936
2001A – City of Lafayette	89,008	17,802
	10,299,198	2,059,842
<b>Drinking Water Revolving Fund Projects:</b>		
1998A – Town of Buena Vista	24,525	4,905
1999A – City of Glenwood Springs	574,738	114,948
1999A – Grand County Water and Sanitation District No. 1	506,948	101,390
1999A – City of Greeley	2,017,501	403,500
1999A – Left Hand Water District	819,146	163,829
1999A – City of Aurora	2,014,781	402,956
2000DL – Sedalia Water and Sanitation District	174,038	34,808
2000A – Evergreen Metro District	106,490	21,298
2000A – Fountain Valley Authority	105,431	21,086
2000A – Board of Waterworks Pueblo	2,168,422	433,684
2000A – Town of Limon	309,358	61,872
2000A – City of Westminster	2,498,081	499,616
2000DL – Town of Wellington	181,097	36,219
2000DL – City of Craig	353,089	70,618
2000DL – Town of Springfield	40,732	8,146
	11,894,377	2,378,875
Total	\$ 22,193,575	4,438,717

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**(7) Public Employees' Retirement Association of Colorado**

The Authority participates in the State Division Trust Fund (the Trust), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The Trust provides retirement and disability and death benefits for its members or their beneficiaries. All employees and board members are members of the Trust. State statutes have assigned the Colorado Legislature the authority to establish benefit provisions of the Trust. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Trust. A copy of PERA's annual report may be obtained by calling PERA's Infoline at 1-800-759-7372.

The financial statements of the Trust are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Trust investments are presented at fair value except for short-term investments which are recorded at cost, which approximates market.

Plan members and the Authority are required to contribute at rates set by State statutes. The current contribution rate for members is 8% and for the Authority was 10.4% through June 30, 2001, and 9.9% from July 1, 2001 to December 31, 2001 of covered salary. The Authority's contributions to the Trust for the years ended December 31, 2001, 2000, and 1999 were \$61,342, \$62,522, and \$60,303, respectively, which was equal to the Authority's required contributions for each year.

Additionally, Trust members of the Authority may voluntarily contribute to an Internal Revenue Code section 401(k) defined contribution plan administered by PERA. 401(k) participation is voluntary and contributions are separate from others made to PERA. Effective January 1, 2001, the Authority elected to implement the Matchmaker program offered by PERA. This program allows employers to reduce contributions to the defined benefit plan by the matching funds contributed to employee 401(k) amounts. The Matchmaker program allows matching contributions up to 3% of eligible salary. Matchmaker contributions totaled \$14,665 during 2001. State statutes have assigned the State Legislature the authority to establish 401(k) plan provisions.

The 401(k) plan is funded by voluntary member contributions. Nine employees of the Authority participated in the 401(k) plan and made contributions amounting to \$33,588 during the year ended December 31, 2001.

**(8) Lease Commitment**

The Authority leases office facilities under an operating lease, which expires in 2002. Total rental expense for the year ended December 31, 2001 was \$99,167. The future minimum annual rental commitment under this lease is \$113,024 for 2002.

**(9) Tax, Spending, and Debt Limitations**

In November 1992, the voters of Colorado approved Amendment 1, referred to as the Taxpayer's Bill of Rights (TABOR), which added a new section 20 to article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

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Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Authority's management believes that its operations qualify for this exclusion.

The Authority's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the qualification as an Enterprise, may require judicial interpretation.

**(10) Risk Management and Contingencies**

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The Authority maintains commercial insurance for most risks of loss. No claims have been made against commercial insurance coverage in any of the past three fiscal years.

The Authority receives federal grant funds from the EPA. These amounts are subject to audit and adjustment by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amount, if any, of expenses which may be disallowed by the federal government cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial to its financial operations.

**(11) Accounting Changes**

Effective January 1, 2001, the Authority implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*; Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*. The primary impact of adopting these standards was three-fold. First, amounts previously reported as agency funds related to the Water Operations, Water Pollution Control, and Drinking Water programs were consolidated into their respective enterprise funds. This change did not impact the beginning net assets of the Authority's existing enterprise funds since agency funds consist of only assets and liabilities and do not measure revenues or expenses. However, the change resulted in reporting earnings on investments that were held in the agency funds, and resulted in an increase of \$3,983,747 to the beginning net asset balance of the Water Pollution Control Fund, effective January 1, 2001.

The second primary impact of adopting the standards was that contributions from the federal government related to EPA capitalization grants were required to be reflected in the Authority's statement of revenues, expenses, and changes in fund net assets. This change resulted in amounts previously reported as contributed capital being combined into the net assets of their respective enterprise fund.

The third impact of adopting the new standards resulted in adding management's discussion and analysis as required supplementary information; changing to the direct method of recording cash flows; classifying net assets as invested in capital assets, net of related debt, restricted and unrestricted; and classifying the statement of net assets between current and noncurrent assets and liabilities.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2001

The following illustrates the results of the above accounting changes on beginning fund net assets.

	<b>Water Pollution Control Fund</b>	<b>Drinking Water Fund</b>
Contributions from federal government, January 1, 2001	\$ 112,417,254	32,115,180
Retained earnings, January 1, 2001	22,296,215	27,806,379
Total fund equity as previously reported, January 1, 2001	134,713,469	59,921,559
Change in reporting earnings on investments	3,983,747	—
Fund net assets as restated, January 1, 2001	\$ 138,697,216	59,921,559

**(12) Subsequent Events**

On March 22, 2002, legislation (HB02-1118) enhancing the Authority's operations was signed into law by the Colorado Governor. The effects of the legislation are as follows:

- The Small Water Resources Projects and Water Revenue Bond Programs are allowed to issue project loans up to \$100 million per borrower and include "sewerage facilities" under the definition of water management facilities.
- The DWRF and WPCRF programs are allowed to fund emergency projects.
- The Authority, with the approval of the Governor, can transfer funds between the DWRF and WPCRF programs.
- The State's "moral obligation" pledge as security is eliminated for any Authority bonds.

On April 16, 2002, the Authority issued Drinking Water Revolving Fund Revenue Bonds in the principal amount of \$16,320,000 dated April 1, 2002. The bond proceeds were used to make loans to four local governments. The bonds consist of serial bonds in the amount of \$14,110,000 maturing through September 1, 2020 and term bonds in the amount of \$2,210,000 due September 1, 2022. Interest on the bonds is payable semiannually with rates ranging from 3.0% to 5.125%. The bonds maturing on or after September 1, 2013 are subject to optional redemption on or after September 1, 2012 at a redemption price equal to the principal amount of the bonds to be redeemed plus accrued interest to the redemption date.

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## **SUPPLEMENTAL INFORMATION**



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Regulatory Basis

Combining Schedule of Net Assets

Water Pollution Control Fund

December 31, 2001

<b>Assets</b>	<b>State Revolving Fund</b>	<b>Non-Revolving Fund</b>	<b>Water Pollution Control Fund</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Current assets:			
Cash and cash equivalents	\$ 25,560,104	5,389,201	30,949,305
Federal funds receivable	—	79,265	79,265
Investment income receivable	3,835,539	442,011	4,277,550
Loans receivable	17,872,704	—	17,872,704
Accounts receivable – borrowers	2,423,410	1,049,789	3,473,199
Due from state revolving fund	—	172,031	172,031
Total current assets	<u>49,691,757</u>	<u>7,132,297</u>	<u>56,824,054</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	18,082,181	—	18,082,181
Investments	82,072,322	—	82,072,322
Loans receivable	328,019,762	—	328,019,762
Investments – trust accounts	105,296,454	—	105,296,454
Capital assets – equipment, net	—	10,808	10,808
Total noncurrent assets	<u>533,470,719</u>	<u>10,808</u>	<u>533,481,527</u>
Total assets	<u>\$ 583,162,476</u>	<u>7,143,105</u>	<u>590,305,581</u>
<b>Liabilities and Fund Net Assets</b>			
Current liabilities:			
Bonds payable	\$ 16,505,000	—	16,505,000
Accrued interest payable	5,026,186	—	5,026,186
Due to other funds	—	339,801	339,801
Due to non-revolving fund	172,031	—	172,031
Accounts payable – other	—	195,670	195,670
Total current liabilities	<u>21,703,217</u>	<u>535,471</u>	<u>22,238,688</u>
Noncurrent liabilities:			
Project costs payable – direct loans	10,593	—	10,593
Project costs payable – leveraged loans	100,154,503	—	100,154,503
Advance payable	—	12,229,648	12,229,648
Bonds payable	296,606,662	—	296,606,662
Deferred revenue	—	315,741	315,741
Other liabilities	—	4,319,797	4,319,797
Total noncurrent liabilities	<u>396,771,758</u>	<u>16,865,186</u>	<u>413,636,944</u>
Fund net assets:			
Invested in capital assets, net of related debt	—	10,808	10,808
Restricted	164,687,501	(10,268,360)	154,419,141
Total fund net assets	<u>164,687,501</u>	<u>(10,257,552)</u>	<u>154,429,949</u>
Total liabilities and fund net assets	<u>\$ 583,162,476</u>	<u>7,143,105</u>	<u>590,305,581</u>

See accompanying notes to regulatory basis schedules.  
See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Regulatory Basis

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets

Water Pollution Control Fund

Year ended December 31, 2001

	<b>State Revolving Fund</b>	<b>Non-Revolving Fund</b>	<b>Water Pollution Control Fund</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Operating revenues:			
Interest on loans	\$ 7,085,961	—	7,085,961
Interest on investments	11,448,956	84,792	11,533,748
Surcharge from borrowers	653,993	—	653,993
Administrative fee	—	3,073,559	3,073,559
Other	—	32,661	32,661
	<u>19,188,910</u>	<u>3,191,012</u>	<u>22,379,922</u>
Total operating revenues			
Operating expenses:			
Interest on bonds	15,666,961	—	15,666,961
Grant administration	—	1,199,441	1,199,441
Other	49,985	30,000	79,985
	<u>15,716,946</u>	<u>1,229,441</u>	<u>16,946,387</u>
Total operating expenses			
Operating income	3,471,964	1,961,571	5,433,535
EPA capitalization grants	10,299,198	—	10,299,198
Transfers in (out)	2,685,145	(2,685,145)	—
	<u>16,456,307</u>	<u>(723,574)</u>	<u>15,732,733</u>
Change in net assets			
Fund net assets – beginning of year, as restated	148,231,194	(9,533,978)	138,697,216
Fund net assets – end of year	\$ <u>164,687,501</u>	<u>(10,257,552)</u>	<u>154,429,949</u>

See accompanying notes to regulatory basis schedules.  
See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Regulatory Basis of the Combining Schedule of  
Net Assets and the Combining Schedule of Revenues,  
Expenses, and Changes in Fund Net Assets

Water Pollution Control Fund

December 31, 2001

**(1) Purpose**

The regulatory basis combining schedule of net assets and the combining schedule of revenues, expenses, and changes in fund net assets have been prepared as required by the Environmental Protection Agency for purposes of segregating the activities of the Water Pollution Control Fund between the State Revolving Fund and Non-Revolving Fund. The schedules are prepared on a regulatory basis as required by the Environmental Protection Agency for the Water Pollution Control Fund.

**(2) Grant Administration**

All administrative fee revenue and expenses related to the operation of the Water Pollution Control Revolving Fund capitalization program are accounted for in the Non-Revolving Fund.

**(3) Advance Payable**

The Non-Revolving Fund accounts for the advance from the Water Operations Fund. An advance is made throughout the year to the Non-Revolving Fund in order to have cash to meet the state match payment requirement of the State Revolving Fund which is reflected as a transfer to the State Revolving Fund. The advance is repaid to the Water Operations Fund with revenue generated from administrative fees charged to borrowers.

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Regulatory Basis

Combining Schedule of Net Assets

Drinking Water Fund

December 31, 2001

<b>Assets</b>	<b>State Revolving Fund</b>	<b>Non-Revolving Fund</b>	<b>Drinking Water Fund</b>
Current assets:			
Cash and cash equivalents	\$ 9,106,831	15,424,989	24,531,820
Federal funds receivable	—	264,908	264,908
Investment income receivable	902,645	229,385	1,132,030
Loans receivable	5,505,217	267,003	5,772,220
Accounts receivable – borrowers	732,280	280,773	1,013,053
Total current assets	16,246,973	16,467,058	32,714,031
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	59,039	—	59,039
Investments	13,489,413	—	13,489,413
Loans receivable	119,968,609	4,145,938	124,114,547
Investments – trust accounts	37,305,600	—	37,305,600
Capital assets – equipment, net	—	10,808	10,808
Total noncurrent assets	170,822,661	4,156,746	174,979,407
Total assets	\$ 187,069,634	20,623,804	207,693,438
<b>Liabilities and Fund Net Assets</b>			
Current liabilities:			
Bonds payable	\$ 4,840,000	—	4,840,000
Accrued interest payable	1,866,623	—	1,866,623
Accounts payable – borrowers	—	13,785	13,785
Due to other funds	—	437,693	437,693
Total current liabilities	6,706,623	451,478	7,158,101
Noncurrent liabilities:			
Project costs payable – direct loans	876,003	—	876,003
Project costs payable – leveraged loans	13,548,452	—	13,548,452
Bonds payable	107,985,000	—	107,985,000
Other liabilities	—	2,454,944	2,454,944
Total noncurrent liabilities	122,409,455	2,454,944	124,864,399
Fund net assets:			
Invested in capital assets, net of related debt	—	10,808	10,808
Restricted	57,953,556	1,363,121	59,316,677
Unrestricted	—	16,343,453	16,343,453
Total fund net assets	57,953,556	17,717,382	75,670,938
Total liabilities and fund net assets	\$ 187,069,634	20,623,804	207,693,438

See accompanying notes to regulatory basis schedules.  
See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Regulatory Basis

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets

Drinking Water Fund

Year ended December 31, 2001

	<b>State Revolving Fund</b>	<b>Non-Revolving Fund</b>	<b>Drinking Water Fund</b>
Operating revenues:			
Interest on loans	\$ 2,972,013	124,560	3,096,573
Interest on investments	2,633,740	524,383	3,158,123
Administrative fee	—	1,096,530	1,096,530
EPA set aside grants:			
Administrative	—	260,092	260,092
Small Systems Training and Technical Assistance Program	—	195,222	195,222
Source Water Assessment and Protection Program	—	384,069	384,069
Capacity Development	—	226,304	226,304
Wellhead Protection	—	639,636	639,636
Public Water System Supervision	—	227,078	227,078
State match set aside reimbursement	—	109,907	109,907
Other	—	27,303	27,303
Total operating revenues	<u>5,605,753</u>	<u>3,815,084</u>	<u>9,420,837</u>
Operating expenses:			
Interest on bonds	5,734,620	—	5,734,620
Grant administration – State funded	—	521,415	521,415
EPA set asides:			
Administrative	—	362,315	362,315
Small Systems Training and Technical Assistance Program	—	195,222	195,222
Source Water Assessment and Protection Program	—	384,069	384,069
Capacity Development	—	226,304	226,304
Wellhead Protection	—	639,636	639,636
Public Water System Supervision	—	227,078	227,078
Other	—	12,978	12,978
Total operating expenses	<u>5,734,620</u>	<u>2,569,017</u>	<u>8,303,637</u>
Operating income (loss)	(128,867)	1,246,067	1,117,200
EPA capitalization grants	11,894,377	—	11,894,377
Contribution from agency fund	—	2,737,802	2,737,802
Transfers in (out)	234,787	(234,787)	—
Change in net assets	<u>12,000,297</u>	<u>3,749,082</u>	<u>15,749,379</u>
Fund net assets – beginning of year, as restated	<u>45,953,259</u>	<u>13,968,300</u>	<u>59,921,559</u>
Fund net assets – end of year	<u>\$ 57,953,556</u>	<u>17,717,382</u>	<u>75,670,938</u>

See accompanying notes to regulatory basis schedules.  
See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Regulatory Basis of the Combining Schedule of  
Net Assets and the Combining Schedule of Revenues,  
Expenses, and Changes in Fund Net Assets

Drinking Water Fund

December 31, 2001

**(1) Purpose**

The regulatory basis combining schedule of net assets and the combining schedule of revenues, expenses, and changes in fund net assets have been prepared as required by the Environmental Protection Agency for purposes of segregating the activities of the State Revolving Fund and Non-Revolving Fund. The schedules are prepared on a regulatory basis as required by the Environmental Protection Agency for the Drinking Water Fund.

**(2) Non-Revolving Fund**

The Authority issues direct loans to eligible municipalities which are funded with money from sources other than the Drinking Water Capitalization Grant. These loans are accounted for in the Non-Revolving Fund as they are funded with interest generated from the Animas-La Plata Agency Fund and other nonfederal sources. The Drinking Water Fund nonfederal direct loans receivable amounted to \$4,412,941 at December 31, 2001. There are currently 15 loans outstanding at year end which mature in years 2002 to 2017.

**(3) Grant Administration**

All administrative expenses, both federally and State (loan surcharge fees) funded, related to the operation of the Drinking Water Revolving Fund and set aside programs are accounted for in the Non-Revolving Fund.

**(4) Set Aside Revenue and Expenses**

The set aside activities of the Drinking Water Fund are recorded in the Non-Revolving Fund. Set asides for each capitalization grant, other than for administration, are provided to public and private entities to improve the performance or quality of drinking water systems. The 20% state match for these set asides is deposited to the Drinking Water Revolving Fund by the Authority, with no reimbursement requirement, except for the small system technical training and assistance, and wellhead protection programs. Reimbursement from these programs is returned to the Drinking Water Enterprise Fund.

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Revenues, Expenditures, and Changes in Funds Available –  
Actual (Non-GAAP Budgetary Basis) and Budget

Water Operations Fund

Year ended December 31, 2001

	<u>Actual</u>	<u>Original Budget</u>	<u>Changes</u>	<u>Amended Budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 1,556,438	1,110,000	65,000	1,175,000	381,438
WPCRF state match loan repayment	2,000,625	1,000,000	1,000,000	2,000,000	625
Loan principal payments – SWRP	4,074,584	4,675,000	—	4,675,000	(600,416)
Loan principal payments – WRBP	145,000	300,000	—	300,000	(155,000)
Interim loan repayments	—	20,000,000	—	20,000,000	(20,000,000)
Bond proceeds – SWRP	15,510,000	40,000,000	(6,268,000)	33,732,000	(18,222,000)
Bond proceeds – WRBP	—	30,000,000	(30,000,000)	—	—
Loan interest income – SWRP	5,924,483	7,008,000	—	7,008,000	(1,083,517)
Loan interest income – WRBP	162,352	1,000,000	—	1,000,000	(837,648)
Contribution from agency fund	35,143,250	—	35,200,000	35,200,000	(56,750)
Other	2,600	—	3,000	3,000	(400)
<b>Total revenues</b>	<b>64,519,332</b>	<b>105,093,000</b>	<b>—</b>	<b>105,093,000</b>	<b>(40,573,668)</b>
Expenditures:					
WPCRF state match loans	1,711,798	4,000,000	—	4,000,000	2,288,202
General/administrative	410,346	749,700	—	749,700	339,354
Interim loans made	—	20,000,000	—	20,000,000	20,000,000
Bond principal payments – SWRP	4,315,000	4,315,000	—	4,315,000	—
Bond principal payments – WRBP	145,000	300,000	—	300,000	155,000
Bond interest expense – SWRP	5,195,585	7,112,000	—	7,112,000	1,916,415
Bond interest expense – WRBP	195,289	1,000,000	—	1,000,000	804,711
Loans made – SWRP	15,510,000	40,000,000	—	40,000,000	24,490,000
Loans made – WRBP	—	30,000,000	—	30,000,000	30,000,000
Debt service reserve	—	4,000,000	—	4,000,000	4,000,000
Project expenditures	176,120	1,880,000	—	1,880,000	1,703,880
<b>Total expenditures</b>	<b>27,659,138</b>	<b>113,356,700</b>	<b>—</b>	<b>113,356,700</b>	<b>85,697,562</b>
<b>Excess revenues over (under) expenditures</b>	<b>\$ 36,860,194</b>	<b>(8,263,700)</b>	<b>—</b>	<b>(8,263,700)</b>	<b>(45,123,894)</b>

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Reconciliation of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses, and Changes in Fund Net Assets

Water Operations Fund

Year ended December 31, 2001

Revenues (budgetary basis):	\$	64,519,332
WPCRF state match loan repayment		(2,000,625)
Loss on disposal of capital assets		(2,600)
Loan principal payments – SWRP		(4,074,584)
Loan principal payments – WRBP		(145,000)
Bond proceeds – SWRP		(15,510,000)
		42,786,523
Revenues (GAAP basis)		42,786,523
Expenditures (budgetary basis):		27,659,138
Depreciation		21,785
Amortization – bond refunding costs		371,667
WPCRF state match loan		(1,711,798)
Bond principal payments – SWRP		(4,315,000)
Bond principal payments – WRBP		(145,000)
Loans made – SWRP		(15,510,000)
		6,370,792
Expenses (GAAP basis)		6,370,792
Change in net assets per combining statement of revenues, expenses, and changes in fund net assets	\$	36,415,731

See accompanying independent auditors' report.



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Revenues, Expenditures, and Changes in Funds Available  
Actual (Non-GAAP Budgetary Basis) and Budget

Water Pollution Control Fund

Year ended December 31, 2001

	<u>Actual</u>	<u>Original Budget</u>	<u>Changes</u>	<u>Amended Budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 11,533,748	1,000,000	9,000,000	10,000,000	1,533,748
Administrative fee income	3,389,300	3,290,000	—	3,290,000	99,300
Loan interest income	7,085,961	17,875,000	(5,000,000)	12,875,000	(5,789,039)
State surcharge income	653,993	657,000	—	657,000	(3,007)
Capitalization grants	10,299,198	25,000,000	(9,500,000)	15,500,000	(5,200,802)
Colorado state match	1,711,798	4,000,000	—	4,000,000	(2,288,202)
Loan principal repayments	15,261,798	15,218,000	—	15,218,000	43,798
Bond proceeds	121,330,000	115,000,000	13,000,000	128,000,000	(6,670,000)
Interim loan repayments	—	7,500,000	(7,500,000)	—	—
Cost of issuance revenue	32,661	—	—	—	32,661
<b>Total revenues</b>	<b>171,298,457</b>	<b>189,540,000</b>	<b>—</b>	<b>189,540,000</b>	<b>(18,241,543)</b>
Expenditures:					
Grant administration	1,199,441	1,288,000	(11,000)	1,277,000	77,559
Advance repayment and redemption of state match bonds	3,860,000	2,500,000	1,400,000	3,900,000	40,000
Bond principal payments	13,670,000	14,000,000	—	14,000,000	330,000
Project costs paid – direct loans	1,800,000	5,000,000	(3,200,000)	1,800,000	—
Loans made – leveraged loans	71,421,798	114,700,000	(43,000,000)	71,700,000	278,202
Bonds refunded	51,510,000	—	54,750,000	54,750,000	3,240,000
Refunding bond issuance costs	—	—	842,000	842,000	842,000
Planning and design grants to small local governments	30,000	50,000	—	50,000	20,000
Other	49,985	360,000	(300,000)	60,000	10,015
Bond interest expense	15,572,268	18,500,000	(1,992,000)	16,508,000	935,732
WPCRF interim loans	—	7,500,000	(7,500,000)	—	—
Capital asset acquisitions	10,808	—	11,000	11,000	192
<b>Total expenditures</b>	<b>159,124,300</b>	<b>163,898,000</b>	<b>1,000,000</b>	<b>164,898,000</b>	<b>5,773,700</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 12,174,157</b>	<b>25,642,000</b>	<b>(1,000,000)</b>	<b>24,642,000</b>	<b>(12,467,843)</b>

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Reconciliation of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses, and Changes in Fund Net Assets

Water Pollution Control Fund

Year ended December 31, 2001

Revenues (budgetary basis):		\$ 171,298,457
Bond proceeds		(121,330,000)
Deferred income – refunding administration fees		(315,741)
Loan principal repayments		(15,261,798)
Colorado state match		(1,711,798)
Revenues (GAAP basis)		32,679,120
Expenditures (budgetary basis):		159,124,300
Project costs paid – direct loans		(1,800,000)
Bond principal payments		(13,670,000)
Bonds refunded		(51,510,000)
Amortization – bond refunding costs		94,693
Advance repayment and redemption of state match bonds		(3,860,000)
Loans made – leveraged loans		(71,421,798)
Capital asset acquisitions		(10,808)
Expenses (GAAP basis)		16,946,387
Change in net assets per statement of revenues, expenses, and changes in fund net assets		\$ 15,732,733

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Revenues, Expenditures, and Changes in Funds Available –  
Actual (Non-GAAP Budgetary Basis) and Budget

Drinking Water Fund

Year ended December 31, 2001

	<u>Actual</u>	<u>Original Budget</u>	<u>Changes</u>	<u>Amended Budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 3,158,123	800,000	3,000,000	3,800,000	(641,877)
Loan interest income	3,096,573	6,903,000	(3,000,000)	3,903,000	(806,427)
Loan principal repayments	5,647,352	6,234,000	—	6,234,000	(586,648)
Bond proceeds	—	32,000,000	(105,000)	31,895,000	(31,895,000)
Capital contributions – EPA	11,894,377	17,000,000	—	17,000,000	(5,105,623)
EPA capitalization grant set asides revenue	1,932,401	2,750,000	—	2,750,000	(817,599)
Administrative fee income	1,096,530	1,289,000	—	1,289,000	(192,470)
Contribution from agency fund	2,737,802	2,700,000	50,000	2,750,000	(12,198)
Other	137,210	—	55,000	55,000	82,210
<b>Total revenues</b>	<u>29,700,368</u>	<u>69,676,000</u>	<u>—</u>	<u>69,676,000</u>	<u>(39,975,632)</u>
Expenditures:					
Grant administration – State funded	883,730	1,020,000	—	1,020,000	136,270
Project costs paid – direct loans	964,414	4,000,000	—	4,000,000	3,035,586
Loans made – leveraged	—	32,000,000	—	32,000,000	32,000,000
Bond principal payments made	4,735,000	5,150,000	—	5,150,000	415,000
Bond interest expense	5,734,620	7,020,000	—	7,020,000	1,285,380
EPA capitalization grant set asides	1,672,309	2,336,000	(11,000)	2,325,000	652,691
Planning and design grants to small local governments	12,978	50,000	—	50,000	37,022
State match for PWSS set aside	—	102,000	—	102,000	102,000
Capital asset acquisitions	10,808	—	11,000	11,000	192
<b>Total expenditures</b>	<u>14,013,859</u>	<u>51,678,000</u>	<u>—</u>	<u>51,678,000</u>	<u>37,664,141</u>
<b>Excess revenues over expenditures</b>	<u>\$ 15,686,509</u>	<u>17,998,000</u>	<u>—</u>	<u>17,998,000</u>	<u>(2,311,491)</u>

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Reconciliation of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses, and Changes in Fund Net Assets

Drinking Water Fund

Year ended December 31, 2001

Revenues (budgetary basis):	\$ 29,700,368
Loan principal repayments	<u>(5,647,352)</u>
Revenues (GAAP basis)	<u>24,053,016</u>
Expenditures (budgetary basis):	14,013,859
Project costs paid – direct loans	(964,414)
Bond principal payments made	(4,735,000)
Capital asset acquisitions	<u>(10,808)</u>
Expenses (GAAP basis)	<u>8,303,637</u>
Change in net assets per combining statement of revenues, expenses, and changes in fund net assets	<u>\$ 15,749,379</u>

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Project Costs Payable – By Borrower

December 31, 2001

	<u><b>Project costs payable</b></u>
<b>Water Operations Fund:</b>	
1994A – Town of Berthoud	\$ 216,519
1994A – Town of Platteville	81,660
1994B – Town of Carbondale	282,029
1996A – Town of Johnstown	236,781
1997A – Town of Monument	307,138
2000A – Parker Water and Sanitation District	7,231,394
2000A – Upper Eagle Regional Water Authority	5,366,592
2001A – North Weld County Water District	8,135,780
	<u>21,857,893</u>
<b>Water Pollution Control Revolving Fund:</b>	
1995A – City of Steamboat Springs	53,569
1995A – Winter Park Water and Sanitation District	55,695
1996A – City of Idaho Springs	61,599
1997A – Town of Carbondale	77,915
1999A – City of Aurora	13,118,474
1999A – Fremont Sanitation District	287,381
1999A – Grand County Water and Sanitation District	3,591,133
1999A – Mr. Werner Water and Sanitation District	57,260
1999DL – Left Hand Water and Sanitation District	10,593
2000A – Parker Water and Sanitation District	10,490,655
2000A – Summit County	2,320,000
2000A – Three Lakes Water and Sanitation District	3,234,162
2000DL – Left Hand Water and Sanitation District	84,000
2000DL – Town of Springfield	4,294
2001A – Cortez Sanitation District	10,000,000
2001A – City of Ft. Collins	10,015,125
2001A – Fraser Sanitation District	2,500,000
2001A – City of Lafayette	7,739,235
2001A – Mt. Crested Butte Water and Sanitation District	5,250,000
2001A – Parker Water and Sanitation District	5,000,000
2001A – Plum Creek Wastewater Authority	25,062,177
2001A – City of Steamboat Springs	351,829
2001DL – Baca Grande Water and Sanitation District	800,000
	<u>100,165,096</u>
<b>Drinking Water Revolving Fund:</b>	
1998A – Town of Buena Vista	62,071
1999A – City of Glenwood Springs	137
1999A – Grand County Water and Sanitation District No. 1	693,018
1999A – City of Greeley	927,696
1999A – Left Hand Water District	1,501,150
2000A – Evergreen Metro District	2,624,519
2000A – Town of Limon	414,554
2000A – City of Pueblo Board of Waterworks	290,000
2000A – City of Westminster	7,911,310
	<u>14,424,455</u>
Total project costs payable	<u><u>\$ 136,447,444</u></u>

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Loans Receivable – By Borrower

December 31, 2001

Water Operations Fund – Small Water Resources Projects:	
1990A – East Dillon Water District	\$ 79,167
1990A – Town of Estes Park	1,320,000
1990A – Fort Collins – Loveland Water District	1,558,333
1990A – North Weld County Water District	1,846,250
1990A – Eagle River Water and Sanitation District	1,205,000
1991A – Edwards Metropolitan District	760,000
1991A – Town of Estes Park	780,000
1991A – Town of Minturn	265,000
1991A – City of Steamboat Springs	770,000
1992A – City of Brush	690,000
1992A – City of Fort Lupton	2,070,000
1992A – Town of LaSalle	1,260,000
1992A – City of Louisville	5,086,250
1992B – Central Weld County Water District	1,033,333
1992B – City of Glenwood Springs	1,830,000
1992B – Little Thompson Water District	2,922,500
1992B – Town of Minturn	55,000
1992B – Mt. Werner Water and Sanitation District	3,100,000
1992B – North Weld County Water District	702,500
1994A – Town of Berthoud	624,167
1994A – City of Fort Morgan	1,877,500
1994A – Town of Gypsum	537,500
1994A – Parker Water and Sanitation District	443,750
1994A – Town of Platteville	748,333
1994B – Town of Carbondale	1,516,250
1994B – Project 7 Water Authority	3,268,334
1994B – City of Rifle	932,500
1996A – City of Canon City	3,622,500
1996A – Town of Johnstown	1,462,500
1996B – Morgan County Quality Water District	555,000
1997A – Town of Monument	1,560,000
1997A – Parker Water and Sanitation District	4,230,000
1997A – Roxborough Park Metropolitan District	2,570,000
1998A – Town of Dillon	407,500
1998A – Morgan County Quality Water District	2,665,000
1998A – North Weld County Water District	4,463,750
2000A – Parker Water and Sanitation District	13,056,250
2000A – Upper Eagle Regional Water Authority	10,737,500
2001A – North Weld County Water District	15,443,750
	<hr/>
Total Water Operations Fund loans receivable – SWRP	98,055,417
Water Operations Fund – Water Revenue Bonds Program:	
1998A – Rio Blanco Water Conservancy District	2,685,000
	<hr/>
Total Water Operations Fund loans receivable	100,740,417
	<hr/>

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Loans Receivable – By Borrower

December 31, 2001

Water Pollution Control Revolving Fund:

Direct loans (loans were provided by EPA Capitalization Grants and Authority resources):

1989DL – Larimer County Commissioners (Mountain Range Shadows Project)	\$ 886,727
1990DL – Mountain Water and Sanitation District	93,967
1990DL – Town of Wellington	176,189
1991DL – Durango West Metropolitan District No. 2	306,997
1992DL – Nucla Sanitation District	102,063
1992DL – City of Ouray	511,928
1992DL – Montrose County	119,919
1994DL – City of Fort Lupton	143,310
1994DL – St. Mary’s Glacier Water and Sanitation District	109,854
1995DL – City of Fruita	91,465
1995DL – Town of Log Lane Village	199,779
1996DL – Town of Ordway	292,272
1996DL – City of Broomfield	2,102,147
1996DL – Town of Lyons	423,779
1997DL – Town of Vona	72,541
1997DL – Town of Manzanola	69,028
1997DL – Pagosa Springs Sanitation District	546,189
1997DL – Town of Erie	441,429
1997DL – City of Holyoke	429,962
1998DL – Byers Water and Sanitation District	392,183
1998DL – City of Las Animas	966,074
1998DL – City of Evans	365,470
1998DL – East Alamosa Water and Sanitation District	163,378
1999DL – Town of Kersey	155,572
1999DL – City of La Junta	347,957
1999DL – City of Monte Vista	900,424
1999DL – Town of New Castle	435,228
1999DL – Left Hand Water and Sanitation District	116,180
2000DL – Columbine Water and Sanitation District	412,066
2000DL – Left Hand Water and Sanitation District	81,682
2000DL – Town of Springfield	195,481
2001DL – Baca Grande Water and Sanitation District	800,000
2001DL – Niwot Sanitation District	994,481

Total WPCRF direct loans	13,445,721
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Leveraged loans (loans were provided by bond proceeds, EPA Capitalization Grants and Authority resources):

1989A – Denver Southeast Suburban Water and Sanitation District (Denver SE)	4,506,261
1990A – Town of Castle Rock	2,509,063
1991A – City of Englewood	8,915,446
1991A – City of Littleton	8,915,934
1991B – Metro Wastewater Reclamation District	13,313,465
1992A – City of Fort Lupton	2,883,914
1992A – Frisco Sanitation District	2,904,394
1992A – Eagle River Water and Sanitation District	5,142,681

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Loans Receivable – By Borrower

December 31, 2001

1992B – City of Fort Collins	\$	16,372,822
1992B – City of Longmont		2,091,007
1994A – City of Alamosa		1,953,248
1994A – Genesee Water and Sanitation District		1,076,963
1994A – City of Greeley		12,109,520
1994A – Parker Water and Sanitation District		1,278,889
1994A – Town of Windsor		2,519,753
1995A – City of Brighton		4,211,800
1995A – City of Craig		829,303
1995A – City of Fort Morgan		7,249,319
1995A – City of Steamboat Springs		1,184,669
1995A – Eagle River Water and Sanitation District		4,621,078
1995A – Winter Park Water and Sanitation District		2,427,336
1996A – Town of Crested Butte		2,082,600
1996A – Mt. Crested Butte Water and Sanitation District		1,148,100
1996A – Fountain Sanitation District		1,413,258
1996A – City of Idaho Springs		1,285,253
1997A – Breckenridge Sanitation District		6,842,688
1997A – Town of Carbondale		1,479,202
1997A – Town of Eagle		1,974,909
1997A – Town of Erie		1,538,554
1997A – Parker Water and Sanitation District		2,764,618
1997A – City of Sterling		2,082,045
1997A – City of Westminster		11,684,385
1998A – Buena Vista Sanitation District		3,399,420
1998A – Eagle River Water and Sanitation District		15,594,326
1998A – City of Evans		1,000,943
1998A – City of Trinidad		6,019,307
1998A – City of Westminster		3,466,652
1998B – City of Colorado Springs		20,662,455
1999A – City of Aurora		21,363,143
1999A – Fremont Sanitation District		7,767,135
1999A – Grand County Water and Sanitation District		3,655,431
1999A – City of Steamboat Springs		2,705,285
2000A – Parker Water and Sanitation District		11,602,620
2000A – Summit County		16,426,778
2000A – Three Lakes Water and Sanitation District		6,233,976
2001A – Cortez Sanitation District		9,775,000
2001A – City of Fort Collins		9,660,000
2001A – Fraser Sanitation District		2,445,000
2001A – City of Lafayette		7,861,139
2001A – Mt. Crested Butte Water and Sanitation District		5,161,581
2001A – Parker Water and Sanitation District		4,913,424
2001A – Plum Creek Wastewater Authority		25,525,000
2001A – City of Steamboat Springs		5,895,653
		332,446,745
Total WPCRF leveraged loans		
		345,892,466
Total Water Pollution Control Revolving Fund loans receivable		



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Loans Receivable – By Borrower

December 31, 2001

Drinking Water Fund:

Direct loans (loans were provided by EPA Capitalization Grants and/or Authority resources)

(DLS = state, DLF = federal):

1995DLS – Idledale Water and Sanitation District	\$	194,621
1995DLS – Town of Fairplay #1		193,056
1995DLS – Town of Minturn		235,285
1995DLS – Town of Empire		259,937
1995DLS – Town of Elizabeth		403,727
1996DLS – Lake Creek Metropolitan District		384,379
1996DLS – Baca Grande Water and Sanitation District		234,305
1996DLS – Town of Firestone		48,817
1996DLS – Town of Nunn		272,255
1996DLS – Town of Lochbuie		288,205
1996DLS – Town of Lyons		422,932
1996DLS – Town of Bayfield		292,864
1997DLS – Town of Fairplay #2		172,913
1997DLS – City of Idaho Springs		436,601
1997DLS – Westlake Water and Sanitation District		213,060
1997DLF – Town of Grand Lake		431,209
1998DLS – Redstone Water and Sanitation District		359,985
1998DLF – Chatfield South Water District		658,597
1998DLF – Left Hand Water and Sanitation District		169,193
1999DLF – Thunderbird Water and Sanitation District		285,000
1999DLF – City of La Junta		459,436
2000DFL – Sedalia Water and Sanitation District		313,130
2000DFL – Springfield Water and Sanitation District		409,928
2000DFL – City of Craig		391,573
2001DFL – Town of Wellington		1,000,000
		8,531,008
Total Drinking Water Fund direct loans		8,531,008

Leveraged loans (loans were provided by bond proceeds, EPA Capitalization Grants and Authority resources):

1997A – Arapahoe Estates Water District		871,772
1997A – City of Englewood		13,300,807
1997A – City of Fort Collins		8,602,657
1998A – Town of Buena Vista		1,158,605
1998A – City of Fort Morgan		13,868,531
1999A – City of Aurora		13,341,591
1999A – City of Fort Collins		4,506,170
1999A – City of Glenwood Springs		4,475,362
1999A – Grand County Water and Sanitation District No. 1		2,750,036
1999A – City of Greeley		13,835,693
1999A – Town of Julesburg		918,092
1999A – Left Hand Water District		5,942,348
2000A – Evergreen Metropolitan District		5,371,188
2000A – Fountain Valley Authority		7,317,460
2000A – Town of Limon		1,386,643
2000A – Pueblo Board of Waterworks		9,558,795
2000A – City of Westminster		14,150,009
		121,355,759
Total DWRf leveraged loans		121,355,759
Total Drinking Water Fund loans receivable		129,886,767
Total loans receivable	\$	576,519,650

See accompanying independent auditors' report.

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**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2001

<u>Water Operations Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>
Small Water Resources Program Revenue Bonds:			
1990 Series A	\$ 11,845,000	590,000	6.0% – 7.4%
1991 Series A	4,000,000	—	4.8% – 7.0%
1992 Series A	14,020,000	595,000	3.8% – 6.7%
1992 Series B	14,825,000	1,940,000	2.9% – 6.2%
1993 Series A	6,585,000	5,945,000	2.7% – 5.0%
1994 Series A	5,835,000	4,280,000	3.4% – 5.875%
1994 Series B	9,305,000	890,000	4.0% – 6.375%
1996 Series A	6,385,000	5,150,000	3.7% – 5.45%
1996 Series B	1,040,000	555,000	5.84% – 6.37%
1997 Series A	9,725,000	8,405,000	4.1% – 5.6%
1997 Series B	12,500,000	11,810,000	3.8% – 4.9%

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2005, term bonds subject to mandatory redemption 2006 – 2010. Bonds maturing on 2003 and thereafter were refunded with the 1993A issue. Upper Eagle Regional Water Authority's outstanding bonds in the amount of \$750,000 were defeased in 1995	After 2000 at par
Serial Bonds through 2006, term bonds subject to mandatory redemptions 2001 – 2005 and 2007 – 2011. Bonds maturing after 2002 were defeased with the 1997B issue	After 2001 at par
Serial Bonds through 2007, term bonds subject to mandatory redemptions 2004 – 2005 and 2008 – 2012. Bonds maturing after 2002 were defeased with the 1997B issue	After 2002 at par
Serial Bonds through 2006, term bonds subject to mandatory redemption 2007 – 2012. Avon Metropolitan District's outstanding bonds in the amount of \$840,000 were defeased in 1996. Various bonds from 2003 to 2008 were defeased and all bonds after 2008 were defeased with the 1998B issue	2002 – 2003 at 101% of par, 2003 – 2004 at 100.75% of par, 2004 – 2005 at 100.5% of par, 2005 – 2006 at 100.25% of par, after 2006 at par
Serial Bonds through 2006, term bonds subject to mandatory redemption 2007 – 2010	After 2002 at par
Serial Bonds through 2003, term bonds subject to mandatory redemption 2007 – 2014	2002 – 2003 at 101% of par, 2003 – 2004 at 100.5% of par, after 2004 at par
Serial Bonds through 2009, term bonds subject to redemption 2010 – 2015. Upper Eagle Regional Water Authority's outstanding bonds in the amount of \$2,000,000 were defeased in 1995. Bonds maturing after 2004 were defeased with the 1998B issue	After 2004 at par
Serial Bonds through 2010, term bonds subject to redemption 2011 – 2016	After 2006 at par
Taxable Serial bonds 2001 through 2006, term bonds subject to mandatory redemption 1996 – 2000	The bonds are not subject to early redemption
Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2017	2007 – 2008 at 101% of par, 2008 – 2009 at 100.5% of par, after 2009 at par
Serial Bonds through 2010, term bonds subject to mandatory redemption in 2011 and 2012	2008 – 2009 at 101%, after 2009 at par

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2001

<u>Water Operations Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>
1998 Series A	\$ 8,765,000	7,605,000	3.35% – 4.86%
1998 Series B	13,850,000	13,535,000	3.35% – 4.75%
2000 Series A	24,110,000	23,860,000	4.3% – 5.8%
2001 Series A	<u>15,510,000</u>	<u>15,510,000</u>	3.9% – 4.6%
Total Small Water Resources Revenue Bonds	<u>158,300,000</u>	<u>100,670,000</u>	
Water Revenue Bonds Program:			
1998 Taxable Rio Blanco Water Conservancy District	<u>3,140,000</u>	<u>2,685,000</u>	6.0% – 7.0%
Total Water Revenue Bonds Program	<u>3,140,000</u>	<u>2,685,000</u>	
Total Water Operations Fund	<u>161,440,000</u>	<u>103,355,000</u>	
 <b><u>Water Pollution Control Revolving Fund</u></b>  			
Clean Water Revenue Bonds:			
Clean Water 1989 Series A (Denver Southeast Suburban Water and Sanitation District)	6,905,000	745,000	5.95% – 7.0%
Clean Water 1990 Series A (Town of Castle Rock)	3,890,000	350,000	6.25% – 7.4%
Clean Water 1991 Series A (City of Englewood – City of Littleton)	22,915,000	2,945,000	5.75% – 7.0%

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 through 2018	2008 – 2009 at 101%, 2009 – 2010 at 100.5%, after 2010 at par
Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 and 2015	2008 – 2009 at 101%, 2009 – 2010 at 100.5%, after 2010 at par
Serial Bonds through 2017, term bonds subject to mandatory redemption in 2018 through 2020	2011 – 2020 at par
Serial Bonds through 2016, term bonds subject to mandatory redemption in 2017 through 2023	2012 – 2023 at par
Serial Bonds through 2013	2009 – 2010 at 101%, after 2010 at par
Serial Bonds through 2005, term bonds subject to mandatory redemption 2006 – 2011. \$4,130,000 of bonds maturing in 2000 and thereafter were refunded with the issuance of the 1996 Series A Wastewater Revolving Fund Refunding Revenue Bonds	After 1999 at par
Serial Bonds through 2006, term bonds subject to mandatory redemption 2007 – 2010. \$2,060,000 of bonds maturing in 2001 and thereafter were refunded with the issuance of the 1996 Series A Wastewater Revolving Fund Refunding Revenue Bonds	After 2001 at par
Serial Bonds through 2007, term bonds subject to mandatory redemption 2008 – 2012. \$11,985,000 of bonds maturing in 2002 and thereafter were refunded with the issuance of the 1996 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2002 at 101% of par, 2002 – 2003 at 100.5% of par, after 2003 at par

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2001

<b>Water Pollution Control Revolving Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>
Clean Water 1991 Series B (Metro Wastewater Reclamation District)	\$ 19,685,000	2,300,000	4.8% – 6.9%
Clean Water 1992 Series A (City of Fort Lupton, Frisco Sanitation District and Eagle River Water and Sanitation District)	15,200,000	1,620,000	4.15% – 6.25%
Clean Water 1992 Series B (City of Fort Collins and City of Longmont)	25,785,000	3,705,000	3.75% – 6.0%
Clean Water 1994 Series A (City of Alamosa, City of Greeley, Town of Windsor, Parker Water and Sanitation District and Genesee Water and Sanitation District)	22,510,000	3,885,000	3.8% – 6.3%
Clean Water 1995 Series A (City of Fort Morgan, Eagle River Water and Sanitation District, City of Brighton, Winter Park Water and Sanitation District, City of Steamboat Springs and City of Craig)	24,525,000	4,850,000	4.1% – 5.85%
Clean Water 1996 Series A (Town of Crested Butte, Mt. Crested Butte Water and Sanitation District, Fountain Sanitation District and City of Idaho Springs)	6,710,000	5,560,000	4.25% – 5.9%
Clean Water 1997 Series A (City of Westminster, Breckenridge Sanitation District, Parker Water and Sanitation District, City of Sterling, Town of Carbondale, Town of Erie and Town of Eagle)	31,605,000	26,680,000	4.05% – 5.8%
Clean Water 1998 Series A (Eagle River Water and Sanitation District, City of Trinidad, City of Westminster, Buena Vista Sanitation District, City of Evans)	31,190,000	27,550,000	3.7% – 5.13%

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2006, term bonds subject to mandatory redemption 2007 – 2011. \$65,000 of bonds maturing in 1997 and \$9,660,000 of bonds maturing in 2002 and thereafter were refunded with the issuance of the 1996 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2002 at 101% of par, 2002 – 2003 at 100.5% of par, after 2003 at par
Serial Bonds through 2004, term bonds subject to mandatory redemptions 2005 – 2007 and 2008 – 2013	2002 – 2003 at 101% of par, 2003 – 2004 at 100.5% of par, after 2004 at par
Serial Bonds through 2006, term bonds subject to mandatory redemptions 2007 – 2009 and 2010 – 2014	2002 – 2003 at 101% of par, 2003 – 2004 at 100.5% of par, after 2004 at par
Serial Bonds through 2008, term bonds subject to mandatory redemptions 2009 – 2011 and 2012 – 2014	2002 – 2003 at 102% of par, 2003 – 2004 at 101% of par, after 2004 at par
Serial Bonds through 2009, term bonds subject to mandatory redemptions 2010 – 2012 and 2013 – 2015	2003 – 2004 at 102% of par, 2004 – 2005 at 101% of par, after 2005 at par
Serial Bonds 1998 through 2008, term bonds subject to mandatory redemptions 2009 – 2011 and 2012 – 2016	2006 – 2007 at 101% of par, 2007 – 2008 at 100.5% of par, after 2008 at par
Serial Bonds through 2011, term bonds subject to mandatory redemption 2012 – 2015 and 2016 – 2017	2007 – 2008 at 102% of par, 2008 – 2009 at 101% of par, after 2009 at par
Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2018	2009 at par



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2001

<b>Water Pollution Control Revolving Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>
Clean Water 1998 Series B (City of Colorado Springs)	\$ 20,810,000	19,365,000	3.7% – 5.0%
Clean Water 1999 Series B (City of Aurora, Fremont Sanitation District, Grand County Water and Sanitation District, Mt. Werner Water and Sanitation District City of Steamboat Springs)	39,220,000	33,000,000	4.25% – 5.25%
Clean Water 2000 Series A (Parker Water and Sanitation District, Summit County, Three Lakes Water and Sanitation District)	33,575,000	32,270,000	5.0% – 6.25%
Clean Water 2001 Series A (Cortez Sanitation District, City of Fort Collins, Fraser Sanitation District, City of Lafayette, Mt. Crested Butte Water and Sanitation District, Parker Water and Sanitation District, Plum Creek Wastewater Authority, City of Steamboat Springs)	<u>69,710,000</u>	<u>69,710,000</u>	4.0% – 5.625%
Total WPCRF Clean Water Revenue Bonds payable	<u>374,235,000</u>	<u>234,535,000</u>	
Wastewater Revolving Fund Refunding Revenue Bonds 1996 Series A (Partial Refunding of the following Clean Water Bonds: 1989A, 1990A, 1991A and 1991B)	28,950,000	27,670,000	3.5% – 6.0%
Revenue Bonds 2001 Series A (Partial refunding of the following Clean Water Bonds: 1992A, 1992B, 1994A, 1995A)	<u>51,620,000</u>	<u>51,620,000</u>	3.0% – 5.25%
Total Water Pollution Control Revolving Fund	<u>454,805,000</u>	<u>313,825,000</u>	

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2016 and 2017 – 2019	2009 at par
Serial Bonds through 2014, term bonds subject to mandatory redemption 2015 – 2019	2009 at par
Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 through 2020	2011 – 2020 at par
Serial Bonds through 2019, term bonds subject to mandatory redemption in 2020 through 2021	2012 – 2021 at par
Serial Bonds 1997 through 2012	The Bonds are not subject to early redemption
Serial Bonds through 2015	The Bonds are not subject to early redemption

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2001

<u>Drinking Water Revolving Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>
Drinking Water Revenue Bonds Series 1997A (Arapahoe Estates Water District, City of Englewood, City of Fort Collins)	\$ 24,095,000	21,085,000	3.8% – 5.3%
Drinking Water Revenue Bonds Series 1998A (Town of Buena Vista, City of Fort Morgan)	15,205,000	13,925,000	3.85% – 5.0%
Drinking Water Revenue Bonds Series 1999A (City of Aurora, City of Fort Collins, City of Glenwood Springs, Grand County Water and Sanitation District No. 1, City of Greeley, Town of Julesburg, Left Hand Water District)	46,855,000	42,725,000	3.28% – 5.0%
Drinking Water Revenue Bonds Series 2000 A (Evergreen Metropolitan District, Fountain Valley Authority, Town of Limon, Pueblo Board of Waterworks, City of Westminster)	<u>36,110,000</u>	<u>35,090,000</u>	4.8% – 5.75%
Total Drinking Water Revolving Fund	<u>122,265,000</u>	<u>112,825,000</u>	
Total bonds payable	<u>\$ 738,510,000</u>	<u>530,005,000</u>	

See accompanying independent auditors' report.

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**Due dates**

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**Early redemption**

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Serial Bonds through 2011, term bonds subject to mandatory redemption 2012 – 2015 and 2016 – 2018

2008 – 2009 at 101% of par, after 2009 at par

Serial Bonds through 2004 and 2008 – 2010.  
Term bonds subject to mandatory redemption 2005 – 2007, 2001 – 2015 and 2016 – 2019

2008 – 2009 at 101% of par, after 2009 at par

Serial Bonds through 2017, term bonds subject to mandatory redemption 2018 – 2019

9/1/2009 – 8/31/2010 at 101% of par, 9/1/2010 – 8/31/2011 at 100.5% of par, 9/1/2011 and thereafter at par

Serial Bonds through 2017, term bonds subject to mandatory redemption in 2018 through 2022

2011 – 2022 at par

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Cash and Investments Held by Trustees – By Investment Type

December 31, 2001

	<u>Cash</u>	<u>Cash held by State Treasurer</u>	<u>Treasury Money Market Funds</u>	<u>COLOTRUST Local Government Investment Pool</u>	<u>US Treasury Notes – SLGS</u>	<u>US Treasury Bills, Notes, and Bonds (fair value)</u>	<u>Repurchase agreements</u>	<u>Total cash and investments by bond issue</u>
Water Operations Fund:			First American:					
Small Water Resources Projects Program Debt Service Reserve Fund	\$ —	—	—	2,138,966	—	—	6,361,034	8,500,000
Small Water Resources Projects Bonded Funds	—	—	—	5,582,541	—	—	20,861,258	26,443,799
Water Revenue Bonds Program	—	—	—	604,539	—	—	—	604,539
Authority Operating and DSR Funds	<u>(41,207)</u>	<u>25,142,396</u>	<u>—</u>	<u>112,734</u>	<u>—</u>	<u>23,993,246</u>	<u>—</u>	<u>49,207,169</u>
Subtotal – Water Operations Fund	<u>(41,207)</u>	<u>25,142,396</u>	<u>—</u>	<u>8,438,780</u>	<u>—</u>	<u>23,993,246</u>	<u>27,222,292</u>	<u>84,755,507</u>
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1989 Series A	—	—	—	1,118,755	2,463,300	—	—	3,582,055
Clean Water Revenue Bonds, 1990 Series A	—	—	—	434,456	888,100	422,580	—	1,745,136
Clean Water Revenue Bonds, 1991 Series A	—	—	—	600,367	7,372,500	2,640,524	861,303	11,474,694
Clean Water Revenue Bonds, 1991 Series B	—	—	—	943,515	6,223,600	2,314,166	—	9,481,281
Clean Water Revenue Bonds, 1992 Series A	—	—	—	338,162	1,675,100	1,594,698	—	3,607,960
Clean Water Revenue Bonds, 1992 Series B	—	—	—	2,206,224	6,066,200	2,826,725	—	11,099,149
Clean Water Revenue Bonds, 1994 Series A	—	—	—	306,839	—	—	5,541,863	5,848,702
Clean Water Revenue Bonds, 1995 Series A	—	—	—	1,570,933	—	—	6,308,973	7,879,906
Clean Water Revenue Bonds, 1996 Series A	—	—	—	420,871	—	—	1,826,293	2,247,164
Refunding Revenue Bonds, 1996 Series A	—	—	—	192,888	—	—	—	192,888
Clean Water Revenue Bonds, 1997 Series A	—	—	—	1,560,983	—	—	8,409,557	9,970,540
Clean Water Revenue Bonds, 1998 Series A	—	—	—	1,053,902	—	—	10,110,797	11,164,699
Clean Water Revenue Bonds, 1998 Series B	—	—	—	757,305	—	—	6,487,275	7,244,580
Clean Water Revenue Bonds, 1999 Series A	—	—	—	19,618,967	—	—	6,377,366	25,996,333
Clean Water Revenue Bonds, 2000 Series A	—	—	—	821,737	—	—	21,441,292	22,263,029
Clean Water Revenue Bonds, 2001 Series A	—	—	—	271,729	—	—	85,516,564	85,788,293
Rebuilding Revenue Bonds, 2001 Series A	—	—	—	186,877	—	—	—	186,877
Direct Loan Projects Pre-Construction Accounts	—	—	—	2,719	—	—	—	2,719
Direct Loan Project Accounts	—	—	—	898,713	—	—	—	898,713
Direct Loan Surplus Matching Account	—	—	—	651,174	—	—	—	651,174
Direct Loan Administrative Fee Account	—	—	—	13,660,405	—	—	—	13,660,405
Leveraged Loan SRF Reloan Account	—	—	—	1,413,348	—	—	—	1,413,348
Leveraged Loan Administrative Fee Account	—	—	—	618	—	—	—	618
Subtotal – Water Pollution Control Revolving Fund	<u>—</u>	<u>—</u>	<u>—</u>	<u>49,031,487</u>	<u>24,688,800</u>	<u>9,798,693</u>	<u>152,881,283</u>	<u>236,400,263</u>

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Cash and Investments Held by Trustees – By Investment Type

December 31, 2001

	<u>Cash</u>	<u>Cash held by State Treasurer</u>	<u>Treasury Money Market Funds</u>	<u>COLOTRUST Local Government Investment Pool</u>	<u>US Treasury Notes – SLGS</u>	<u>US Treasury Bills, Notes, and Bonds (fair value)</u>	<u>Repurchase agreements</u>	<u>Total cash and investments by bond issue</u>
Drinking Water Revolving Fund:			Milestone:					
Drinking Water Revenue Bonds, 1997 Series A	\$ —	—	1,441,928	—	—	—	8,194,055	9,635,983
Drinking Water Revenue Bonds, 1998 Series A	—	—	853,339	—	—	—	6,046,823	6,900,162
Drinking Water Revenue Bonds, 1999 Series A	—	—	2,044,452	—	—	—	17,776,848	19,821,300
Drinking Water Revenue Bonds, 2000 Series A	—	—	1,709,987	—	—	—	18,777,287	20,487,274
State Direct Loan Project, Accounts	—	—	—	—	—	—	—	—
Federal Direct Loan Projects Pre-Construction Accounts	—	—	196,088	—	—	—	—	196,088
Drinking Water Funding Account	—	11,514,926	—	—	—	—	—	11,514,926
State Direct Loan Surplus Matching Account	—	—	106,211	—	—	—	—	106,211
State Direct Loan Reloan Account	—	—	86,670	—	—	—	—	86,670
State Direct Loan Administrative Fee Account	—	—	186,565	—	—	—	—	186,565
Federal Direct Loan Surplus Matching Account	—	—	140,292	—	—	—	—	140,292
Federal Direct Loan SRF Reloan Account	—	—	—	—	—	—	—	—
Federal Direct Loan Administrative Fee Account	—	—	—	—	—	—	—	—
DWSRF Reloan Account	—	—	5,255,488	—	—	—	—	5,255,488
DWRF Administrative Fee Account	—	—	1,054,913	—	—	—	—	1,054,913
Subtotal – Drinking Water Revolving Fund	—	11,514,926	13,075,933	—	—	—	50,795,013	75,385,872
Animas-La Plata Agency Fund	—	7,278,497	—	—	—	—	—	7,278,497
Colorado Water Resources and Power Development Authority – total cash and investments	\$ (41,207)	43,935,819	13,075,933	57,470,267	24,688,800	33,791,939	230,898,588	403,820,139

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Cash and Investments Held by Trustees – By Account Type

December 31, 2001

	<u>Rebate accounts</u>	<u>Debt service funds</u>	<u>Debt service reserve funds</u>	<u>Project accounts</u>	<u>SWRP revenue or DWRF and WPCRF matching accounts</u>	<u>Cost of issuance accounts</u>	<u>Other accounts</u>	<u>Total cash and investments by bond issue</u>
Water Operations Fund:					Revenue accounts:			
Small Water Resources Projects Program Debt Service Reserve Fund	\$ —	—	8,500,000	—	—	—	—	8,500,000
Small Water Resources Projects Bonded Funds	373,658	—	—	24,277,641	1,792,478	—	22	26,443,799
Water Revenue Bonds Program	—	—	600,000	—	—	—	—	600,000
Authority Operating and DSR Funds	—	—	—	—	—	—	49,211,708	49,211,708
Subtotal – Water Operations Fund	<u>373,658</u>	<u>—</u>	<u>9,100,000</u>	<u>24,277,641</u>	<u>1,792,478</u>	<u>—</u>	<u>49,211,730</u>	<u>84,755,507</u>
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1989 Series A	—	1	—	—	3,420,748	—	161,306	3,582,055
Clean Water Revenue Bonds, 1990 Series A	—	1	—	—	1,650,051	—	95,084	1,745,136
Clean Water Revenue Bonds, 1991 Series A	7,096	344	—	—	10,927,937	—	546,413	11,481,790
Clean Water Revenue Bonds, 1991 Series B	—	768	—	—	9,445,400	—	28,017	9,474,185
Clean Water Revenue Bonds, 1992 Series A	—	110,376	—	—	3,497,584	—	—	3,607,960
Clean Water Revenue Bonds, 1992 Series B	—	1,202,541	—	—	9,896,608	—	—	11,099,149
Clean Water Revenue Bonds, 1994 Series A	193,880	360	—	—	5,654,462	—	—	5,848,702
Clean Water Revenue Bonds, 1995 Series A	117,747	1,322	—	120,135	7,640,702	—	—	7,879,906
Clean Water Revenue Bonds, 1996 Series A	10,982	857	—	61,891	2,173,434	—	—	2,247,164
Refunding Revenue Bonds, 1996 Series A	10,031	182,857	—	—	—	—	—	192,888
Clean Water Revenue Bonds, 1997 Series A	1,016,236	220,341	—	158,261	8,575,702	—	—	9,970,540
Clean Water Revenue Bonds, 1998 Series A	706,308	99,365	—	—	10,359,026	—	—	11,164,699
Clean Water Revenue Bonds, 1998 Series B	380,893	318,258	—	—	6,545,429	—	—	7,244,580
Clean Water Revenue Bonds, 1999 Series A	824,824	290,461	—	18,391,770	6,489,278	—	—	25,996,333
Clean Water Revenue Bonds, 2000 Series A	499,052	1,243	—	16,337,622	5,424,348	—	764	22,263,029
Clean Water Revenue Bonds, 2001 Series A	8,194	198,661	—	65,922,493	19,600,063	58,882	—	85,788,293
Refunding Revenue Bonds, 2001 Series A	—	47,870	—	—	—	139,007	—	186,877
Direct Loan Projects Pre-Construction Accounts	—	—	—	—	—	—	2,719	2,719
Direct Loan Project Accounts	—	—	—	898,713	—	—	—	898,713
Direct Loan Surplus Matching Account	—	—	—	—	—	—	651,174	651,174
Direct Loan Administrative Fee Account	—	—	—	—	—	—	13,660,405	13,660,405
CWSRF Reloan Account	—	—	—	—	—	—	1,413,348	1,413,348
WPCRF Administrative Fee Account	—	—	—	—	—	—	618	618
Subtotal – Water Pollution Control Revolving Fund	<u>3,775,243</u>	<u>2,675,626</u>	<u>—</u>	<u>101,890,885</u>	<u>111,300,772</u>	<u>197,889</u>	<u>16,559,848</u>	<u>236,400,263</u>

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Cash and Investments Held by Trustees – By Account Type

December 31, 2001

	<u>Rebate accounts</u>	<u>Debt service funds</u>	<u>Debt service reserve funds</u>	<u>Project accounts</u>	<u>SWRP revenue or DWRF and WPCRF matching accounts</u>	<u>Cost of issuance accounts</u>	<u>Other accounts</u>	<u>Total cash and investments by bond issue</u>
Drinking Water Revolving Fund:					Matching accounts:			
Drinking Water Revenue Bonds, 1997 Series A	\$ 804,629	432,376	—	—	8,398,978	—	—	9,635,983
Drinking Water Revenue Bonds, 1998 Series A	203,063	458,020	—	94,770	6,144,309	—	—	6,900,162
Drinking Water Revenue Bonds, 1999 Series A	848,496	531,088	—	3,615,613	14,826,103	—	—	19,821,300
Drinking Water Revenue Bonds, 2000 Series A	423,427	489,105	—	11,052,258	8,522,484	—	—	20,487,274
State Direct Loan Project Accounts	—	—	—	—	—	—	196,088	196,088
Federal Direct Loan Projects Pre-Construction Accounts	—	—	—	—	—	—	11,514,926	11,514,926
Drinking Water Funding Account	—	—	—	—	—	—	106,211	106,211
State Direct Loan Surplus Matching Account	—	—	—	—	—	—	86,670	86,670
State Direct Loan Reloan Account	—	—	—	—	—	—	186,585	186,585
State Direct Loan Administrative Fee Account	—	—	—	—	—	—	140,292	140,292
Federal Direct Loan Administrative Fee Account	—	—	—	—	—	—	5,255,468	5,255,468
DWSRF Reloan Account	—	—	—	—	—	—	1,054,913	1,054,913
Subtotal – Drinking Water Revolving Fund	<u>2,279,615</u>	<u>1,910,589</u>	<u>—</u>	<u>14,762,641</u>	<u>37,891,874</u>	<u>—</u>	<u>18,541,153</u>	<u>75,385,872</u>
Animas-La Plata Agency Fund	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,278,497</u>	<u>7,278,497</u>
Colorado Water Resources and Power Development Authority – total cash and investments	<u>\$ 6,428,516</u>	<u>4,586,215</u>	<u>9,100,000</u>	<u>140,931,167</u>	<u>150,985,124</u>	<u>197,889</u>	<u>91,591,228</u>	<u>403,820,139</u>

See accompanying independent auditors' report.



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**REPORTS REQUIRED BY  
OMB CIRCULAR A-133**

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707 Seventeenth Street  
Suite 2300  
Denver, CO 80202

**Independent Auditors' Report on Compliance and on Internal  
Control Over Financial Reporting Based on an Audit of  
Basic Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Board of Directors  
Colorado Water Resources and Power Development Authority:

We have audited the basic financial statements of the Colorado Water Resources and Power Development Authority (the Authority) as of and for the year ended December 31, 2001, and have issued our report thereon dated April 17, 2002. Our report included an explanatory paragraph discussing that the Authority adopted Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*; Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



This report is intended solely for the information and use of the board of directors, management of the Authority, and the U.S. Environmental Protection Agency, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 17, 2002  
Denver, Colorado



707 Seventeenth Street  
Suite 2300  
Denver, CO 80202

## **Independent Auditors' Report on Compliance with Requirements Applicable to the Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

The Board of Directors  
Colorado Water Resources and Power Development Authority:

### **Compliance**

We have audited the compliance of the Colorado Water Resources and Power Development Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The Authority's major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001.

### **Internal Control Over Compliance**

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management of the Authority, and the U.S. Environmental Protection Agency, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 17, 2002  
Denver, Colorado

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Expenditures of Federal Awards

Year ended December 31, 2001

<u>Grantor program title</u>	<u>Federal CFDA number</u>	<u>Grant award</u>	<u>Accrued January 1, 2001</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Accrued December 31, 2001</u>
U.S. Environmental Protection Agency Title VI Water Pollution Control Revolving Fund:						
1996 Grant	66.458	\$ 16,138,618	\$ —	—	—	—
1997 Grant	66.458	5,150,055	—	558,819	558,819	—
1998 Grant	66.458	4,104,632	167,443	4,104,632	3,937,189	—
1999 Grant	66.458	10,772,190	—	5,723,925	5,803,190	79,265
2000 Grant	66.458	10,735,659	—	—	—	—
2001 Grant	66.458	10,640,223	—	—	—	—
Total federal awards – WPCRF			<u>167,443</u>	<u>10,387,376</u>	<u>10,299,198</u>	<u>79,265</u>
Drinking Water Revolving Fund:						
1997 Grant	66.468	16,784,100	—	640,609	665,601	24,992
1998 Grant	66.468	9,581,800	143,273	1,198,055	1,144,002	89,220
1999 Grant	66.468	16,709,267	—	5,025,933	5,113,990	88,057
2000 Grant	66.468	10,437,200	—	6,840,546	6,903,185	62,639
2001 Grant	66.468	10,480,300	—	—	—	—
Total federal awards – DWRF			<u>143,273</u>	<u>13,705,143</u>	<u>13,826,778</u>	<u>264,908</u>
Total federal awards			<u>\$ 310,716</u>	<u>24,092,519</u>	<u>24,125,976</u>	<u>344,173</u>

See accompanying notes to schedule of expenditures of federal awards.



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2001

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

**(2) Subrecipients**

96% and 97%, respectively, of the Title VI Water Pollution Control Revolving Fund (WPCRF) and Drinking Water Revolving Fund (DWRF) grant expenditures were provided to subrecipients.

**(3) Set Asides**

For the year ended December 31, 2001, the following DWRF grant amounts were used for the set aside programs.

<u>DWRF program year</u>	<u>Set aside amount</u>
1997	\$ 384,069
1998	1,144,002
1999	168,912
2000	<u>235,418</u>
Total	<u>\$ 1,932,401</u>

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Findings and Questioned Costs

Year ended December 31, 2001

**Part I – Summary of Auditors’ Results**

**Basic Financial Statements**

Type of auditors’ report issued:	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	✓ _____ no	
Reportable condition(s) identified not considered to be material weaknesses?	_____ yes	✓ _____ none reported	
Noncompliance material to basic financial statements noted?	_____ yes	✓ _____ no	

**Federal Awards**

Internal control over major program:			
Material weakness(es) identified?	_____ yes	✓ _____ no	
Reportable condition(s) identified not considered to be material weaknesses?	_____ yes	✓ _____ none reported	
Type of auditors’ report issued on compliance for major program:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	_____ yes	✓ _____ no	

Identification of major program:

**CFDA Number**  
66.468

**Name of Federal Program or Cluster**  
Drinking Water Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$723,779

Auditee qualified as low-risk auditee? \_\_\_\_\_ ✓ \_\_\_\_\_ yes \_\_\_\_\_ no

**Part II – Findings Related to Basic Financial Statements**

None reported

**Part III – Findings Related to Federal Awards**

None reported

**Attachment 4**

**Audit Report for 2002**



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Basic Financial Statements, Supplemental Information, and  
Reports Required by OMB Circular A-133

December 31, 2002 and 2001

(With Independent Auditors' Reports Thereon)



Printed on recycled paper

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

December 31, 2002 and 2001

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Suite 2700  
707 Seventeenth Street  
Denver, CO 80202

## Independent Auditors' Report

The Board of Directors  
Colorado Water Resources and Power Development Authority:

We have audited the accompanying financial statements of each major fund of the Colorado Water Resources and Power Development Authority (the Authority), a component unit of the State of Colorado, as of and for the years ended December 31, 2002 and 2001, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Colorado Water Resources and Power Development Authority as of December 31, 2002 and 2001, and the respective changes in financial position and the cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 11, 2003, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

The Management's Discussion and Analysis on pages 3 through 19 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedules listed in the table of contents as supplemental information are presented for purposes of legal compliance and additional analysis and are not a required part of the basic financial statements. These schedules listed in the table of contents as





supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. In addition, the accompanying schedule of expenditures of federal awards, listed in the table of contents under Reports Required by OMB Circular A-133, is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

April 11, 2003  
Denver, Colorado

## **BASIC FINANCIAL STATEMENTS**

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis**

Years ended December 31, 2002 and 2001

As management of the Colorado Water Resources and Power Development Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2002 and 2001.

**Financial Highlights**

- Net assets of the Authority's enterprise funds increased \$35.6 million (11.8%) bringing the total to \$336.5 million at December 31, 2002. As in 2001, two major revenue sources contributed to that increase. First, \$7.3 million was contributed from the Animas-La Plata Agency Fund to the Water Operations Enterprise Fund; see note 1 to the basic financial statements for additional information on this contribution. Capitalization grant revenue received from the United States Environmental Protection Agency (EPA) totaling \$17.2 million was the second major source of funds.
- Operating income totaled \$11.1 million during 2002, an increase of \$2.9 million (36.2%) over 2001. Each of the enterprise funds reported significant increases. Operating revenue totaled \$46.7 million, while expenses were held to \$35.6 million for the fiscal year, resulting in a strong financial position for each fund. Despite the drastic reduction in money market investment interest rates, investment income rose by \$3.6 million (22.1%). The \$64.9 million increase in Restricted Assets, invested in higher yielding repurchase agreements, generated a significant amount of investment income included in the rise.
- Bonds payable, net of unamortized refunding costs, at December 31, 2002, totaled \$611.4 million, a net increase of \$83.9 million (15.9%). New revenue bonds were issued in the following enterprise funds:
  - Small Water Resources Projects (SWRP) program, within the Water Operations Enterprise Fund, - \$14.6 million,
  - Water Pollution Control Revolving Fund (WPCRF), within the Water Pollution Control Enterprise Fund, - \$78.7 million,
  - Drinking Water Revolving Fund (DWRF), within the Drinking Water Enterprise Fund, - \$16.3 million.
- Combined loans receivable totaled \$670.9 million at December 31, 2002. During 2002, loans totaling \$124.0 million were executed, resulting in a net increase in loans receivable of \$94.4 million (16.4%). New loans were executed in the following enterprise funds:
  - WPCRF.....\$ 83.0 million
  - Water Operations..... 19.1 million
  - DWRF ..... 21.9 million

**Overview of the Basic Financial Statements**

Management's discussion and analysis is intended to serve as an introduction of the Authority's basic financial statements. Prior year's activity is provided in a comparative presentation in this discussion. The basic financial statements consist of the fund financial statements and the notes to the basic financial statements.

***Fund Financial Statements***

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are categorized as proprietary funds or fiduciary funds.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis**

Years ended December 31, 2002 and 2001

Proprietary Funds. The Authority uses enterprise funds to report substantially all of its operations. These enterprise funds are business-type activities that include three separately maintained funds: 1) The Water Operations Fund, 2) The Water Pollution Control Fund, and 3) The Drinking Water Fund. The basic financial statements for each proprietary fund are included in this report. All proprietary funds are considered major funds.

Fiduciary Fund. A fiduciary fund was used to account for resources held for the benefit of parties outside the government in 2001. That fund was not combined with the 2001 totals of the proprietary funds. The fiduciary fund is described in more detail later in this analysis.

***Notes to the Basic Financial Statements***

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

***Other Information***

In addition to the basic financial statements and the accompanying notes, this report also presents certain supplemental information. Regulatory basis financial statements are included for both the Water Pollution Control Enterprise Fund and the Drinking Water Enterprise Fund. Also included in this section of the report are budget-based enterprise fund schedules, detailed schedules of loans receivable and bonds payable, and schedules of cash and investments.

**Financial Analysis of Enterprise Funds**

***Summary of Net Assets***

The Authority's basic financial statements are primarily comprised of three enterprise funds. To better assist the user of these statements, a separate table and analysis for each of the funds is presented below. These tables summarize the financial position of each enterprise fund as of December 31, 2002 and 2001 in a comparative format.

Unrestricted current and other assets primarily consist of cash and cash equivalents, investment and loan interest receivable, loan principal payments due in the subsequent year, investments, and other assets and receivables. Restricted assets are comprised of cash and cash equivalents, investments, and investment income receivable. These asset types contain amounts relating to borrowers' project accounts, debt service reserve funds, debt service funds and other accounts legally restricted by the revenue bond resolutions. Current and other liabilities contain amounts such as bond interest payable, bond principal payments due in the subsequent year, project costs payable (remaining borrower direct loan proceeds available), and various other miscellaneous liabilities. The Project costs payable – leveraged loans line item contains remaining borrower loan proceeds available for loans financed with bond proceeds. Long-term debt is the total of bonds payable more than one year subsequent to the fiscal year end. Net assets are classified into capital assets, restricted, and unrestricted categories.

Each of the enterprise funds contains one or more leveraged loan programs that are funded, all or in part, with bond proceeds. Bonds are issued only to provide capital for pre-approved loans. Each loan-bond financing package directly increases four major non-current line items on the respective fund's summary statement of net assets: bonds payable, restricted assets, loans receivable, and project costs payable – leveraged loans.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis**

Years ended December 31, 2002 and 2001

As project construction costs are incurred, borrowers submit requisitions for reimbursement. Construction of these infrastructure projects often lasts up to three years. When approved requisitions are paid, reductions to Restricted assets and Project costs payable-leveraged loans are recorded. Therefore, the net changes to these two accounts from year-to-year are dependent upon the increases resulting from new loans and decreases from project requisitions paid.

An explanation and graphical representation of the comparative balances for these four, major line items is shown below for each enterprise fund.

Water Operations Fund

The Water Operations Fund is discussed in detail in note 1 of the basic financial statements. This fund is the combination of the business operations of the Authority (general and administrative), the Small Water Resources Projects Program (SWRP) and the Water Revenue Bonds Program (WRBP). The SWRP and the WRBP are both leveraged loan programs, whereby revenue bonds are issued and the bond proceeds are used to fund related, approved loans. In an effort to continue assisting the development of Colorado's water resources, the Authority may absorb the cost of issuing these bonds. Loans made from these programs are not subsidized by federal capitalization grants.

Summary of Net Assets as of December 31					<b>WATER OPERATIONS FUND</b>
	<u>2002</u>	<u>2001</u>	<u>Change</u>	<u>Pct Chg</u>	
Current and other assets	\$ 68,431,619	67,611,501	820,118	1.2%	
Restricted assets	34,886,556	35,273,068	(386,512 )	-1.1%	
Capital assets, net	2,872	13,233	(10,361 )	-78.3%	
Long-term loans receivable	106,055,833	96,365,000	9,690,833	10.1%	
Total assets	<u>\$ 209,376,880</u>	<u>199,262,802</u>	<u>10,114,078</u>	<u>5.1%</u>	
Current and other liabilities	\$ 10,582,141	10,056,678	525,463	5.2%	
Project costs payable-Leveraged Loans	11,704,856	21,857,893	(10,153,037 )	-46.5%	
Long-term debt outstanding, net	106,363,333	96,618,333	9,745,000	10.1%	
Total liabilities	<u>128,650,330</u>	<u>128,532,904</u>	<u>117,426</u>	<u>0.1%</u>	
Fund net assets:					
Invested in capital assets	2,872	13,233	(10,361 )	-78.3%	
Restricted	16,565,244	8,863,145	7,702,099	86.9%	
Unrestricted	64,158,434	61,853,520	2,304,914	3.7%	
Total fund net assets	<u>80,726,550</u>	<u>70,729,898</u>	<u>9,996,652</u>	<u>14.1%</u>	
Total liabilities and fund net assets	<u>\$ 209,376,880</u>	<u>199,262,802</u>	<u>10,114,078</u>	<u>5.1%</u>	

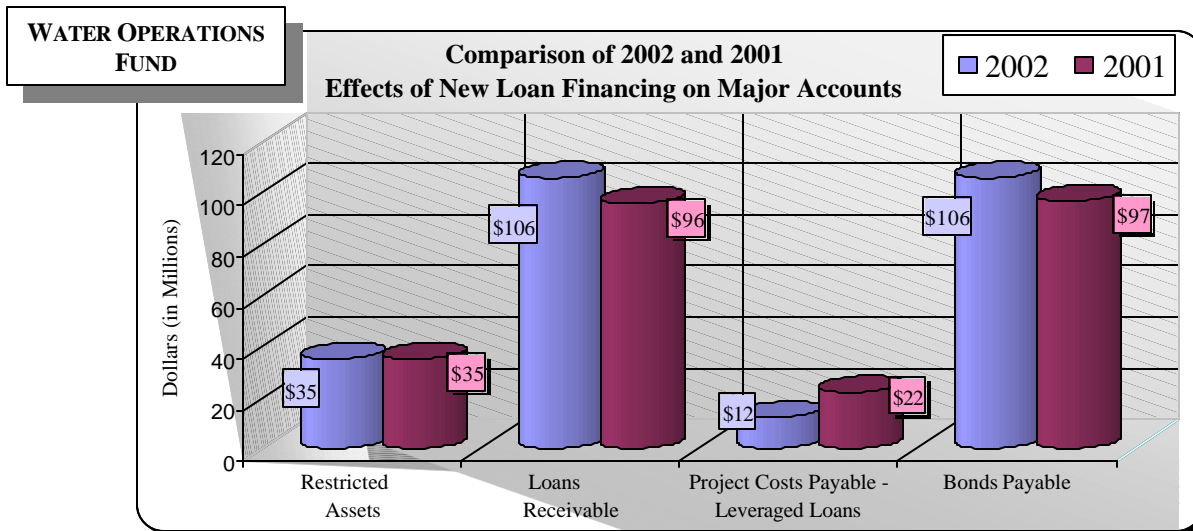
The leveraged loan programs are generally most cost effective when a pool of approved borrowers is formed prior to issuing the bonds. However, borrowers frequently have projects that require funding before bonds are ready to be issued. To assist these communities the Authority may approve interim (or bridge) loans, until permanent financing is available. During 2002, two interim loans were executed totaling \$6.5 million. The fund's current and other assets were reduced to fund these loans. The comparative balances of the four-major accounts are shown in the graph below. The increases in loans receivable and bonds payable are the result of

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis**

Years ended December 31, 2002 and 2001

issuing \$14.6 million of SWRP bonds, investing the proceeds and executing corresponding loans to the communities. Construction draws totaling \$29.1 million contributed to the \$10.2 million decrease in Project costs payable-leveraged loans.



As described in more detail in note 1 of the basic financial statements, during 2002 the Bureau of Reclamation (Bureau) began construction on the Animas-La Plata reservoir project. To facilitate the construction payments, the balance of the fiduciary fund totaling \$7.3 million was contributed to the Water Operations Fund. The unexpended funds are contained in Restricted Assets and Restricted Net Assets. Payments made to the Bureau represent progress payments for the purchase of average annual depletion of 2,600 acre-feet of water from the project. During 2002, \$1.1 million was paid to the Bureau.

Water Pollution Control Fund

The WPCRF program is beginning to mature as a revolving fund, as more “recycled” federal grant dollars (or “reloan” dollars) become available annually. During 2002, \$14.6 million of reloan monies were transferred from current and other assets to restricted assets (invested in repurchase agreements) that were held in debt service reserve funds (matching accounts) of the 2002 bond issues. That transfer contributed to the \$4.4 million decrease in current and other assets. However, the net decrease in current and other assets was limited by a \$6.7 million increase in operating income and a \$2.9 million increase in current loans receivable.

During 2002, the WPCRF issued revenue bonds totaling \$78.7 million. The bond proceeds plus \$3.2 million of state matching dollars, funded new leveraged loans totaling \$82 million. The graph below displays the comparative balances of the four-major accounts and the following net increases: Restricted assets (\$57.4 million), Long-term loans receivable (\$62 million), Project costs payable-leveraged loans (\$34.1 million), and Long-term debt (\$59.6 million). Significant construction draws totaling \$49.8 million limited the net increase in Restricted assets and Project costs payable-leveraged loans.

The WPCRF had operating income of \$6.7 million, and federal grant revenue of \$10.4 million that resulted in the increase in restricted net assets of \$17.1 million.

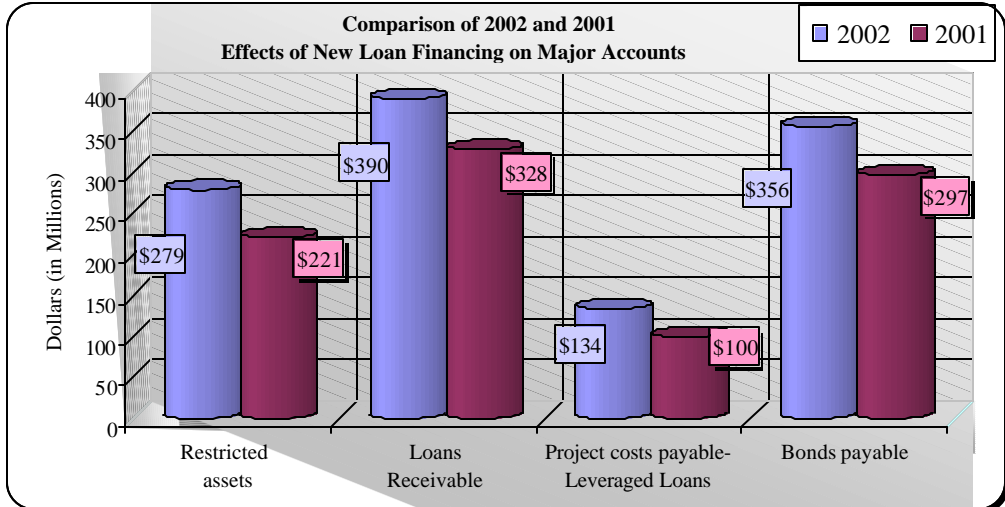
**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis**

Years ended December 31, 2002 and 2001

<b>Summary of Net Assets as of December 31</b>				
	<u>2002</u>	<u>2001</u>	<u>Change</u>	<u>Pct Chg</u>
Current and other assets	\$ 36,510,252	40,942,900	(4,432,648 )	-10.8%
Restricted assets	278,554,004	221,160,080	57,393,924	26.0%
Capital assets, net	15,154	10,808	4,346	40.2%
Long-term loans receivable	389,998,669	328,019,762	61,978,907	18.9%
<b>Total assets</b>	<b>\$ 705,078,079</b>	<b>590,133,550</b>	<b>114,944,529</b>	<b>19.5%</b>
Current and other liabilities	\$ 43,102,694	38,942,436	4,160,258	10.7%
Project costs payable-Leveraged Loans	134,234,465	100,154,503	34,079,962	34.0%
Long-term debt outstanding, net	356,190,998	296,606,662	59,584,336	20.1%
<b>Total liabilities</b>	<b>533,528,157</b>	<b>435,703,601</b>	<b>97,824,556</b>	<b>22.5%</b>
<b>Fund net assets:</b>				
Invested in capital assets	15,154	10,808	4,346	40.2%
Restricted	171,534,768	154,419,141	17,115,627	11.1%
<b>Total fund net assets</b>	<b>171,549,922</b>	<b>154,429,949</b>	<b>17,119,973</b>	<b>11.1%</b>
<b>Total liabilities and fund net assets</b>	<b>\$ 705,078,079</b>	<b>590,133,550</b>	<b>114,944,529</b>	<b>19.5%</b>

**WATER POLLUTION  
CONTROL FUND**



Drinking Water Fund

The Drinking Water Fund contributed unrestricted funds totaling \$1.4 million to satisfy state match requirement for the DWRF 2002 Series A bond issue. This transfer of funds led to the \$0.7 million decrease in

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

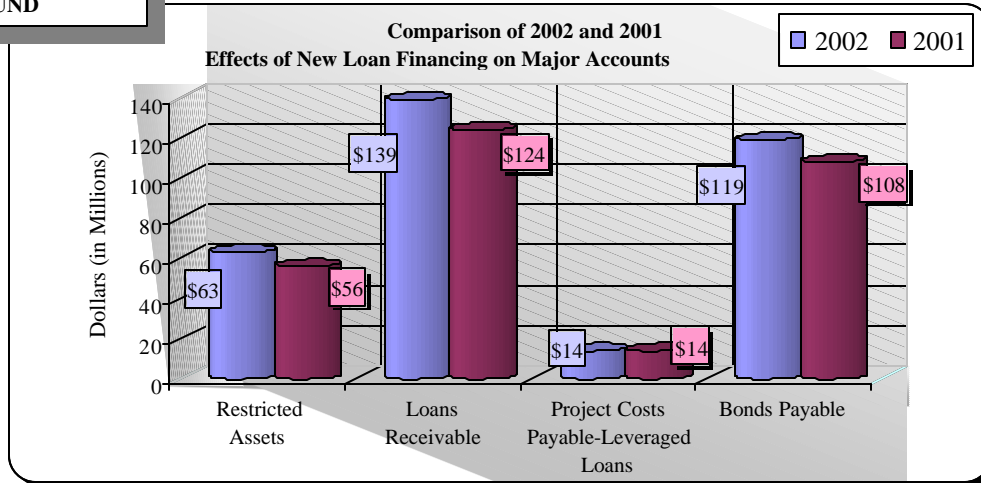
**Management's Discussion and Analysis**

Years ended December 31, 2002 and 2001

Current and other assets. The state match funds were transferred to borrower project accounts, combined with bond proceeds, and invested in a repurchase agreement pursuant to normal, leveraged loan financing arrangements.

<b>Summary of Net Assets as of December 31</b>				
	<u>2002</u>	<u>2001</u>	<u>Change</u>	<u>Pct Chg</u>
Current and other assets	\$ 27,239,221	27,967,125	(727,904 )	-2.6%
Restricted assets	63,465,261	55,600,958	7,864,303	14.1%
Capital assets, net	15,154	10,808	4,346	40.2%
Long-term loans receivable	139,471,317	124,114,547	15,356,770	12.4%
<b>Total assets</b>	<b>\$ 230,190,953</b>	<b>207,693,438</b>	<b>22,497,515</b>	<b>10.8%</b>
Current and other liabilities	\$ 12,730,640	10,489,048	2,241,592	21.4%
Project costs payable-Leveraged Loans	14,298,605	13,548,452	750,153	5.5%
Long-term debt outstanding, net	118,960,000	107,985,000	10,975,000	10.2%
<b>Total liabilities</b>	<b>145,989,245</b>	<b>132,022,500</b>	<b>13,966,745</b>	<b>10.6%</b>
<b>Fund net assets:</b>				
Invested in capital assets	15,154	10,808	4,346	40.2%
Restricted	68,379,804	59,316,677	9,063,127	15.3%
Unrestricted	15,806,750	16,343,453	(536,703 )	-3.3%
<b>Total fund net assets</b>	<b>84,201,708</b>	<b>75,670,938</b>	<b>8,530,770</b>	<b>11.3%</b>
<b>Total liabilities and fund net assets</b>	<b>\$ 230,190,953</b>	<b>207,693,438</b>	<b>22,497,515</b>	<b>10.8%</b>

**DRINKING WATER  
FUND**



During 2002, the DWRP issued revenue bonds totaling \$16.3 million. The bond proceeds plus \$1.4 million state matching dollars, funded new leveraged loans totaling \$17.6 million. The graph above displays the comparative balances of the four-major accounts and the following net increases: Restricted assets (\$7.9 million), Long-term loans receivable (\$15.4 million), Project costs payable-leveraged loans (\$.8 million), and Long-term debt (\$11 million). Significant construction draws totaling \$19 million limited the net increase in Restricted assets and Project costs payable-leveraged loans.



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis**

Years ended December 31, 2002 and 2001

The DWRF had operating income of \$1.7 million, and federal grant revenue of \$6.8 million that resulted in the increase in net assets of \$8.5 million.

Combined Enterprise Funds

This schedule shows the combined net assets of all three-enterprise funds of the Authority. Total assets of these funds grew by \$147.5 million largely as a result of bonds issued and corresponding loans made during 2002. Total liabilities increased by \$112 million, and net assets increased by \$35.6 million for the year. As a whole, and separately, the Authority's funds are financially sound, and continue to grow as the water and wastewater project financing needs continue to be met.

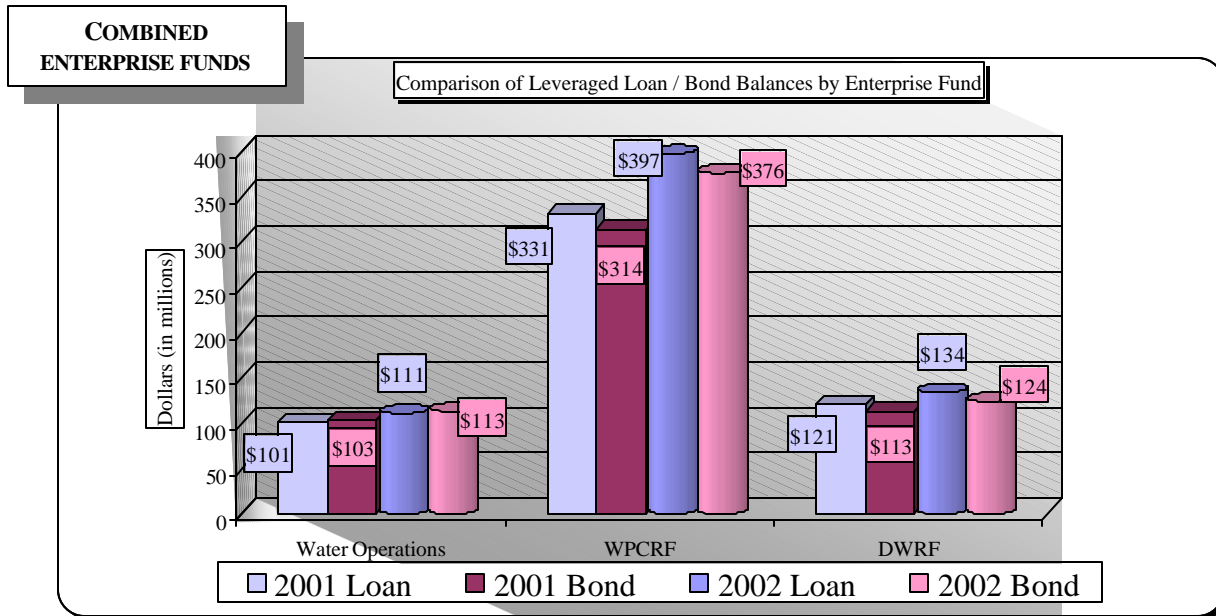
Summary of Net Assets as of December 31					<b>COMBINED ENTERPRISE FUNDS</b>
	<u>2002</u>	<u>2001</u>	<u>Change</u>	<u>Pct Chg</u>	
Current and other assets	\$ 132,181,092	136,521,526	(4,340,434 )	-3.2%	
Restricted assets	376,905,821	312,034,106	64,871,715	20.8%	
Capital assets, net	33,180	34,849	(1,669 )	-4.8%	
Long-term loans receivable	<u>635,525,819</u>	<u>548,499,309</u>	<u>87,026,510</u>	<u>15.9%</u>	
Total assets	<u>\$ 1,144,645,912</u>	<u>997,089,790</u>	<u>147,556,122</u>	<u>14.8%</u>	
Current and other liabilities	\$ 66,415,475	59,488,162	6,927,313	11.6%	
Project costs payable-Leveraged Loans	160,237,926	135,560,848	24,677,078	18.2%	
Long-term debt outstanding, net	<u>581,514,331</u>	<u>501,209,995</u>	<u>80,304,336</u>	<u>16.0%</u>	
Total liabilities	<u>808,167,732</u>	<u>696,259,005</u>	<u>111,908,727</u>	<u>16.1%</u>	
Fund net assets:					
Invested in capital assets	33,180	34,849	(1,669 )	-4.8%	
Restricted	256,479,816	222,598,963	33,880,853	15.2%	
Unrestricted	<u>79,965,184</u>	<u>78,196,973</u>	<u>1,768,211</u>	<u>2.3%</u>	
Total fund net assets	<u>336,478,180</u>	<u>300,830,785</u>	<u>35,647,395</u>	<u>11.8%</u>	
Total liabilities and fund net assets	<u>\$ 1,144,645,912</u>	<u>997,089,790</u>	<u>147,556,122</u>	<u>14.8%</u>	

Below is a graphical representation of the total outstanding loans receivable at year-end that was funded from bond proceeds (leveraged loans). In a comparative form, the outstanding balances of the bonds payable are also shown. The loans and bonds are shown for each of the three separately operated enterprise funds. The graph shows the continued growth in all enterprise funds' leveraged loan programs, especially in the WPCRf program.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis**

Years ended December 31, 2002 and 2001



**Summary of Changes in Fund Net Assets**

As described in the notes to the basic financial statements, the Authority issues bonds to raise capital for making program loans. The bonds are repaid from receipts of loan repayments (principal and interest) and in the WPCRF and DWRF, from investment income earned on restricted assets held in the borrowers' project accounts and in bond debt service reserve funds. This investment income used for paying bond debt service in the revolving funds represents the loan interest subsidy provided to the borrowers.

Below are schedules showing the summary of changes in net assets by individual enterprise funds and in total. Like the complete statements located in the basic financial statements, these summary schedules show operating revenues, operating expenses, operating (net) income, other sources of revenue, and the changes in net assets in a comparative year format. These schedules quantify the operating results of the Authority as a financing entity. For 2002, investment income and loan interest income made up more than 80% of operating revenues, bond interest expense was 84% of operating expense, and 48% of total changes in net assets came from federal capitalization grant revenue.

The WPCRF and DWRF programs are allowed to collect a loan administrative fee surcharge to supplement administrative grant funds used to pay administrative expenses. The annual administrative fee surcharge rate is 0.8% and is applied to the original loan receivable balance, and is a component of loan repayments. Generally, these fees remain constant over the term of the loan.

Beginning in 2001, pursuant to the implementation of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, for the WPCRF and the DWRF, federal capitalization grant receipts have been recorded as non-operating revenue. Grant revenue from the DWRF set asides and grant reimbursements for program administrative costs for both revolving funds are recorded as operating revenue. For loans funded with grant dollars, each project requisition generates a draw from the respective program's grant(s). Capitalization grant revenue is shown below operating income on the Summary of Changes in Fund Net Assets. Two major factors contribute to the amount of grant revenue

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recognized; 1) the number and size of loans made in the revolving funds for the year; and 2) the demand for project cost reimbursements, including projects funded in prior years.

Water Operations Fund

In November 2001 the \$35.1 million contribution from the Animas- La Plata agency fund was received by the Water Operations Fund, and was invested throughout 2002. Interest on these additional funds significantly added to the total interest income of \$3.4 million, an increase of 120% over 2001. The Summary of Net Assets schedule for the Water Operations Fund, located on page 5 of this discussion, shows that long-term loans receivable and bonds payable increased by \$9.6 million (10.1%). However, loan interest income (decrease) and bond interest expense (increase) shown below changed only slightly. These income and expense amounts did not increase in the same proportion as the assets and liabilities. In 2001 the SWRP bonds were issued and were loans executed in January, while the 2002 bonds and loans were issued and executed in June. If the 2002 bonds and loans had been outstanding the entire year, then the increase in interest income and expense would have been comparable to the changes in loans receivable and bonds payable outstanding at year end.

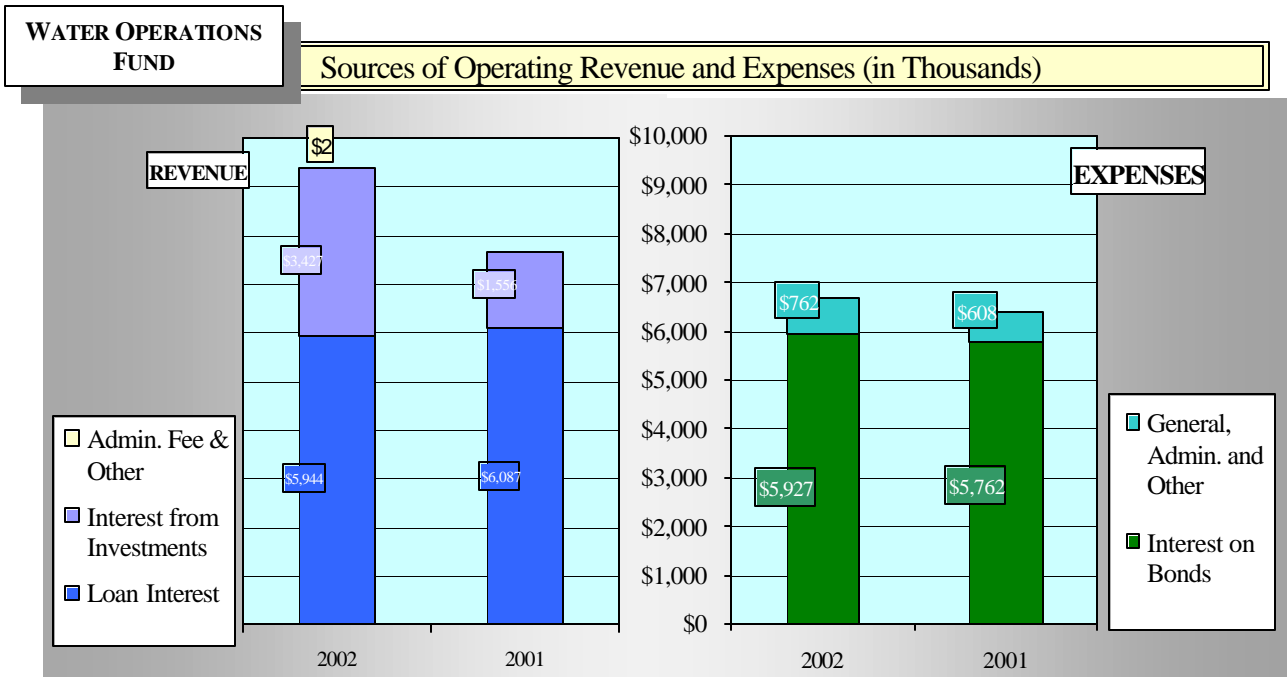
Summary of Changes in Fund Net Assets as of December 31				<b>WATER OPERATIONS FUND</b>	
	2002	2001	Change	Pct Chg	
Operating revenues:					
Interest on investments	\$ 3,427,154	1,556,438	1,870,716	120.2%	
Interest on loans	5,944,449	6,086,835	(142,386)	-2.3%	
Other income	2,464	—	2,464	100.0%	
Total operating revenues	<u>9,374,067</u>	<u>7,643,273</u>	<u>1,730,794</u>	<u>22.6%</u>	
Operating expenses:					
Interest on bonds	5,927,012	5,762,541	164,471	2.9%	
General, administrative, and other expenses	761,914	608,251	153,663	25.3%	
Total operating expenses	<u>6,688,926</u>	<u>6,370,792</u>	<u>318,134</u>	<u>5.0%</u>	
Operating income	2,685,141	1,272,481	1,412,660	111.0%	
Contributions from agency fund	<u>7,311,511</u>	<u>35,143,250</u>	<u>(27,831,739)</u>	<u>-79.2%</u>	
Change in net assets	9,996,652	36,415,731	(26,419,079)	-72.5%	
Net assets – beginning of year	<u>70,729,898</u>	<u>34,314,167</u>	<u>36,415,731</u>	<u>106.1%</u>	
Net assets – end of year	<u>\$ 80,726,550</u>	<u>70,729,898</u>	<u>9,996,652</u>	<u>14.1%</u>	

As shown in the graph below, investment and loan interest income are the principal sources of operating revenue in the Water Operations Fund. As discussed above, investment income more than doubled, while loan interest income decreased slightly. Both General, administrative and other expenses and bond interest expense remained fairly constant as well.

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General and administrative expenses increased by \$153 thousand (25.3%). The majority of this increase related to a portion of the SWRP bond issuance costs paid by the Authority in 2002, pursuant to a change in policy by the Authority's Board of Directors. In prior years the cost of bond issuance was passed through to the borrowers as an addition to loan principal.

As explained in more detail in the notes to the basic financial statements, the Water Operations Fund recorded contributions from the Animas-La Plata agency fund in both 2002 and 2001. The balance of the fund that was transferred in 2002 remains committed for payment to the Bureau in exchange for the average annual depletion of 2,600 acre-feet of water from the project. The funds contributed in 2002 increased restricted net assets at year-end.

Water Pollution Control Fund

In May and October 2002 the WPCRF issued bonds totaling \$55.3 million (6 loans executed) and \$23.4 million (3 loans executed) respectively. The Summary of Net Assets schedule for the WPCRF, located on page 7 of this discussion, shows that long-term loans receivable and bonds payable increased by 18.9% and 20.1% respectively. Considering the timing of these activities, loan interest income and bond interest expense increased 16.4% and 14.3% as shown in the schedule below. Similarly, bond proceeds were invested in repurchase agreements, and the interest earnings on these funds contributed to the \$1.3 million (11.1%) increase in interest on investments.

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**WATER POLLUTION  
CONTROL FUND**

<b>Summary of Changes in Fund Net Assets as of December 31</b>				
	<u>2002</u>	<u>2001</u>	<u>Change</u>	<u>Pct Chg</u>
<b>Operating revenues:</b>				
Interest on investments	\$ 12,813,566	11,533,748	1,279,818	11.1%
Interest on loans	8,247,247	7,085,961	1,161,286	16.4%
Administrative fee and other income	4,448,989	3,760,213	688,776	18.3%
EPA grants-administrative	341,565	333,777	7,788	2.3%
Total operating revenues	<u>25,851,367</u>	<u>22,713,699</u>	<u>3,137,668</u>	<u>13.8%</u>
<b>Operating expenses:</b>				
Interest on bonds	17,902,940	15,666,961	2,235,979	14.3%
Grant administration	1,161,206	1,199,441	(38,235)	-3.2%
General, administrative, and other expenses	69,657	79,985	(10,328)	-12.9%
Total operating expenses	<u>19,133,803</u>	<u>16,946,387</u>	<u>2,187,416</u>	<u>12.9%</u>
Operating income	6,717,564	5,767,312	950,252	16.5%
EPA capitalization grants	10,402,409	9,965,421	436,988	4.4%
Change in net assets	17,119,973	15,732,733	1,387,240	8.8%
Net assets – beginning of year	154,429,949	138,697,216	15,732,733	11.3%
Net assets – end of year	<u>\$ 171,549,922</u>	<u>154,429,949</u>	<u>17,119,973</u>	<u>11.1%</u>

Below is a graph showing the components of operating income and expenses in a comparative format. As additional loans are approved and funded, operating income and expenses increase accordingly. As expected, loan interest income increased \$1.2 million and bond interest expense increased by \$2.2 million. Similarly loan administrative fee income rose \$0.7 million.

The cost to administer the WPCRF for 2002 was \$1.2 million. Included in this amount are reimbursed costs paid to the Water Quality Control Division of the Colorado Department of Public Health and Environment (\$0.6 million), and the Division of Local Government of the Colorado Department of Local Affairs (\$0.1 million). These agencies of the State provide environmental, technical, marketing and financial analysis services in operating the WPCRF.

As discussed at the beginning of this section, a proportionate amount of federal capitalization grant revenue is recognized for each borrower project requisition. However, certain loans that are funded with reloan dollars (recycled grant funds) do not receive grant funds and these project requisitions will not include any recognition of grant revenue. The relatively small increase in grant revenue in 2002 is consistent with program operations.

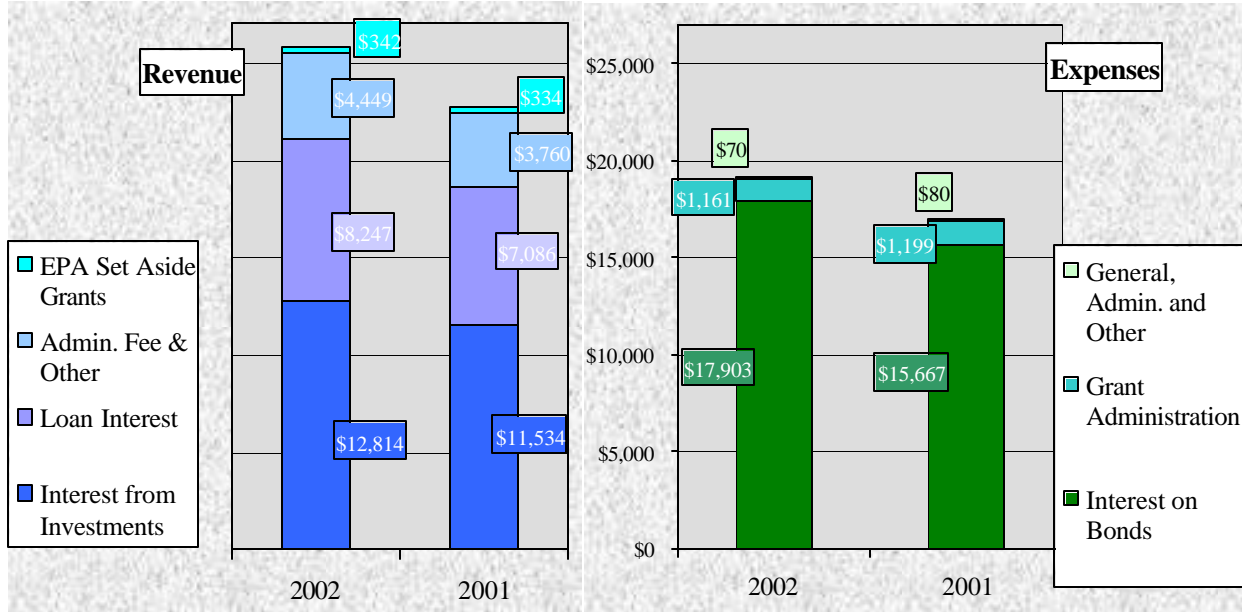
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**WATER POLLUTION  
CONTROL FUND**

**Sources of Operating Revenue and Expenses (in Thousands)**



Drinking Water Fund

In April 2002 the DWRF issued bonds totaling \$16.3 million (4 loans executed). The Summary of Net Assets schedule for the DWRF, located on page 8 of this discussion, shows that long-term loans receivable and bonds payable increased by 12.4% and 10.2% respectively. The DWRF did not issue any bonds in 2001. Included in the increase in loans receivable were 5 direct loans totaling \$4.2 million, that were funded from reloan funds. Considering the timing and types of these financing activities, loan interest income and bond interest expense increased 14.9% and 5.7% as shown in the schedule below. Similarly, the bond proceeds were invested in a repurchase agreement, and the interest earnings on these funds contributed to the \$0.4 million (14.1%) increase in interest on investments.

Please refer to the notes to the basic financial statements for an explanation of the set aside programs funded by the DWRF. These grant dollars reimburse the costs incurred to implement these special programs designed to enhance safe drinking water supplies. As program costs are incurred, EPA grant funds are drawn for those specific purposes. The activity in the set aside program continues to grow, and the grant income and related expenses increased more than \$1 million during 2002.

The cost to administer the DWRF for 2002 was nearly \$1 million. Included in this amount are reimbursed costs paid to the Water Quality Control Division of the Colorado Department of Public Health and Environment (\$0.5 million), and the Division of Local Government of the Colorado Department of Local Affairs (\$0.1 million). These State agencies provide environmental, technical, marketing and financial analysis services in operating the DWRF.

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Summary of Changes in Fund Net Assets as of December 31				
	2002	2001	Change	Pct Chg
<b>Operating revenues:</b>				
Interest on investments	\$ 3,602,342	3,158,123	444,219	14.1%
Interest on loans	3,557,261	3,096,573	460,688	14.9%
Administrative fee and other income	1,259,845	1,233,740	26,105	2.1%
EPA grants	<u>3,038,001</u>	<u>1,932,401</u>	<u>1,105,600</u>	<u>57.2%</u>
Total operating revenues	<u>11,457,449</u>	<u>9,420,837</u>	<u>2,036,612</u>	<u>21.6%</u>
<b>Operating expenses:</b>				
Interest on bonds	6,059,369	5,734,620	324,749	5.7%
Grant administration	953,118	883,730	69,388	7.9%
General, administrative, and other expenses	19,506	12,978	6,528	50.3%
EPA set asides	<u>2,716,207</u>	<u>1,672,309</u>	<u>1,043,898</u>	<u>62.4%</u>
Total operating expenses	<u>9,748,200</u>	<u>8,303,637</u>	<u>1,444,563</u>	<u>17.4%</u>
Operating income	1,709,249	1,117,200	592,049	53.0%
EPA capitalization grants	6,821,521	11,894,377	(5,072,856)	-42.6%
Contributions from agency fund	<u>—</u>	<u>2,737,802</u>	<u>(2,737,802)</u>	<u>-100.0%</u>
Change in net assets	8,530,770	15,749,379	(7,218,609)	-45.8%
Net assets – beginning of year	<u>75,670,938</u>	<u>59,921,559</u>	<u>15,749,379</u>	<u>26.3%</u>
Net assets – end of year	<u>\$ 84,201,708</u>	<u>75,670,938</u>	<u>8,530,770</u>	<u>11.3%</u>

**DRINKING WATER  
FUND**

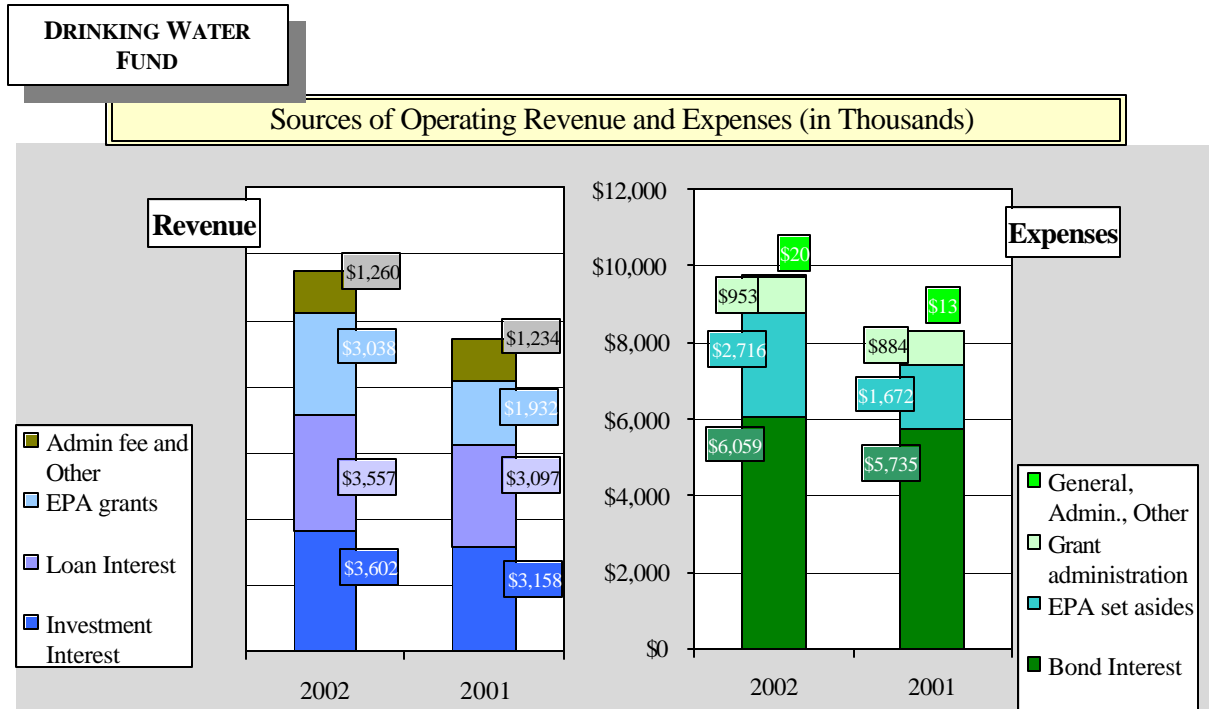
As discussed at the beginning of this section, a proportionate amount of federal capitalization grant revenue is recognized for each borrower project requisition. However, because certain loans are funded partially or entirely by reloan dollars (recycled grant funds), not all project requisitions result in the recognition of grant revenue. EPA capitalization grant revenue decreased \$5.1 million in 2002. Because the DWRF did not issue bonds in 2001, projects that would have been started then, would likely have been drawing substantial amounts of funds in 2002. Therefore, grant revenue dropped significantly.

During 2001, the DWF continued to receive the annual interest income earned on the Animas-La Plata Agency Fund. These funds were committed to provide the state matching requirements for the EPA-DWRF grants. Because the original Animas-La Plata Escrow Fund was terminated in 2001, no further transfers to the DWF will be available.

**COLORADO WATER RESOURCES  
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Combined Enterprise Funds

Below is a schedule that combines the results of operations for the three enterprise funds, shown in a comparative year format. Although restrictions exist on transfers of monies among the enterprise funds, this combined schedule provides information about the overall financial operating results. Bonds issued for 2002 totaled \$109.7 million, and executed loans (leveraged and direct) totaled \$124.0 million. Bond proceeds invested in repurchase agreements, along with other investment increases in the Water Operations Fund resulted in an overall increase in investment income of \$3.6 million (22.1%). Combined loan interest income rose 9.1% and bond interest expense increased by 10.0%. Operating income (net) totaled \$11.1 million for 2002, an increase of \$2.9 million (36.2%) for the year. The \$4.6 million decrease in federal grant revenue resulted from the operations in the DWRF as discussed above. Similarly, the agency fund transfers in the Water Operations Fund and Drinking Water Fund have been explained in the respective funds' section of this discussion. The \$35.6 million (11.8%) increase in combined fund net assets is a reflection of sound financial operations of the enterprise funds of the Colorado Water Resources and Power Development Authority.

Below are graphs comparing the components of total operating revenue. Interest on investments continues as the largest single component of total revenue followed closely by loan interest income. Administrative income also increased in relation to the revolving fund loans.

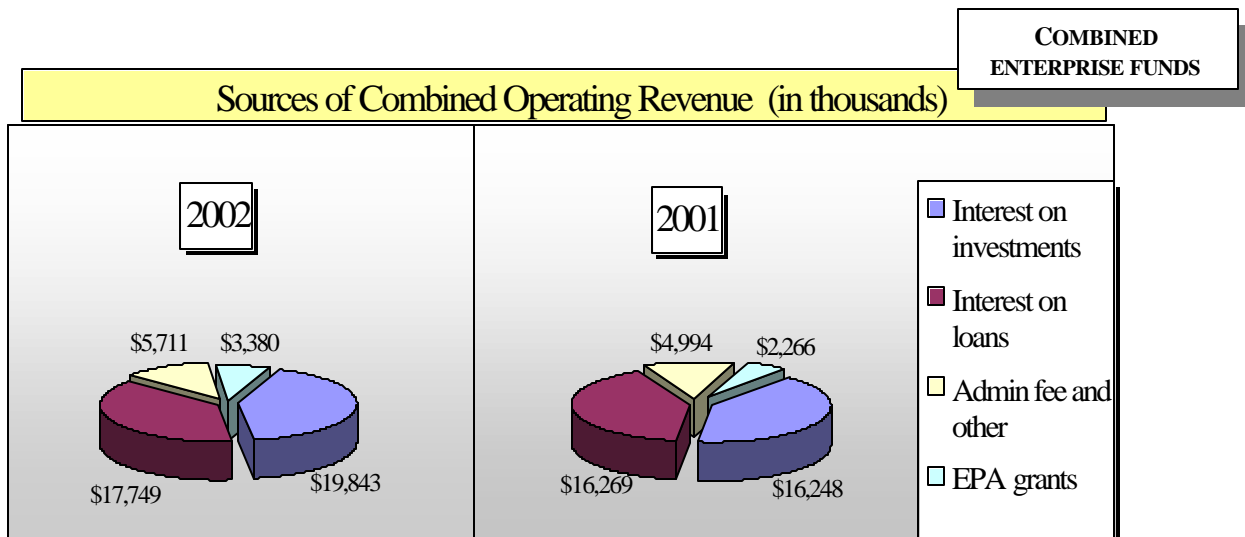


**COLORADO WATER RESOURCES  
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Summary of Changes in Fund Net Assets as of December 31				
	2002	2001	Change	Pct Chg
<b>Operating revenues:</b>				
Interest on investments	\$ 19,843,062	16,248,309	3,594,753	22.1%
Interest on loans	17,748,957	16,269,369	1,479,588	9.1%
Administrative fee and other income	5,711,298	4,993,953	717,345	14.4%
EPA grants	3,379,566	2,266,178	1,113,388	49.1%
Total operating revenues	<u>46,682,883</u>	<u>39,777,809</u>	<u>6,905,074</u>	<u>17.4%</u>
<b>Operating expenses:</b>				
Interest on bonds	29,889,321	27,164,122	2,725,199	10.0%
Grant administration	2,114,324	2,083,171	31,153	1.5%
General, administrative, and other expenses	851,077	701,214	149,863	21.4%
EPA set asides	2,716,207	1,672,309	1,043,898	62.4%
Total operating expenses	<u>35,570,929</u>	<u>31,620,816</u>	<u>3,950,113</u>	<u>12.5%</u>
Operating income	11,111,954	8,156,993	2,954,961	36.2%
EPA capitalization grants	17,223,930	21,859,798	(4,635,868)	-21.2%
Contributions from agency fund	7,311,511	37,881,052	(30,569,541)	-80.7%
Change in net assets	35,647,395	67,897,843	(32,250,448)	-47.5%
Net assets – beginning of year	300,830,785	232,932,942	67,897,843	29.1%
Net assets – end of year	<u>\$ 336,478,180</u>	<u>300,830,785</u>	<u>35,647,395</u>	<u>11.8%</u>



**COLORADO WATER RESOURCES  
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**Management's Discussion and Analysis**

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**Economic Factors**

Like the majority of other states, Colorado's economy continued to suffer in 2002. However, water and wastewater projects financed by the Authority rely primarily on service revenues rather than tax revenues. Due to more stringent water quality standards and continued population growth in the State, the demand for financing of water and wastewater projects is expected to remain strong in 2003. Furthermore, the drought that has continued to plague the western states has not caused any loan delinquencies. All loans made by the Authority's financing programs are current. The drought has created potential interest in additional reservoir storage across the state. Certain types of storage projects may qualify for financing in the Water Operations Fund.

The following table illustrates the Authority's approved 2003 budgeted loan amounts for these programs.

<b>2003 Authority Budget for Water Project Loans</b>		<b>COMBINED ENTERPRISE FUNDS</b>
<b>Fund</b>	<b>Loan budget (millions)</b>	
Water Pollution Control	\$ 89.5	
Water Operations	290.0	
Drinking Water	47.5	
<u>Total loans</u>	<u>\$ 427.0</u>	

The Authority includes all probable loans in its budget. The demand for loans in the Water Pollution Control Enterprise Fund is expected to remain very strong. To accommodate this demand, the WPCRF included nearly all of its estimated loan capacity in the 2003 budget. The Authority may be requested to finance certain, large reservoir and other water supply projects in the Water Operations Enterprise Fund in 2003; therefore, a significant amount has been included in the budget. The Drinking Water Enterprise Fund is expecting a strong demand in 2003, and nearly all of its loan capacity has been included in the budget.

To fund the loans discussed above, the Authority has included in the respective enterprise fund budgets sufficient resources from additional bond issues and capitalization grants as needed and available. Furthermore, budget provisions for loan repayment revenue and bond debt service were made, including the new financing activities for 2003.

The Authority plans to continue subsidizing loan interest rates for both the WPCRF and DWRF in 2003. Unobligated grant funds available for loans at December 31, 2002 for the WPCRF and DWRF totaled \$3.6 and \$9.8 respectively. Furthermore, the Authority has applied to the EPA for Colorado's share of the revolving fund grants for 2003. The grant amounts (available for loans) applied for were \$10.2 million for the WPCRF and \$9.5 million for the DWRF. To meet the strong loan demand in the WPCRF the Authority plans to request a \$6.7 million transfer of EPA grant funds from the DWRF to the WPCRF. In addition to the remaining unobligated grant funds, the 2003 loan budgets rely the 2003 EPA grants that have received congressional approval.

**COLORADO WATER RESOURCES  
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***Requests for Information***

This financial report was designed to provide a general overview for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

Duane Dohrer, Controller  
Colorado Water Resources & Power Development Authority  
1580 Logan Street, Suite 620  
Denver, CO 80203

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statements of Net Assets

Enterprise Funds

December 31, 2002

Assets	Water Operations	Water Pollution Control	Drinking Water	Totals
<b>Current assets:</b>				
Cash and cash equivalents	\$ 46,548,452	11,041,586	18,866,819	76,456,857
Federal grants receivable	—	81,020	388,120	469,140
Investment income receivable	289,845	459,780	194,669	944,294
Loans receivable	8,054,334	20,792,144	6,510,537	35,357,015
Due from other funds	889,392	—	—	889,392
Accounts receivable – borrowers	246,991	4,135,722	1,279,076	5,661,789
Accounts receivable – other	4,459	—	—	4,459
Total current assets	<u>56,033,473</u>	<u>36,510,252</u>	<u>27,239,221</u>	<u>119,782,946</u>
<b>Noncurrent assets:</b>				
Restricted assets:				
Cash and cash equivalents	19,002,898	23,485,129	8,839,588	51,327,615
Investments	15,822,636	250,439,643	53,660,971	319,923,250
Investment income receivable	61,022	4,629,232	964,702	5,654,956
Advance receivable	11,307,347	—	—	11,307,347
Loans receivable	106,055,833	389,998,669	139,471,317	635,525,819
Water depletion rights – Animas-La Plata	1,081,405	—	—	1,081,405
Capital assets – equipment, net of accumulated depreciation of \$136,717	2,872	15,154	15,154	33,180
Other assets	9,394	—	—	9,394
Total noncurrent assets	<u>153,343,407</u>	<u>668,567,827</u>	<u>202,951,732</u>	<u>1,024,862,966</u>
Total assets	<u>\$ 209,376,880</u>	<u>705,078,079</u>	<u>230,190,953</u>	<u>1,144,645,912</u>
<b>Liabilities and Fund Net Assets</b>				
<b>Current liabilities:</b>				
Bonds payable	\$ 5,245,000	19,265,000	5,345,000	29,855,000
Accrued interest payable	917,660	6,299,091	2,044,309	9,261,060
Accounts payable – borrowers	2,428,339	—	—	2,428,339
Due to other funds	—	319,966	569,426	889,392
Accounts payable – other	802,160	81,582	—	883,742
Total current liabilities	<u>9,393,159</u>	<u>25,965,639</u>	<u>7,958,735</u>	<u>43,317,533</u>
<b>Noncurrent liabilities:</b>				
Project costs payable – direct loans	—	1,055,360	2,737,492	3,792,852
Project costs payable – leveraged loans	11,704,856	134,234,465	14,298,605	160,237,926
Advance payable	—	11,307,347	—	11,307,347
Bonds payable, net	106,363,333	356,190,998	118,960,000	581,514,331
Deferred revenue	41,207	293,188	—	334,395
Debt service reserve deposit	600,000	—	—	600,000
Other liabilities	547,775	4,481,160	2,034,413	7,063,348
Total noncurrent liabilities	<u>119,257,171</u>	<u>507,562,518</u>	<u>138,030,510</u>	<u>764,850,199</u>
Total liabilities	<u>128,650,330</u>	<u>533,528,157</u>	<u>145,989,245</u>	<u>808,167,732</u>
<b>Fund net assets:</b>				
Invested in capital assets	2,872	15,154	15,154	33,180
Restricted	16,565,244	171,534,768	68,379,804	256,479,816
Unrestricted	64,158,434	—	15,806,750	79,965,184
Total fund net assets	<u>80,726,550</u>	<u>171,549,922</u>	<u>84,201,708</u>	<u>336,478,180</u>
Total liabilities and fund net assets	<u>\$ 209,376,880</u>	<u>705,078,079</u>	<u>230,190,953</u>	<u>1,144,645,912</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statements of Net Assets

Enterprise Funds

December 31, 2001

Assets	Water Operations	Water Pollution Control	Drinking Water	Totals
<b>Current assets:</b>				
Cash and cash equivalents	\$ 25,587,605	19,050,368	20,680,477	65,318,450
Federal grants receivable	—	79,265	264,908	344,173
Investment income receivable	374,419	467,364	236,467	1,078,250
Loans receivable	4,375,417	17,872,704	5,772,220	28,020,341
Due from other funds	777,494	—	—	777,494
Accounts receivable – borrowers	214,135	3,473,199	1,013,053	4,700,387
Accounts receivable – other	50,143	—	—	50,143
Total current assets	<u>31,379,213</u>	<u>40,942,900</u>	<u>27,967,125</u>	<u>100,289,238</u>
<b>Noncurrent assets:</b>				
Restricted assets:				
Cash and cash equivalents	7,952,365	29,981,118	3,910,382	41,843,865
Investments	27,222,292	187,368,776	50,795,013	265,386,081
Investment income receivable	98,411	3,810,186	895,563	4,804,160
Advance receivable	12,229,648	—	—	12,229,648
Loans receivable	96,365,000	328,019,762	124,114,547	548,499,309
Investments	23,993,246	—	—	23,993,246
Capital assets – equipment, net of accumulated depreciation of \$147,223	13,233	10,808	10,808	34,849
Other assets	9,394	—	—	9,394
Total noncurrent assets	<u>167,883,589</u>	<u>549,190,650</u>	<u>179,726,313</u>	<u>896,800,552</u>
Total assets	<u>\$ 199,262,802</u>	<u>590,133,550</u>	<u>207,693,438</u>	<u>997,089,790</u>
<b>Liabilities and Fund Net Assets</b>				
<b>Current liabilities:</b>				
Bonds payable	\$ 4,930,000	16,505,000	4,840,000	26,275,000
Accrued interest payable	839,963	5,026,186	1,866,623	7,732,772
Accounts payable – borrowers	2,518,308	—	13,785	2,532,093
Due to other funds	—	339,801	437,693	777,494
Accounts payable – other	636,129	195,670	—	831,799
Total current liabilities	<u>8,924,400</u>	<u>22,066,657</u>	<u>7,158,101</u>	<u>38,149,158</u>
<b>Noncurrent liabilities:</b>				
Project costs payable – direct loans	—	10,593	876,003	886,596
Project costs payable – leveraged loans	21,857,893	100,154,503	13,548,452	135,560,848
Advance payable	—	12,229,648	—	12,229,648
Bonds payable, net	96,618,333	296,606,662	107,985,000	501,209,995
Deferred revenue	—	315,741	—	315,741
Debt service reserve deposit	600,000	—	—	600,000
Other liabilities	532,278	4,319,797	2,454,944	7,307,019
Total noncurrent liabilities	<u>119,608,504</u>	<u>413,636,944</u>	<u>124,864,399</u>	<u>658,109,847</u>
Total liabilities	<u>128,532,904</u>	<u>435,703,601</u>	<u>132,022,500</u>	<u>696,259,005</u>
<b>Fund net assets:</b>				
Invested in capital assets	13,233	10,808	10,808	34,849
Restricted	8,863,145	154,419,141	59,316,677	222,598,963
Unrestricted	61,853,520	—	16,343,453	78,196,973
Total fund net assets	<u>70,729,898</u>	<u>154,429,949</u>	<u>75,670,938</u>	<u>300,830,785</u>
Total liabilities and fund net assets	<u>\$ 199,262,802</u>	<u>590,133,550</u>	<u>207,693,438</u>	<u>997,089,790</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statements of Revenues, Expenses, and Changes in Fund Net Assets

Enterprise Funds

Year ended December 31, 2002

	<b>Water Operations</b>	<b>Water Pollution Control</b>	<b>Drinking Water</b>	<b>Totals</b>
Operating revenues:				
Interest on loans	\$ 5,944,449	8,247,247	3,557,261	17,748,957
Interest on investments	3,427,154	12,813,566	3,602,342	19,843,062
Surcharge from borrowers	—	624,820	—	624,820
Administrative fee	—	3,662,878	1,239,576	4,902,454
EPA grants	—	341,565	3,038,001	3,379,566
Other	2,464	161,291	20,269	184,024
Total operating revenues	<u>9,374,067</u>	<u>25,851,367</u>	<u>11,457,449</u>	<u>46,682,883</u>
Operating expenses:				
Interest on bonds	5,927,012	17,902,940	6,059,369	29,889,321
Grant administration	—	1,161,206	953,118	2,114,324
Project expenses	258,148	—	—	258,148
General and administrative	503,766	—	—	503,766
EPA set asides	—	—	2,716,207	2,716,207
Other	—	69,657	19,506	89,163
Total operating expenses	<u>6,688,926</u>	<u>19,133,803</u>	<u>9,748,200</u>	<u>35,570,929</u>
Operating income	2,685,141	6,717,564	1,709,249	11,111,954
EPA capitalization grants	—	10,402,409	6,821,521	17,223,930
Contributions from agency fund	7,311,511	—	—	7,311,511
Change in net assets	9,996,652	17,119,973	8,530,770	35,647,395
Fund net assets – beginning of year	70,729,898	154,429,949	75,670,938	300,830,785
Fund net assets – end of year	<u>\$ 80,726,550</u>	<u>171,549,922</u>	<u>84,201,708</u>	<u>336,478,180</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statements of Revenues, Expenses, and Changes in Fund Net Assets

Enterprise Funds

Year ended December 31, 2001

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Operating revenues:				
Interest on loans	\$ 6,086,835	7,085,961	3,096,573	16,269,369
Interest on investments	1,556,438	11,533,748	3,158,123	16,248,309
Surcharge from borrowers	—	653,993	—	653,993
Administrative fee	—	3,073,559	1,096,530	4,170,089
EPA grants	—	333,777	1,932,401	2,266,178
Other	—	32,661	137,210	169,871
	<u>7,643,273</u>	<u>22,713,699</u>	<u>9,420,837</u>	<u>39,777,809</u>
Total operating revenues				
Operating expenses:				
Interest on bonds	5,762,541	15,666,961	5,734,620	27,164,122
Grant administration	—	1,199,441	883,730	2,083,171
Project expenses	176,120	—	—	176,120
General and administrative	432,070	—	—	432,070
EPA set asides	—	—	1,672,309	1,672,309
Other	61	79,985	12,978	93,024
	<u>6,370,792</u>	<u>16,946,387</u>	<u>8,303,637</u>	<u>31,620,816</u>
Total operating expenses				
Operating income	1,272,481	5,767,312	1,117,200	8,156,993
EPA capitalization grants	—	9,965,421	11,894,377	21,859,798
Contributions from agency fund	35,143,250	—	2,737,802	37,881,052
	<u>36,415,731</u>	<u>15,732,733</u>	<u>15,749,379</u>	<u>67,897,843</u>
Change in net assets				
Fund net assets – beginning of year	34,314,167	138,697,216	59,921,559	232,932,942
Fund net assets – end of year	<u>\$ 70,729,898</u>	<u>154,429,949</u>	<u>75,670,938</u>	<u>300,830,785</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statements of Cash Flows

Enterprise Funds

Year ended December 31, 2002

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Cash flows from operating activities:				
Loan administrative fees received	\$ —	4,023,053	1,149,566	5,172,619
Federal funds received	—	339,810	2,914,789	3,254,599
Cash received – set aside state match reimbursement	—	—	4,022	4,022
Cash received for tenant finish allowance	42,384	—	—	42,384
Cash payments for salaries and related benefits	(333,088)	(262,327)	(195,168)	(790,583)
Cash payments to other state agencies for services	—	(693,040)	(605,624)	(1,298,664)
Cash payments to vendors	(313,002)	(295,322)	(2,756,306)	(3,364,630)
Net cash provided (used) by operating activities	<u>(603,706)</u>	<u>3,112,174</u>	<u>511,279</u>	<u>3,019,747</u>
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	14,659,365	81,675,025	16,193,464	112,527,854
Federal funds received	—	10,402,409	6,821,521	17,223,930
Contributions from Animas-La Plata agency fund	7,278,497	—	—	7,278,497
Principal paid on bonds	(4,930,000)	(16,505,000)	(4,840,000)	(26,275,000)
Interest paid on bonds	(5,524,049)	(16,824,657)	(5,912,996)	(28,261,702)
Cash payment for bond issuance costs	(109,632)	(632,672)	(141,040)	(883,344)
Net cash provided by noncapital financing activities	<u>11,374,181</u>	<u>58,115,105</u>	<u>12,120,949</u>	<u>81,610,235</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	—	(4,346)	(4,346)	(8,692)
Cash flows from investing activities:				
Proceeds from sales or maturities of investments	46,899,656	48,956,353	18,030,920	113,886,929
Interest received on investments	4,275,444	12,493,677	3,877,288	20,646,409
Interest received on loans	5,911,633	8,240,173	3,367,464	17,519,270
Principal repayments from localities on loans	5,695,341	17,607,427	5,784,044	29,086,812
Cash received from (paid to) other accounts	922,301	(922,301)	—	—
Purchase of investments	(11,500,000)	(111,179,770)	(20,896,878)	(143,576,648)
Investment in water rights	(1,081,405)	—	—	(1,081,405)
Cash disbursed to localities for loans	(29,103,128)	(49,841,077)	(18,952,829)	(97,897,034)
Cash payment for arbitrage rebate	(29,295)	(1,082,186)	(722,343)	(1,833,824)
Cash payments of interest to borrowers	(749,642)	—	—	(749,642)
Net cash provided (used) by investing activities	<u>21,240,905</u>	<u>(75,727,704)</u>	<u>(9,512,334)</u>	<u>(63,999,133)</u>
Net increase (decrease) in cash and cash equivalents	<u>32,011,380</u>	<u>(14,504,771)</u>	<u>3,115,548</u>	<u>20,622,157</u>
Cash and cash equivalents, beginning of year	<u>33,539,970</u>	<u>49,031,486</u>	<u>24,590,859</u>	<u>107,162,315</u>
Cash and cash equivalents, end of year	<u>\$ 65,551,350</u>	<u>34,526,715</u>	<u>27,706,407</u>	<u>127,784,472</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 2,685,141	6,717,564	1,709,249	11,111,954
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	10,361	—	—	10,361
Accrued sick leave expense	6,199	—	—	6,199
Interest on bonds	5,927,012	17,902,940	6,059,369	29,889,321
Cost of issuance proceeds	—	(161,291)	(16,247)	(177,538)
Interest on loans	(5,944,449)	(8,247,247)	(3,557,261)	(17,748,957)
Interest on investments	(3,427,154)	(12,813,566)	(3,602,342)	(19,843,062)
Amortization of deferred revenue	(1,177)	(22,553)	—	(23,730)
Change in assets and liabilities:				
(Increase) in due from other funds	(111,898)	—	—	(111,898)
(Increase) in accounts receivable – borrowers	—	(238,093)	(90,010)	(328,103)
(Increase) decrease in other receivables	45,021	(5,745)	(123,212)	(83,936)
Increase in accounts payable – other	166,031	—	—	166,031
Increase in deferred revenue	41,207	—	—	41,207
Increase (decrease) in due to other funds	—	(19,835)	131,733	111,898
Net cash provided (used) by operating activities	<u>\$ (603,706)</u>	<u>3,112,174</u>	<u>511,279</u>	<u>3,019,747</u>

See accompanying notes to basic financial statements.



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statements of Cash Flows

Enterprise Funds

Year ended December 31, 2001

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Cash flows from operating activities:				
Loan administrative fees received	\$ —	3,542,076	1,080,135	4,622,211
Federal funds received	—	421,955	1,810,766	2,232,721
Cash received – set aside state match reimbursement	—	—	109,907	109,907
Cash received – advance administrative fees	—	319,500	—	319,500
Cash payments for salaries and related benefits	(341,659)	(267,485)	(179,701)	(788,845)
Cash payments to other state agencies for services	—	(901,058)	(712,288)	(1,613,346)
Cash payments to vendors	(292,666)	(249,852)	(1,585,936)	(2,128,454)
Net cash provided (used) by operating activities	<u>(634,325)</u>	<u>2,865,136</u>	<u>522,883</u>	<u>2,753,694</u>
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	15,067,779	71,667,075	—	86,734,854
Federal funds received	—	9,965,421	11,894,377	21,859,798
Contributions from Animas-La Plata agency fund	35,143,250	—	2,737,802	37,881,052
Principal paid on bonds	(4,460,000)	(15,530,000)	(4,735,000)	(24,725,000)
Interest paid on bonds	(5,309,538)	(15,930,522)	(5,801,995)	(27,042,055)
Cash payment for bond issuance costs	(67,779)	(270,701)	—	(338,480)
Net cash provided by noncapital	<u>40,373,712</u>	<u>49,901,273</u>	<u>4,095,184</u>	<u>94,370,169</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	—	(10,808)	(10,808)	(21,616)
Cash flows from investing activities:				
Proceeds from sales or maturities of investments	16,630,663	77,795,016	36,332,962	130,758,641
Interest received on investments	3,571,681	12,412,052	4,604,159	20,587,892
Interest received on loans	5,726,284	7,038,489	2,639,197	15,403,970
Principal repayments from localities on loans	4,219,584	15,261,798	5,647,352	25,128,734
Cash received from (paid to) other accounts	288,827	(288,827)	—	—
Loan defeasance paid	—	(2,773,371)	—	(2,773,371)
Purchase of investments	(39,193,555)	(101,982,617)	(10,573,250)	(151,749,422)
Cash disbursed to localities for loans	(15,919,670)	(32,819,174)	(36,111,238)	(84,850,082)
Cash payment for arbitrage rebate	—	(218,348)	—	(218,348)
Cash payments of interest to borrowers	(1,305,364)	—	—	(1,305,364)
Net cash provided (used) by investing activities	<u>(25,981,550)</u>	<u>(25,574,982)</u>	<u>2,539,182</u>	<u>(49,017,350)</u>
Net increase in cash and cash equivalents	13,757,837	27,180,619	7,146,441	48,084,897
Cash and cash equivalents, beginning of year	19,782,133	21,850,867	17,444,418	59,077,418
Cash and cash equivalents, end of year	<u>\$ 33,539,970</u>	<u>49,031,486</u>	<u>24,590,859</u>	<u>107,162,315</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 1,272,481	5,767,312	1,117,200	8,156,993
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	21,724	—	—	21,724
Accrued sick leave expense	6,000	—	—	6,000
Loss on asset disposal	2,661	—	—	2,661
Interest on bonds	5,762,541	15,666,961	5,734,620	27,164,122
Cost of issuance proceeds	—	(32,661)	(27,303)	(59,964)
Interest on loans	(6,086,835)	(7,085,961)	(3,096,573)	(16,269,369)
Interest on investments	(1,556,438)	(11,533,748)	(3,158,123)	(16,248,309)
Change in assets and liabilities:				
(Increase) in due from other funds	67,587	—	—	67,587
(Increase) in accounts receivable – borrowers	—	(181,717)	(16,396)	(198,113)
(Increase) decrease in other receivables	(45,754)	88,169	(101,915)	(59,500)
(Decrease) in accounts payable – other	(78,292)	—	—	(78,292)
Increase in deferred revenue	—	315,741	—	315,741
Increase (decrease) in due to other funds	—	(138,960)	71,373	(67,587)
Net cash provided (used) by operating activities	<u>\$ (634,325)</u>	<u>2,865,136</u>	<u>522,883</u>	<u>2,753,694</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Statements of Fiduciary Assets and Liabilities

Animas-La Plata Agency Fund

December 31, 2002 and 2001

<b>Assets</b>	<b>2002</b>	<b>2001</b>
Cash held by State Treasurer	\$ —	7,278,497
Investment income receivable	—	33,014
Total assets	<u>\$ —</u>	<u>7,311,511</u>
<b>Liabilities</b>		
Liabilities – payable to Animas-La Plata project	<u>\$ —</u>	<u>7,311,511</u>

See accompanying notes to basic financial statements.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2002 and 2001

**(1) Organization**

The Colorado Water Resources and Power Development Authority (the Authority) is a political subdivision of the State of Colorado (the State) established pursuant to the Colorado Water Resources and Power Development Act, Title 37, article 95 of the Colorado Revised Statutes, as amended. The Authority is governed by a nine member Board of Directors who are appointed by the Governor of the State of Colorado with consent of the Colorado State Senate.

***Reporting Entity***

The Authority follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's governing body as the basic criterion for including a possible governmental component unit in a primary government's financial reporting entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Authority is not financially accountable for any other organization. Under current GASB pronouncements, the Authority has been determined to be a component unit of the State of Colorado (the primary government). As such, the Authority's financial statements are included in the Comprehensive Annual Financial Report issued by the State of Colorado.

***Water Operations Enterprise Fund***

The Authority was created to initiate, acquire, construct, maintain, repair and operate or cause to be operated projects for the protection, preservation, conservation, upgrading, development and utilization of the water resources of the State. The Authority is authorized to issue bonds, notes or other obligations which constitute its debt and not debt of the State of Colorado.

The primary activity of the Water Operations Enterprise Fund is to administer the Small Water Resources Projects Program (SWRP) for which the Authority is authorized to finance individual water resources project loans of \$100 million or less. All costs of project development may be financed through the SWRP.

Pursuant to the SWRP, proceeds of the bonds issued by the Authority are to be used to fund loans to local governments. Each local government evidences its obligations under its loan agreement by the issuance to the Authority of a governmental agency bond which is to be secured by a pledge of a specific revenue source or by a general obligation pledge. The repayments pursuant to the loan agreements by the local governments participating in the SWRP are structured, in the aggregate, to provide amounts sufficient to pay the principal and interest on the bonds issued by the Authority. The SWRP Debt Service Reserve for the bonds issued by the Authority is funded by the Authority from available monies of the Authority. The principal and interest on the bonds issued by the Authority have been insured as to repayment to the bondholders.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2002 and 2001

In addition to the Small Water Resources Projects Program, in 1998 the Authority established the Water Revenue Bonds Program (WRBP) as part of the Water Operations Fund. The WRBP was created to fund those projects that cannot be approved under the Small Water Resources Projects Program and are not eligible for funding under the Drinking Water Revolving Fund or the Water Pollution Control Revolving Fund. The Authority is authorized to finance individual water resources project loans of \$100 million or less. All costs of project development may be financed through the WRBP.

***Water Pollution Control Enterprise Fund***

The Water Pollution Control Enterprise Fund includes the operations of the Water Pollution Control Revolving Fund (WPCRF), also known as the State Revolving Fund, and Nonrevolving Fund. The Nonrevolving Fund accounts for administrative grant proceeds and loan administrative fees.

The WPCRF was created by State statute (CRS 37-98-107.6) in response to the mandate from the Federal Clean Water Act of 1987 (Act). The Authority was authorized statutorily to implement the revolving loan portion of the Act. The WPCRF was established for the purpose of financing loans to local governments for the construction of publicly owned wastewater treatment projects that meet specified eligibility requirements and that are placed on a project eligibility list established in accordance with State statute.

Pursuant to statutes, with the written consent of the Colorado Department of Public Health and Environment, the Authority is authorized, on behalf of the State, to execute all operating agreements and capitalization grant agreements with the United States Environmental Protection Agency (EPA). The Authority, the Water Quality Control Division of the Colorado Department of Public Health and Environment, and the Division of Local Government of the Colorado Department of Local Affairs have entered into a Memorandum of Understanding under which each has agreed to assume specified responsibilities in connection with the operation of the WPCRF. The statutes also authorize the Authority to issue bonds for such purposes and to designate assets in the WPCRF that may be pledged and assigned as security for payment of such bonds.

The WPCRF is capitalized through capitalization grants awarded by the EPA. Matching funds are provided by the Authority or its borrowers. In order to receive capitalization grants, matching funds must be provided in a ratio of \$1 of state match for every \$5 of capitalization grants. Administrative expense reimbursements funded by EPA capitalization grants are limited to a percentage (5/6th of 4%) of the capitalization grants.

The Authority issues bonds to provide loans to local governmental entities, either individually or in pools. Loans to borrowers may be provided from federal grants and/or from bond proceeds. The matching requirement is provided by the Authority in the form of cash.

When a loan to a local governmental entity is provided from the proceeds of bonds, the Authority allocates a specified amount from its federal capitalization grant for deposit to the project account(s). An amount of bond proceeds equal to the allocated capitalization grant is transferred to a reserve account as project draws are made. Earnings on such reserve are used to reduce the amounts payable by the borrower.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2002 and 2001

Each local government evidences its obligation to the Authority under its loan agreement by the issuance to the Authority of a governmental agency bond which is secured by a pledge of a specific revenue source or by a general obligation pledge. The repayments pursuant to the loan agreements by the local governments participating in the WPCRF are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (including an administrative surcharge) on direct loans and to repay principal, premium (if any) and interest on the bonds issued by the Authority for the leveraged loans, as well as cash advances or bonds issued to provide the matching requirements, and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years) with principal and interest payments commencing not later than one year after completion of the borrowers' projects.

***Drinking Water Enterprise Fund***

**Drinking Water Revolving Fund**

The Drinking Water Enterprise Fund (DWF) includes the operations of the Drinking Water Revolving Fund (DWRF), also known as the State Revolving Fund, and the Nonrevolving Fund. The Nonrevolving Fund accounts for Safe Drinking Water set asides, including administrative grant proceeds, state direct loan program and loan administrative fees.

The DWRF was created by State statute (CRS 37-95-107.8) in 1995, in anticipation of the reauthorization of the Federal Safe Drinking Water Act (SDWA). The SDWA was reauthorized in 1996 with a state revolving loan program. The DWRF was established to provide assistance to governmental agencies for projects that appear on the *Drinking Water Project Eligibility List* (the List). The List, established in accordance with State statute, consists of new or existing water management facilities that extend, protect, improve, or replace domestic drinking water supplies in the State of Colorado and for any other means specified in the SDWA.

Pursuant to statutes, with the written consent of the Colorado Department of Public Health and Environment, the Authority is authorized, on behalf of the State, to execute all operating agreements and capitalization grant agreements with the EPA. The Authority, the Water Quality Control Division of the Colorado Department of Public Health and Environment and the Division of Local Government of the Colorado Department of Local Affairs have entered into a Memorandum of Understanding under which each has agreed to assume specified responsibilities in connection with the operation of the DWRF. The statutes also authorize the Authority to issue bonds for such purposes and to designate assets in the DWRF that may be pledged and assigned as security for payment of such bonds.

The DWRF is capitalized through capitalization grants awarded by the EPA. Matching funds are provided by the Authority. In order to receive capitalization grants, matching funds must be provided in a ratio of \$1 of state match for every \$5 of total capitalization grants. Administrative expense reimbursements funded by EPA capitalization grants are limited to a percentage (4%) of the capitalization grants.

The Authority issues bonds to provide loans to local governmental entities, either individually or in pools. Loans/grants to borrowers may be provided from federal grants and/or from bond proceeds. The matching requirement for DWF is provided by State monies deposited in the DWRF.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2002 and 2001

When a loan to a local governmental entity is provided from the proceeds of bonds, the Authority allocates a specific amount from its federal capitalization grant for deposit to the project account(s). An amount of bond proceeds equal to the allocated capitalization grant is transferred to a reserve fund as project draws are made. Earnings on such reserve are used to reduce the amounts payable by the borrower.

Each local government evidences its obligation to the Authority under its loan agreement by the issuance to the Authority of a governmental agency bond which is secured by a pledge of a specific revenue source or by a general obligation pledge. The repayments pursuant to the loan agreements by the local governments participating in the DWRF are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (including an administrative surcharge) on direct loans and to repay principal, premium (if any) and interest on the bonds issued by the Authority for the leveraged loans, as well as cash provided to meet the matching requirements, and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years) with principal and interest payments commencing not later than one year after completion of the borrowers' projects.

**Set Asides**

The SDWA allows the State to "set aside" up to 31% of the annual capitalization grant for prevention programs and administration. With these set asides, the Authority, through the Water Quality Control Division of the Colorado Department of Public Health and Environment, provides assistance in the form of grants, with no repayment obligations, to eligible entities. Up to 10% of the Authority's capitalization grants may be used for source water protection, capacity development, public water system supervision, and wellhead protection. In 1997, the entire 10% was used for source water protection, but since then no further funds have been set aside for this activity. Up to 15% (no more than 10% for any one purpose) of each grant may be used for the following items: loans for public water systems to acquire land or conversion easements, loans for community systems to implement source water protection measures or to implement recommendations in source water petitions, technical and financial assistance to public water systems for capacity development, expenditures to delineate or assess source water protection areas, and expenditures to establish and implement wellhead protection programs. Four percent of the Authority's capitalization grants may be used for administration, and up to 2% of the Authority's grants each year may be used for an operator training and technical assistance set aside to aid small community systems.

The Authority deposits the matching requirement (20%) for set aside grants in the State Revolving Fund at closing for the Drinking Water Revenue Bond issues.

**State Loans**

Prior to receiving the award of the federal capitalization grant, the DWRF loaned State-funded monies directly to local governments.

***Animas-La Plata Agency Fund***

Colorado, New Mexico, the Ute Mountain Ute, and Southern Ute Indian Tribes entered into a cost-sharing agreement in 1986 with United States Secretary of the Interior to construct a dam, reservoir, and associated facilities in the Southwest part of Colorado. The Authority was a part of the agreement and pledged \$42.4

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million of its resources as a portion of the State's cost-sharing obligation. In December of 2000, Congress approved legislation authorizing a re-configured and much smaller Animas-La Plata project and eliminated irrigated agriculture as a project purpose. As a result, cost-sharing was no longer required.

On November 9, 2001, the Authority entered into a number of amended and restated agreements dealing with the original project to return the \$42.4 million from the agency fund back to the Authority. In addition, on November 5, 2001, the Authority entered into an agreement with the Animas-La Plata Water Conservancy District (the District) to have the Authority fund the payment of the non-tribal water capital obligation of the re-configured project attributable to the District's depletion allocation. As a result of this agreement, the Authority entered into a Funding Agreement and Repayment Contract with the United States Bureau of Reclamation (the Bureau), to fund this upfront capital obligation. During 2002, construction was initiated on the project. As a result of the congressional approved legislation and these agreements, \$35.1 million and \$7.3 million was transferred from the Animas-La Plata Agency Fund to the Authority in 2001 and 2002, respectively. The Authority is making progress payments to the Bureau for the purchase of 2,600 acre-feet of average annual depletion from the project. Payments to the Bureau totaled \$1,081,405 in 2002. On October 15, 2002, the Authority entered into a marketing agreement with the District to promote the sale of these water depletion rights.

**(2) Summary of Significant Accounting Policies**

The significant accounting policies of the Authority are described as follows:

**(a) Fund Accounting**

The Authority is engaged only in business-type and fiduciary activities. To account for these activities, the accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. Fund types used by the Authority are described below.

**Proprietary Fund Type**

Enterprise Funds – The accounting policies of the Enterprise Funds (Water Operations Fund, Water Pollution Control Fund and Drinking Water Fund) conform to accounting principles generally accepted in the United States of America as applicable to governmental units accounted for as enterprise funds. Enterprise funds are used since the Authority's powers are related to those operated in a manner similar to a financing institution where net income and capital maintenance are appropriate determinations of accountability. Each Enterprise Fund is considered a major fund in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**Fiduciary Fund Type**

Agency Fund – During 2001, the Animas-La Plata Agency Fund was an agency fund that was used to account for assets held by the Authority in a fiduciary capacity.

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**(b) Basis of Accounting**

The Authority utilizes the accrual basis of accounting in preparing its financial statements where revenues are recognized when earned and expenses when incurred. The Authority has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. The Authority elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989, as allowed by GASB Statement No. 20.

**(c) Cash Equivalents**

The Authority considers cash deposits held by State Treasurer, money market mutual funds, investment pools, and other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**(d) Loans Receivable**

Loans receivable represent outstanding principal amounts lent to borrowers for the construction of water projects. An allowance for uncollectible loans receivable has not been established since historical collection experience has shown amounts to be fully collected when due.

**(e) Restricted Assets**

Restricted assets represent cash and cash equivalents, investments, and investment income receivable contained in project accounts, debt service accounts, debt service reserve accounts, and the Animas-La Plata escrow account.

**(f) Capital Assets – Equipment**

Equipment is recorded at cost. Depreciation expense is computed using the straight-line method over the estimated economic useful life of five years.

**(g) Amortization**

The deferred costs on bond refundings are amortized using the interest method over the life of the outstanding bonds. The amortization amount is a component of interest on bonds, and the unamortized deferred costs are reflected as a reduction of bonds payable. An advance payment of administrative fees from refunding bond proceeds is recorded as deferred revenue, and is being amortized over the life of the respective bonds.

**(h) Compensated Absences**

The Authority has a policy which allows employees to accumulate unused vacation and sick leave benefits up to a certain maximum number of days. Compensated absences are recognized as current salary costs are incurred.



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**(i) Project Costs Payable**

Project costs payable represents the principal amounts loaned to borrowers that have not been requisitioned by the borrowers for their projects as of year end.

**(j) Advance Receivable and Payable**

The Water Operations Fund makes advances to the WPCRF for the purpose of financing the WPCRF's capitalization grant matching requirements. The advance is non-interest bearing. The advance is repaid from surplus WPCRF loan administrative fees.

**(k) Restricted Net Assets**

Net assets of the Authority are classified as restricted when external constraints imposed by debt agreements, grantors, or laws are placed on net asset use.

**(l) Operating Revenues and Expenses**

Substantially all revenues and expenses, including interest received on investments and loans and interest paid on bonds, are considered operating items since the Authority issues bonds to finance loans for specific projects. In accordance with GASB Statement No. 34, federal capital contributions and contributions from the agency fund are shown below operating income on the statements of revenues, expenses, and changes in fund net assets.

**(m) Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management of the Authority to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ significantly from those estimates.

**(n) Reclassifications**

Certain prior year balances have been reclassified to conform with the current year presentation.

**(3) Deposits and Investments**

**(a) Deposits**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of Colorado government deposit cash in eligible public depositories. Eligibility is determined by State regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another financial institution or held in trust. The fair value of the collateral must be at least equal to the aggregate uninsured deposits.

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The State regulatory commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2002 and 2001, the Authority's deposits had a bank balance of \$42,013 and \$332,285 and a carrying amount of \$37,907 and \$(41,207), respectively. The differences between the bank balances and carrying amounts are due to outstanding reconciling items (primarily outstanding checks) at year end. The Authority's bank balances were entirely insured by federal depository insurance at December 31, 2002 and 2001, respectively.

**(b) Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which Colorado governmental units may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools

The Authority's investments are recorded at fair value and are categorized below to give an indication of the level of credit risk assumed by the Authority at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the entity or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Authority's name.

Category 3 investments include investments held by trustees pursuant to bond indentures. These investments were acquired by the trustees at the direction of the Authority. Investments are held in the trustee's bank account at the Federal Reserve in book entry form. Consequently, the trustees are considered to be the purchaser as well as the custodian of the investments.

Investments in local government investment pools or in money market mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

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Cash, cash equivalents, and investments at December 31, 2002 are categorized as follows:

	<b>Category</b>			<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Repurchase agreements – collateralized with U.S. Treasury obligations	\$ —	—	287,029,579	287,029,579
U.S. Treasury Bonds	—	—	10,569,071	10,569,071
U.S. Treasury Notes	22,324,600	—	—	22,324,600
	<u>\$ 22,324,600</u>	<u>—</u>	<u>297,598,650</u>	<u>319,923,250</u>

Investment Pools or Money Market Mutual Funds:

Cash held by State Treasurer	\$ 63,781,342
Local government investment pool – COLOTRUST PLUS+	47,385,564
Money market mutual funds	<u>16,579,659</u>
Total cash equivalents not categorized	127,746,565
Total investments and cash equivalents	447,669,815
Total deposits	<u>37,907</u>
Total cash, cash equivalents, and investments	<u>\$ 447,707,722</u>

Cash, cash equivalents, and investments at December 31, 2001 are categorized as follows:

	<b>Category</b>			<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	
Repurchase agreements – collateralized with U.S. Treasury obligations	\$ —	—	230,898,588	230,898,588
U.S. Treasury Bonds	—	—	9,798,693	9,798,693
U.S. Treasury Notes	48,682,046	—	—	48,682,046
	<u>\$ 48,682,046</u>	<u>—</u>	<u>240,697,281</u>	<u>289,379,327</u>

Investment Pools or Money Market Mutual Funds:

Cash held by State Treasurer	\$ 43,935,819
Local government investment pool – COLOTRUST PLUS+	57,470,267
Money market mutual funds	<u>13,075,933</u>
Total cash equivalents not categorized	114,482,019
Total investments and cash equivalents	403,861,346
Total deposit overdraft	<u>(41,207)</u>
Total cash, cash equivalents, and investments	<u>\$ 403,820,139</u>

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Cash held by State Treasurer has been invested in the State Treasurer's cash pool. A detailed composition of the cash and investments in this pool is available in the annual State Treasurer's Report.

Colorado Local Government Liquid Asset Trust (the COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. As of December 31, 2002 and 2001, the Authority had \$47,385,564 and \$57,470,267 invested in COLOTRUST PLUS+, respectively.

As of December 31, 2002 and 2001, the Authority had invested \$16,579,659 and \$13,075,933, respectively, in the Milestone Treasury Obligation Portfolio. This Fund is a money market mutual fund which may invest only in U.S. Treasury obligations and repurchase agreements fully collateralized by U.S. Treasury obligations.

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**(4) Loans Receivable**

The following is an analysis of changes in loans receivable for the years ended December 31, 2002 and 2001:

	<b>Balance January 1, 2002</b>	<b>New loans</b>	<b>Repayments/ loans canceled</b>	<b>Balance December 31, 2002</b>
Water Operations Fund:				
Small Water Resources Program	\$ 98,055,417	14,615,000	4,413,334	108,257,083
Water Revenue Bond Program	2,685,000	—	150,000	2,535,000
Interim loans	—	4,450,091	1,132,007	3,318,084
Water Pollution Control Fund:				
Direct loans	13,445,720	1,000,000	875,114	13,570,606
Leveraged loans	332,446,746	81,972,699	17,199,238	397,220,207
Drinking Water Fund:				
Direct loans	8,531,008	4,200,000	558,433	12,172,575
Leveraged loans	121,355,759	17,754,659	5,301,139	133,809,279
	576,519,650	\$ 123,992,449	29,629,265	670,882,834
Less current portion	28,020,341			35,357,015
Noncurrent portion	\$ 548,499,309			635,525,819
	<b>Balance January 1, 2001</b>	<b>New loans</b>	<b>Repayments/ loans canceled</b>	<b>Balance December 31, 2001</b>
Water Operations Fund:				
Small Water Resources Program	\$ 86,620,000	15,510,000	4,074,583	98,055,417
Water Revenue Bond Program	2,830,000	—	145,000	2,685,000
Water Pollution Control Fund:				
Direct loans	12,674,825	1,800,000	1,029,105	13,445,720
Leveraged loans	278,109,006	71,421,798	17,084,058	332,446,746
Drinking Water Fund:				
Direct loans	7,995,413	1,000,000	464,405	8,531,008
Leveraged loans	126,538,705	—	5,182,946	121,355,759
	514,767,949	\$ 89,731,798	27,980,097	576,519,650
Less current portion	24,395,771			28,020,341
Noncurrent portion	\$ 490,372,178			548,499,309

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Scheduled maturities of the loans receivable are as follows:

	Water Operations		WPCRF		DWF		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2003	\$ 8,054,334	5,677,937	20,792,144	9,585,751	6,510,537	3,832,355	54,453,058
2004	5,182,500	5,729,580	21,777,878	10,841,844	7,258,126	3,968,821	54,758,749
2005	5,513,333	5,434,996	22,595,918	10,916,564	7,415,366	3,817,358	55,693,535
2006	5,880,000	5,116,303	23,632,293	10,274,889	7,516,241	3,634,842	56,054,568
2007	6,211,667	4,788,373	24,647,468	9,597,654	7,689,605	3,466,239	56,401,006
2008-2012	32,219,167	18,350,304	131,385,313	37,272,215	41,789,100	14,216,130	275,232,229
2013-2017	23,894,167	10,891,166	100,364,731	19,566,388	43,716,016	7,776,877	206,209,345
2018-2022	25,838,333	4,347,345	54,379,706	5,802,678	24,086,863	2,148,837	116,603,762
2023-2025	1,316,666	64,188	11,215,362	579,391	—	—	13,175,607
Total	\$ 114,110,167	60,400,192	410,790,813	114,437,374	145,981,854	42,861,459	888,581,859

The schedule above does not include administrative fees due from the borrowers, which are recorded as revenue when due.

The Water Operations Fund – Small Water Resources Program loans receivable, which had original amounts of \$134,925,000, have interest rates of 3.87% to 7.19% and have scheduled final maturity dates of 2004 to 2023. The Water Revenue Bond Program loan receivable, which had an original amount of \$3,140,000, has an interest rate of 7.08% and has a final maturity date of 2013.

The WPCRF direct loans receivable, which had original amounts of \$17,702,588, have interest rates of 1.43% to 5.17% and have maturity dates of 2010 to 2022. The WPCRF leveraged loans receivable which had original amounts of \$477,359,430, have interest rates of 3.77% to 5.20% and have scheduled final maturity dates of 2007 to 2025.

The Drinking Water Fund direct loans receivable, which had original amounts of \$14,206,892, have interest rates of 4.0% to 4.5% and have scheduled final maturity dates of 2005 to 2022. The Drinking Water Fund leveraged loans receivable, which had original amounts of \$156,723,365, have interest rates of 3.63% to 4.6% and have scheduled final maturity dates of 2014 to 2022.

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**(5) Bonds Payable**

The following is an analysis of changes in bonds payable for the year ended December 31, 2002:

	<b>Balance January 1, 2002</b>	<b>New issues</b>	<b>Retirements/ refundings</b>	<b>Balance December 31, 2002</b>
Water Operations – Small Water Resources Program:				
1990 Series A	\$ 590,000	—	590,000	—
1992 Series A	595,000	—	595,000	—
1992 Series B	1,940,000	—	785,000	1,155,000
1993 Series A	5,945,000	—	100,000	5,845,000
1994 Series A	4,280,000	—	265,000	4,015,000
1994 Series B	890,000	—	285,000	605,000
1996 Series A/B	5,705,000	—	360,000	5,345,000
1997 Series A	8,405,000	—	365,000	8,040,000
1997 Series B	11,810,000	—	350,000	11,460,000
1998 Series A	7,605,000	—	430,000	7,175,000
1998 Series B	13,535,000	—	125,000	13,410,000
2000 Series A	23,860,000	—	265,000	23,595,000
2001 Series A	15,510,000	—	265,000	15,245,000
2002 Series A	—	14,615,000	—	14,615,000
	100,670,000	14,615,000	4,780,000	110,505,000
Water Revenue Bonds Program:				
1998 Taxable Rio Blanco	2,685,000	—	150,000	2,535,000
Total Water Operations	103,355,000	\$ 14,615,000	4,930,000	113,040,000
Less deferred costs	(1,806,667)			(1,431,667)
Less current portion	(4,930,000)			(5,245,000)
Noncurrent bonds payable – Water Operations	\$ 96,618,333			106,363,333
Water Pollution Control Revolving Fund – Clean Water Revenue Bonds:				
1989 Series A	745,000	—	115,000	630,000
1990 Series A	350,000	—	65,000	285,000
1991 Series A	2,945,000	—	415,000	2,530,000
1991 Series B	2,300,000	—	370,000	1,930,000
1992 Series A	1,620,000	—	705,000	915,000
1992 Series B	3,705,000	—	1,200,000	2,505,000
1994 Series A	3,885,000	—	1,285,000	2,600,000
1995 Series A	4,850,000	—	1,100,000	3,750,000
1996 Series A	5,560,000	—	305,000	5,255,000
1997 Series A	26,680,000	—	1,440,000	25,240,000
1998 Series A	27,550,000	—	1,445,000	26,105,000
1998 Series B	19,365,000	—	530,000	18,835,000
1999 Series A	33,000,000	—	1,865,000	31,135,000
2000 Series A	32,270,000	—	1,245,000	31,025,000
2001 Series A	69,710,000	—	2,405,000	67,305,000
2002 Series A	—	55,310,000	—	55,310,000
2002 Series B	—	23,435,000	—	23,435,000
	234,535,000	78,745,000	14,490,000	298,790,000

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	<u>Balance January 1, 2002</u>	<u>New issues</u>	<u>Retirements/ refundings</u>	<u>Balance December 31, 2002</u>
Water Pollution Control				
Revolving Fund – Wastewater				
Revolving Fund Refunding				
Revenue Bonds:				
1996 Series A	\$ 27,670,000	—	1,810,000	25,860,000
2001 Series A	51,620,000	—	205,000	51,415,000
	<u>79,290,000</u>	<u>—</u>	<u>2,015,000</u>	<u>77,275,000</u>
Total Water Pollution Control Revolving Fund	313,825,000	<u>\$ 78,745,000</u>	<u>16,505,000</u>	376,065,000
Less deferred costs	(713,338)			(609,002)
Less current portion	<u>(16,505,000)</u>			<u>(19,265,000)</u>
Noncurrent bonds payable – Water Pollution Control Revolving Fund	<u>\$ 296,606,662</u>			<u>356,190,998</u>
Drinking Water Revolving Fund –				
Revenue Bonds:				
1997 Series A	\$ 21,085,000	—	1,030,000	20,055,000
1998 Series A	13,925,000	—	630,000	13,295,000
1999 Series A	42,725,000	—	2,135,000	40,590,000
2000 Series A	35,090,000	—	1,045,000	34,045,000
2002 Series A	<u>—</u>	<u>16,320,000</u>	<u>—</u>	<u>16,320,000</u>
Total Drinking Water Revolving Fund	112,825,000	<u>\$ 16,320,000</u>	<u>4,840,000</u>	124,305,000
Less deferred costs	—			—
Less current portion	<u>(4,840,000)</u>			<u>(5,345,000)</u>
Noncurrent bonds payable – Drinking Water Revolving Fund	<u>\$ 107,985,000</u>			<u>118,960,000</u>



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The following is an analysis of changes in bonds payable for the year ended December 31, 2001:

	<b>Balance January 1, 2001</b>	<b>New issues</b>	<b>Retirements/ refundings</b>	<b>Balance December 31, 2001</b>
Water Operations – Small Water Resources Program:				
1990 Series A	\$ 1,140,000	—	550,000	590,000
1991 Series A	185,000	—	185,000	—
1992 Series A	1,160,000	—	565,000	595,000
1992 Series B	2,685,000	—	745,000	1,940,000
1993 Series A	6,040,000	—	95,000	5,945,000
1994 Series A	4,540,000	—	260,000	4,280,000
1994 Series B	1,165,000	—	275,000	890,000
1996 Series A/B	6,050,000	—	345,000	5,705,000
1997 Series A	8,755,000	—	350,000	8,405,000
1997 Series B	11,965,000	—	155,000	11,810,000
1998 Series A	8,025,000	—	420,000	7,605,000
1998 Series B	13,655,000	—	120,000	13,535,000
2000 Series A	24,110,000	—	250,000	23,860,000
2001 Series A	—	15,510,000	—	15,510,000
	<u>89,475,000</u>	<u>15,510,000</u>	<u>4,315,000</u>	<u>100,670,000</u>
Water Revenue Bonds Program:				
1998 Taxable Rio Blanco	2,830,000	—	145,000	2,685,000
Total Water Operations	92,305,000	\$ <u>15,510,000</u>	<u>4,460,000</u>	103,355,000
Less deferred costs	(2,178,333)			(1,806,667)
Less current portion	<u>(4,461,000)</u>			<u>(4,930,000)</u>
Noncurrent bonds payable – Water Operations	<u>\$ 85,665,667</u>			<u>96,618,333</u>
Water Pollution Control Revolving Fund – State Match Revenue Bonds:				
1991 Series A	1,275,000	—	1,275,000	—
1991 Series B	975,000	—	975,000	—
	<u>2,250,000</u>	<u>—</u>	<u>2,250,000</u>	<u>—</u>
Water Pollution Control Revolving Fund – Clean Water Revenue Bonds:				
1989 Series A	860,000	—	115,000	745,000
1990 Series A	415,000	—	65,000	350,000
1991 Series A	3,985,000	—	1,040,000	2,945,000
1991 Series B	3,235,000	—	935,000	2,300,000
1992 Series A	11,030,000	—	9,410,000	1,620,000
1992 Series B	19,225,000	—	15,520,000	3,705,000
1994 Series A	18,785,000	—	14,900,000	3,885,000
1995 Series A	20,400,000	—	15,550,000	4,850,000
1996 Series A	5,855,000	—	295,000	5,560,000
1997 Series A	28,085,000	—	1,405,000	26,680,000

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	<u>Balance January 1, 2001</u>	<u>New issues</u>	<u>Retirements/ refundings</u>	<u>Balance December 31, 2001</u>
Water Pollution Control Revolving Fund – Clean Water Revenue Bonds:				
1998 Series A	\$ 28,965,000	—	1,415,000	27,550,000
1998 Series B	19,865,000	—	500,000	19,365,000
1999 Series A	37,530,000	—	4,530,000	33,000,000
2000 Series A	33,575,000	—	1,305,000	32,270,000
2001 Series A	—	69,710,000	—	69,710,000
	<u>231,810,000</u>	<u>69,710,000</u>	<u>66,985,000</u>	<u>234,535,000</u>
Water Pollution Control Revolving Fund – Wastewater Revolving Fund Refunding Revenue Bonds:				
1996 Series A	\$ 28,175,000	—	505,000	27,670,000
2001 Series A	—	51,620,000	—	51,620,000
	<u>28,175,000</u>	<u>51,620,000</u>	<u>505,000</u>	<u>79,290,000</u>
Total Water Pollution Control Revolving Fund	262,235,000	<u>\$ 121,330,000</u>	<u>69,740,000</u>	313,825,000
Less deferred costs	(698,031)			(713,338)
Less current portion	<u>(13,780,000)</u>			<u>(16,505,000)</u>
Noncurrent bonds payable – Water Pollution Control Revolving Fund	<u>\$ 247,756,969</u>			<u>296,606,662</u>
Drinking Water Revolving Fund – Revenue Bonds:				
1997 Series A	\$ 22,095,000	—	1,010,000	21,085,000
1998 Series A	14,545,000	—	620,000	13,925,000
1999 Series A	44,810,000	—	2,085,000	42,725,000
2000 Series A	36,110,000	—	1,020,000	35,090,000
Total Drinking Water Revolving Fund	117,560,000	<u>\$ —</u>	<u>4,735,000</u>	112,825,000
Less deferred costs	—			—
Less current portion	<u>(4,735,000)</u>			<u>(4,840,000)</u>
Noncurrent bonds payable – Drinking Water Revolving Fund	<u>\$ 112,825,000</u>			<u>107,985,000</u>

**COLORADO WATER RESOURCES  
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December 31, 2002 and 2001

All of the Authority Small Water Resources Program bonds and the Series 1989A and Series 1990A Clean Water Revenue Bonds are insured as to payment of principal and interest by the Financial Guaranty Insurance Company. The Clean Water Revenue Bonds, Series 1992A are insured as to payment of principal and interest by Financial Security Assurance, Inc. The Wastewater Revolving Fund Refunding Revenue Bonds, Series 1996A are insured as to payment of principal and interest by AMBAC Indemnity Corporation.

The outstanding bonds of the Authority had original principal amounts of \$172,915,000 for the Small Water Resources Program, \$3,140,000 for Water Revenue Bonds Program, \$452,980,000 of Clean Water Revenue Bonds, \$80,570,000 of Wastewater Revolving Fund Refunding Revenue Bonds and \$138,585,000 for Drinking Water Revolving Fund Bonds, for a total of \$848,190,000. The bonds are payable semiannually with interest rates ranging from 1.7% to 7.4% and serial and term principal maturities, including mandatory call provisions, through the year 2025. All bonds, except the Small Water Resources Series 1996B and the Wastewater Revolving Fund Refunding Revenue Bonds Series 1996A and 2001A, have optional initial call provisions through 2014, generally eight years from the issue date with maximum call premiums of 2% and decreasing to no premium.

The Authority's debt service requirements to maturity, excluding unamortized original issue discount and premium and deferred costs on refundings, are as follows:

	Water Operations		WPCRF		DWF		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2003	\$ 5,245,000	5,682,001	19,265,000	19,124,903	5,345,000	6,132,928	60,794,832
2004	5,465,000	5,443,813	20,040,000	18,363,815	5,975,000	5,892,675	61,180,303
2005	5,750,000	5,190,513	20,660,000	17,421,658	6,055,000	5,620,955	60,698,126
2006	6,050,000	4,924,519	21,450,000	16,449,814	6,300,000	5,344,768	60,519,101
2007	6,345,000	4,641,523	22,120,000	15,377,943	6,440,000	5,071,563	59,996,029
2008-2012	32,515,000	18,418,158	117,890,000	59,216,308	34,805,000	20,763,870	283,608,336
2013-2017	23,770,000	11,081,715	92,575,000	29,823,448	37,020,000	11,612,735	205,882,898
2018-2022	26,320,000	4,563,575	51,540,000	9,116,365	22,365,000	3,151,324	117,056,264
2023-2025	1,580,000	77,025	10,525,000	916,225	—	—	13,098,250
Total	\$ 113,040,000	60,022,842	376,065,000	185,810,479	124,305,000	63,590,818	922,834,139

Total interest expense for 2002 and 2001 amounted to \$5,927,012, \$17,902,940, and \$6,059,369 and \$5,762,541, \$15,666,961, and \$5,734,620 for the Water Operations, Water Pollution Control, and Drinking Water Funds, respectively.

The bond resolutions authorizing the various bond issues contain general provisions and provisions related to accounting and financial operations of the Authority. Management of the Authority believes they are in substantial compliance with these provisions.

The Authority has provided a Debt Service Bond Reserve Fund at least equal to the debt service reserve requirement under the Small Water Resources Bond Resolution. At December 31, 2002 and 2001, the Small Water Resources Debt Service Reserve Fund amounted to \$8,500,000 and was fully funded. This amount is reflected in restricted net assets of the Water Operations Enterprise Fund. The Authority can issue up to \$150,000,000, of Small Water Resources Revenue Bonds at the current funding level for the

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Small Water Debt Service Reserve Fund. At December 31, 2002 and 2001, the Authority had \$110,505,000 and \$100,670,000 of outstanding Small Water Resources Revenue Bonds, respectively.

***Refunded Debt***

Various bonds previously issued by the Authority have been defeased, and thus, are not reflected in bonds payable in the accompanying statements of net assets. The detail of the Authority's total defeased bonds outstanding at December 31, 2002 and year of final maturity of the defeased bonds (if called) are as follows:

	<b>Amount</b>	<b>Year of Maturity</b>
1994B Small Water Resources Revenue Bonds	\$ 6,850,000	2004
1995A Clean Water Revenue Bonds	14,485,000	2003
1999A Clean Water Revenue Bonds	2,480,000	2009
	\$ 23,815,000	

**(6) Board Designated Accounts**

Included in the balance of unrestricted net assets of the Water Operations Enterprise Fund are monies designated by the Authority's Board of Directors (the Board) for specific purposes. These amounts are not included in restricted net assets, because the designations do not meet the definition of restricted net assets as defined by accounting principles generally accepted in the United States of America. Board designations were as follows in the Water Operations Enterprise Fund as of December 31:

	<b>2002</b>	<b>2001</b>
Self insurance account	\$ 800,000	—
La Plata river escrow account	15,455,643	15,068,206
Total Board designated accounts	\$ 16,255,643	15,068,206

**(7) EPA Capitalization Grants**

The WPCRF and DWRF are capitalized through capitalization grants awarded by the EPA. Matching funds are provided by the Authority or its borrowers in a ratio of \$1 of state match for every \$5 of capitalization grants.

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Notes to Basic Financial Statements

December 31, 2002 and 2001

The following table details the EPA capitalization grants and matching requirements recognized by project during 2002:

	<b>Federal grants recognized in 2002</b>	<b>Matching requirement for 2002</b>
<b>Water Pollution Control Revolving Fund Projects:</b>		
1995A – City of Steamboat Springs	\$ 17,186	3,437
1996A – City of Idaho Springs	19,761	3,952
1999A – Fremont Sanitation District	52,274	10,455
1999A – City of Aurora	2,083,621	416,724
1999A - Grand County Water and Sanitation District	444,831	88,966
1999A – Left Hand Water and Sanitation District	8,828	1,766
2000A – Summit County	707,484	141,497
2000A – Parker Water and Sanitation District	2,196,753	439,351
2000A – Three Lakes Water and Sanitation District	888,181	177,636
2001A – City of Steamboat Springs	66,876	13,375
2001A – City of Lafayette	1,704,503	340,901
2001A - Mt. Crested Butte Water and Sanitation District	1,054,661	210,932
2002A - Black Hawk-Central City Sanitation District	390,592	78,118
2002A - Town of Wellington	417,442	83,488
2002A - Winter Park West Water and Sanitation District	349,416	69,883
	10,402,409	2,080,481
<b>Drinking Water Revolving Fund Projects:</b>		
1998A – Town of Buena Vista	1,454	291
1999A – City of Glenwood Springs	47	9
1999A – Grand County Water and Sanitation District No. 1	63,964	12,793
1999A – City of Greeley	218,297	43,659
1999A – Left Hand Water District	95,085	19,017
2000DL – Sedalia Water and Sanitation District	24,542	4,908
2000A – Evergreen Metro District	673,678	134,736
2000A – Board of Waterworks Pueblo	80,524	16,105
2000A – Town of Limon	127,552	25,510
2000A – City of Westminster	2,220,881	444,176
2000DL – Town of Wellington	534,910	106,982
2002A - Evergreen Metropolitan District	764,260	152,852
2002A - City of Idaho Springs	906,316	181,263
2002A - City of La Junta	550,096	110,019
2002DL - City of Woodland Park	559,915	111,983
	6,821,521	1,364,303
Total	\$ 17,223,930	3,444,784

**COLORADO WATER RESOURCES  
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Notes to Basic Financial Statements

December 31, 2002 and 2001

The following table details the EPA capitalization grants and matching requirements recognized by project during 2001:

	<b>Federal grants recognized in 2001</b>	<b>Matching requirement for 2001</b>
<b>Water Pollution Control Revolving Fund Projects:</b>		
1995A – City of Steamboat Springs	\$ 20,734	4,147
1996A – City of Idaho Springs	125,251	25,050
1998A – Buena Vista Sanitation District	8,474	1,695
1998A – City of Trinidad	137,903	27,581
1999A – Fremont Sanitation District	853,768	170,754
1999A – City of Aurora	727,983	145,597
1999A – City of Steamboat Springs	726,309	145,262
2000A – Summit County	3,935,647	787,129
2000A – Parker Water and Sanitation District	392,806	78,561
2000A – Three Lakes Water and Sanitation District	802,860	160,572
2001A – City of Steamboat Springs	2,144,678	428,936
2001A – City of Lafayette	89,008	17,802
	9,965,421	1,993,086
<b>Drinking Water Revolving Fund Projects:</b>		
1998A – Town of Buena Vista	24,525	4,905
1999A – City of Glenwood Springs	574,738	114,948
1999A – Grand County Water and Sanitation District No. 1	506,948	101,390
1999A – City of Greeley	2,017,501	403,500
1999A – Left Hand Water District	819,146	163,829
1999A – City of Aurora	2,014,781	402,956
2000DL – Sedalia Water and Sanitation District	174,038	34,808
2000A – Evergreen Metro District	106,490	21,298
2000A – Fountain Valley Authority	105,431	21,086
2000A – Board of Waterworks Pueblo	2,168,422	433,684
2000A – Town of Limon	309,358	61,872
2000A – City of Westminster	2,498,081	499,616
2000DL – Town of Wellington	181,097	36,219
2000DL – City of Craig	353,089	70,618
2000DL – Town of Springfield	40,732	8,146
	11,894,377	2,378,875
Total	\$ 21,859,798	4,371,961

**COLORADO WATER RESOURCES  
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Notes to Basic Financial Statements

December 31, 2002 and 2001

**(8) Defined Benefit Pension Plan**

The Authority contributes to the Combined State and School Division Trust Fund (CSSDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The CSSDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees and board members of the Authority are members of the CSSDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the CSSDTF. That report may be obtained by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

The financial statements of the CSSDTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The CSSDTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Plan members and the Authority are required to contribute to the CSSDTF at a rate set by statute. The contribution requirements of plan members and the Authority are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the Authority is 10.04% (for the period January 1, 2002 to June 30, 2002 the contribution rate was 9.9%) of covered salary. Beginning with payroll periods ending after January 1, 2001, the employer contribution paid to the CSSDTF were reduced by an employer match on members' voluntary contributions to a defined contribution plan. The match, set by the Board of Trustees of PERA, is 100% of a member's eligible tax-deferred retirement program contributions limited by a per payroll whole percentage of PERA-includable salary limit (percentage set for 2002 was 3.0%). Any unused DC match money is forwarded to the CSSDTF. Also, a portion of the Authority's contribution (1.64% of covered salary) is allocated for the Health Care Trust Fund (see note 9). The Authority's contributions to CSSDTF for the years ended December 31, 2002, 2001, and 2000 were \$64,688, \$61,342 and \$62,522, respectively, equal to their required contributions for each year.

**(9) Postemployment Healthcare Benefits**

The Authority contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

The financial statements of the HCTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member. Benefits and refunds are recognized when due and payable in accordance with the terms of

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2002 and 2001

the plan. The HCTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

The Authority is required to contribute at a rate of 1.64% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Authority are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The Authority's contributions to HCTF for the years ended December 31, 2002, 2001, and 2000 were \$10,639, \$9,841, and \$9,429, respectively, equal to their required contributions for each year.

**(10) Defined Contribution Pension Plan**

The (CSSDTF) members (see note 8) of the Authority may voluntarily contribute to the Voluntary Investment Program (401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$11,000 in 2002). Beginning January 1, 2001, an employer match was legislated which would match 100% of a member's eligible tax-deferred retirement program contributions limited by 3.0% in 2002 per payroll of the PERA-includable salary. The contribution requirements for the Authority are established under Title 24, Article 51, Section 1402 of the CRS, as amended. The 401(k) Plan member contributions from the Authority for the years ended December 31, 2002 and 2001 were \$44,262 and \$33,588, respectively. The employer contributions to the 401(k) Plan from the Authority for the years ended December 31, 2002 and 2001 were \$18,084 and \$14,665, respectively.

**(11) Lease Commitment**

The Authority leases office facilities under an operating lease that expires in 2005. Rent expense totaled \$121,398 and \$99,167 for 2002 and 2001, respectively. The future minimum annual rental commitment under this lease is \$109,492, \$109,492, and \$100,368 for 2003, 2004, and 2005, respectively. Pursuant to the lease agreement the landlord made a \$42,384 payment to the Authority in lieu of providing tenant finish improvements. The payment is being amortized over the 36-month lease term and accordingly, reduces rent expense.

**(12) Tax, Spending, and Debt Limitations**

In November 1992, the voters of Colorado approved Amendment 1, referred to as the Taxpayer's Bill of Rights (TABOR), which added a new section 20 to article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Authority's management believes that its operations qualify for this



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AND POWER DEVELOPMENT AUTHORITY**

Notes to Basic Financial Statements

December 31, 2002 and 2001

exclusion. However, TABOR is complex and subject to interpretation. Many of the provisions, including the qualification as an Enterprise, may require judicial interpretation.

**(13) Risk Management and Contingencies**

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The Authority maintains commercial insurance for most risks of loss, excluding directors' and officers' legal liability for which the Authority is self-insured. No claims have been made against commercial insurance coverage or the Authority in any of the past three fiscal years.

The Authority receives federal grant funds from the EPA. These amounts are subject to audit and adjustment by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amount, if any, of expenses which may be disallowed by the federal government cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial to its financial operations.

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## **SUPPLEMENTAL INFORMATION**

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Regulatory Basis

Combining Schedule of Net Assets

Water Pollution Control Fund

December 31, 2002

<b>Assets</b>	<b>State Revolving Fund</b>	<b>Nonrevolving Fund</b>	<b>Water Pollution Control Fund</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Current assets:			
Cash and cash equivalents	\$ 6,406,046	4,635,540	11,041,586
Federal funds receivable	—	81,020	81,020
Investment income receivable	8,727	451,053	459,780
Loans receivable	20,792,144	—	20,792,144
Accounts receivable – borrowers	2,847,840	1,287,882	4,135,722
Total current assets	<u>30,054,757</u>	<u>6,455,495</u>	<u>36,510,252</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	23,485,129	—	23,485,129
Investments	250,439,643	—	250,439,643
Investment income receivable	4,629,232	—	4,629,232
Loans receivable	389,998,669	—	389,998,669
Capital assets – equipment, net	—	15,154	15,154
Total noncurrent assets	<u>668,552,673</u>	<u>15,154</u>	<u>668,567,827</u>
Total assets	<u>\$ 698,607,430</u>	<u>6,470,649</u>	<u>705,078,079</u>
<b>Liabilities and Fund Net Assets</b>			
Current liabilities:			
Bonds payable	\$ 19,265,000	—	19,265,000
Accrued interest payable	6,299,091	—	6,299,091
Due to other funds	—	319,966	319,966
Accounts payable – other	—	81,582	81,582
Total current liabilities	<u>25,564,091</u>	<u>401,548</u>	<u>25,965,639</u>
Noncurrent liabilities:			
Project costs payable – direct loans	1,055,360	—	1,055,360
Project costs payable – leveraged loans	134,234,465	—	134,234,465
Advance payable	—	11,307,347	11,307,347
Bonds payable	356,190,998	—	356,190,998
Deferred revenue	—	293,188	293,188
Other liabilities	—	4,481,160	4,481,160
Total noncurrent liabilities	<u>491,480,823</u>	<u>16,081,695</u>	<u>507,562,518</u>
Total liabilities	<u>517,044,914</u>	<u>16,483,243</u>	<u>533,528,157</u>
Fund net assets:			
Invested in capital assets	—	15,154	15,154
Restricted	181,562,516	(10,027,748)	171,534,768
Total fund net assets	<u>181,562,516</u>	<u>(10,012,594)</u>	<u>171,549,922</u>
Total liabilities and fund net assets	<u>\$ 698,607,430</u>	<u>6,470,649</u>	<u>705,078,079</u>

See accompanying notes to regulatory basis schedules.  
See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Regulatory Basis

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets

Water Pollution Control Fund

Year ended December 31, 2002

	<u>State Revolving Fund</u>	<u>Nonrevolving Fund</u>	<u>Water Pollution Control Fund</u>
Operating revenues:			
Interest on loans	\$ 8,247,247	—	8,247,247
Interest on investments	12,785,663	27,903	12,813,566
Surcharge from borrowers	624,820	—	624,820
Administrative fee	—	3,662,878	3,662,878
EPA grants	—	341,565	341,565
Other	161,291	—	161,291
Total operating revenues	<u>21,819,021</u>	<u>4,032,346</u>	<u>25,851,367</u>
Operating expenses:			
Interest on bonds	17,902,940	—	17,902,940
Grant administration	—	1,161,206	1,161,206
Other	49,985	19,672	69,657
Total operating expenses	<u>17,952,925</u>	<u>1,180,878</u>	<u>19,133,803</u>
Operating income	3,866,096	2,851,468	6,717,564
EPA capitalization grants	10,402,409	—	10,402,409
Transfers in (out)	2,606,510	(2,606,510)	—
Change in net assets	16,875,015	244,958	17,119,973
Fund net assets – beginning of year	<u>164,687,501</u>	<u>(10,257,552)</u>	<u>154,429,949</u>
Fund net assets – end of year	<u>\$ 181,562,516</u>	<u>(10,012,594)</u>	<u>171,549,922</u>

See accompanying notes to regulatory basis schedules.  
See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Regulatory Basis of the Combining Schedule of  
Net Assets and the Combining Schedule of Revenues,  
Expenses, and Changes in Fund Net Assets

Water Pollution Control Fund

December 31, 2002

**(1) Purpose**

The regulatory basis combining schedule of net assets and the combining schedule of revenues, expenses, and changes in fund net assets have been prepared as required by the Environmental Protection Agency for purposes of segregating the activities of the Water Pollution Control Fund between the State Revolving Fund and Non-Revolving Fund. The schedules are prepared on a regulatory basis as required by the Environmental Protection Agency for the Water Pollution Control Fund.

**(2) Grant Administration**

All administrative fee revenue and expenses related to the operation of the Water Pollution Control Revolving Fund capitalization program are accounted for in the Non-Revolving Fund.

**(3) Advance Payable**

The Non-Revolving Fund accounts for the advance from the Water Operations Fund. An advance is made throughout the year to the Non-Revolving Fund in order to have cash to meet the state match payment requirement of the State Revolving Fund which is reflected as a transfer to the State Revolving Fund. The advance is repaid to the Water Operations Fund with revenue generated from administrative fees charged to borrowers.

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Regulatory Basis

Combining Schedule of Net Assets

Drinking Water Fund

December 31, 2002

Assets	State Revolving Fund	Nonrevolving Fund	Drinking Water Fund
<b>Current assets:</b>			
Cash and cash equivalents	\$ 4,202,725	14,664,094	18,866,819
Federal funds receivable	—	388,120	388,120
Investment income receivable	4,259	190,410	194,669
Loans receivable	6,231,902	278,635	6,510,537
Accounts receivable – borrowers	904,529	374,547	1,279,076
Total current assets	<u>11,343,415</u>	<u>15,895,806</u>	<u>27,239,221</u>
<b>Noncurrent assets:</b>			
<b>Restricted assets:</b>			
Cash and cash equivalents	8,839,588	—	8,839,588
Investments	53,660,971	—	53,660,971
Investment income receivable	964,702	—	964,702
Loans receivable	135,615,014	3,856,303	139,471,317
Capital assets – equipment, net	—	15,154	15,154
Total noncurrent assets	<u>199,080,275</u>	<u>3,871,457</u>	<u>202,951,732</u>
Total assets	<u>\$ 210,423,690</u>	<u>19,767,263</u>	<u>230,190,953</u>
<b>Liabilities and Fund Net Assets</b>			
<b>Current liabilities:</b>			
Bonds payable	\$ 5,345,000	—	5,345,000
Accrued interest payable	2,044,309	—	2,044,309
Due to other funds	—	569,426	569,426
Total current liabilities	<u>7,389,309</u>	<u>569,426</u>	<u>7,958,735</u>
<b>Noncurrent liabilities:</b>			
Project costs payable – direct loans	2,737,492	—	2,737,492
Project costs payable – leveraged loans	14,298,605	—	14,298,605
Bonds payable	118,960,000	—	118,960,000
Other liabilities	—	2,034,413	2,034,413
Total noncurrent liabilities	<u>135,996,097</u>	<u>2,034,413</u>	<u>138,030,510</u>
Total liabilities	<u>143,385,406</u>	<u>2,603,839</u>	<u>145,989,245</u>
<b>Fund net assets:</b>			
Invested in capital assets	—	15,154	15,154
Restricted	67,038,284	1,341,520	68,379,804
Unrestricted	—	15,806,750	15,806,750
Total fund net assets	<u>67,038,284</u>	<u>17,163,424</u>	<u>84,201,708</u>
Total liabilities and fund net assets	<u>\$ 210,423,690</u>	<u>19,767,263</u>	<u>230,190,953</u>

See accompanying notes to regulatory basis schedules.  
See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Regulatory Basis

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets

Drinking Water Fund

Year ended December 31, 2002

	<b>State Revolving Fund</b>	<b>Nonrevolving Fund</b>	<b>Drinking Water Fund</b>
Operating revenues:			
Interest on loans	\$ 3,424,994	132,267	3,557,261
Interest on investments	3,015,514	586,828	3,602,342
Administrative fee	—	1,239,576	1,239,576
EPA set aside grants:			
Administrative	—	321,794	321,794
Small Systems Training and Technical Assistance Program	—	119,966	119,966
Source Water Assessment and Protection Program	—	678,967	678,967
Capacity Development	—	536,889	536,889
Wellhead Protection	—	794,171	794,171
Public Water System Supervision	—	586,214	586,214
State match set aside reimbursement	—	4,022	4,022
Other	16,247	—	16,247
Total operating revenues	<u>6,456,755</u>	<u>5,000,694</u>	<u>11,457,449</u>
Operating expenses:			
Interest on bonds	6,059,369	—	6,059,369
Grant administration – State funded	—	631,324	631,324
EPA set asides:			
Administrative	—	321,794	321,794
Small Systems Training and Technical Assistance Program	—	119,966	119,966
Source Water Assessment and Protection Program	—	678,967	678,967
Capacity Development	—	536,889	536,889
Wellhead Protection	—	794,171	794,171
Public Water System Supervision	—	586,214	586,214
Other	—	19,506	19,506
Total operating expenses	<u>6,059,369</u>	<u>3,688,831</u>	<u>9,748,200</u>
Operating income	397,386	1,311,863	1,709,249
EPA capitalization grants	6,821,521	—	6,821,521
Transfers in (out)	1,865,821	(1,865,821)	—
Change in net assets	9,084,728	(553,958)	8,530,770
Fund net assets – beginning of year	<u>57,953,556</u>	<u>17,717,382</u>	<u>75,670,938</u>
Fund net assets – end of year	<u>\$ 67,038,284</u>	<u>17,163,424</u>	<u>84,201,708</u>

See accompanying notes to regulatory basis schedules.  
See accompanying independent auditors' report.



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Regulatory Basis of the Combining Schedule of  
Net Assets and the Combining Schedule of Revenues,  
Expenses, and Changes in Fund Net Assets

Drinking Water Fund

December 31, 2002

**(1) Purpose**

The regulatory basis combining schedule of net assets and the combining schedule of revenues, expenses, and changes in fund net assets have been prepared as required by the Environmental Protection Agency for purposes of segregating the activities of the State Revolving Fund and Non-Revolving Fund. The schedules are prepared on a regulatory basis as required by the Environmental Protection Agency for the Drinking Water Fund.

**(2) Non-Revolving Fund**

The Authority issues direct loans to eligible municipalities which are funded with money from sources other than the Drinking Water Capitalization Grant. These loans are accounted for in the Non-Revolving Fund. The Drinking Water Fund nonfederal direct loans receivable amounted to \$4,134,938 at December 31, 2002. There are currently 16 loans outstanding at year end which mature in years 2003 to 2017.

**(3) Grant Administration**

All administrative expenses, both federally and State (loan surcharge fees) funded, related to the operation of the Drinking Water Revolving Fund and set aside programs are accounted for in the Non-Revolving Fund.

**(4) Set Aside Revenue and Expenses**

The set aside activities of the Drinking Water Fund are recorded in the Non-Revolving Fund. Set asides for each capitalization grant, other than for administration, are provided to public and private entities to improve the performance or quality of drinking water systems. The 20% state match for these set asides is deposited to the Drinking Water Revolving Fund by the Authority, with no reimbursement requirement, except for the small system technical training and assistance, and wellhead protection programs. Reimbursement from these programs is returned to the Drinking Water Enterprise Fund.

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Revenues, Expenditures, and Changes in Funds Available –  
Actual (Non-GAAP Budgetary Basis) and Budget

Water Operations Fund

Year ended December 31, 2002

	Actual	Original budget	Changes	Final budget	Variance – favorable (unfavorable)
Revenues:					
Interest on investments	\$ 3,427,154	3,069,500	—	3,069,500	357,654
WPCRF state match loan repayment	4,150,000	2,600,000	—	2,600,000	1,550,000
Loan principal payments – SWRP	4,413,333	4,467,500	—	4,467,500	(54,167)
Loan principal payments – WRBP	150,000	2,435,000	—	2,435,000	(2,285,000)
Loan principal payments – interim	1,132,007	20,000,000	—	20,000,000	(18,867,993)
Bond proceeds – SWRP	14,615,000	60,000,000	—	60,000,000	(45,385,000)
Bond proceeds – WRBP	—	50,000,000	—	50,000,000	(50,000,000)
Loan interest income – SWRP	5,769,012	7,477,000	—	7,477,000	(1,707,988)
Loan interest income – WRBP	172,742	2,308,000	—	2,308,000	(2,135,258)
Loan interest income – interim loans	2,695	—	—	—	2,695
Contribution from agency fund	7,311,511	—	—	—	7,311,511
Other	2,464	2,500	—	2,500	(36)
Total revenues	41,145,918	152,359,500	—	152,359,500	(111,213,582)
Expenditures:					
WPCRF state match loans	3,227,699	3,600,000	—	3,600,000	372,301
General/administrative	493,406	655,000	—	655,000	161,594
Interim loans made	4,450,091	20,000,000	—	20,000,000	15,549,909
Bond principal payments – SWRP	4,780,000	4,780,000	—	4,780,000	—
Bond principal payments – WRBP	150,000	300,000	—	300,000	150,000
Bond interest expense – SWRP	5,366,149	7,318,000	—	7,318,000	1,951,851
Bond interest expense – WRBP	185,863	2,435,000	—	2,435,000	2,249,137
Loans made – SWRP	14,615,000	40,000,000	—	40,000,000	25,385,000
Loans made – WRBP	—	50,000,000	—	50,000,000	50,000,000
Debt service reserve	—	4,000,000	—	4,000,000	4,000,000
Project expenditures	258,148	3,111,000	—	3,111,000	2,852,852
Total expenditures	33,526,356	136,199,000	—	136,199,000	102,672,644
Excess revenues over (under) expenditures	\$ 7,619,562	16,160,500	—	16,160,500	(8,540,938)

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Reconciliation of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses, and Changes in Fund Net Assets

Water Operations Fund

Year ended December 31, 2002

Revenues (budgetary basis):	\$	41,145,918
WPCRF state match loan repayment		(4,150,000)
Loan principal payments – SWRP		(4,413,333)
Loan principal payments – WRBP		(150,000)
Loan principal payments – interim		(1,132,007)
Bond proceeds – SWRP		(14,615,000)
		16,685,578
Revenues (GAAP basis)		
Expenditures (budgetary basis):		33,526,356
Depreciation		10,360
Amortization – bond refunding costs		375,000
WPCRF state match loan		(3,227,699)
Bond principal payments – SWRP		(4,780,000)
Bond principal payments – WRBP		(150,000)
Loans made – SWRP		(14,615,000)
Interim loans made		(4,450,091)
		6,688,926
Expenses (GAAP basis)		
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$	9,996,652

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Revenues, Expenditures, and Changes in Funds Available  
Actual (Non-GAAP Budgetary Basis) and Budget

Water Pollution Control Fund

Year ended December 31, 2002

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 12,813,566	9,000,000	—	9,000,000	3,813,566
Administrative fee income	3,662,878	3,902,000	—	3,902,000	(239,122)
Loan interest income	8,247,247	18,310,000	—	18,310,000	(10,062,753)
State surcharge income	624,820	624,000	—	624,000	820
EPA grants	10,743,974	18,320,000	—	18,320,000	(7,576,026)
Colorado state match	3,227,699	3,600,000	—	3,600,000	(372,301)
Loan principal repayments	17,757,248	14,420,000	—	14,420,000	3,337,248
Bond proceeds	78,745,000	103,000,000	—	103,000,000	(24,255,000)
Cost of issuance revenue	161,291	—	—	—	161,291
Total revenues	<u>135,983,723</u>	<u>171,176,000</u>	<u>—</u>	<u>171,176,000</u>	<u>(35,192,277)</u>
Expenditures:					
Grant administration	1,161,206	1,385,000	—	1,385,000	223,794
Bond principal payments	16,505,000	16,610,000	—	16,610,000	105,000
Advance repayments – state match	4,150,000	2,600,000	1,550,000	4,150,000	—
Project costs paid – direct loans	1,010,593	7,117,000	—	7,117,000	6,106,407
Loans made – leveraged loans	81,972,699	106,600,000	(1,554,400)	105,045,600	23,072,901
Planning and design grants to small local governments	19,672	150,000	—	150,000	130,328
Other	49,985	100,000	—	100,000	50,015
Bond interest expense	17,798,605	20,305,000	—	20,305,000	2,506,395
Capital asset acquisitions	4,346	—	4,400	4,400	54
Total expenditures	<u>122,672,106</u>	<u>154,867,000</u>	<u>—</u>	<u>154,867,000</u>	<u>32,194,894</u>
Excess of revenues over expenditures	\$ <u>13,311,617</u>	<u>16,309,000</u>	<u>—</u>	<u>16,309,000</u>	<u>(2,997,383)</u>

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Reconciliation of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses, and Changes in Fund Net Assets

Water Pollution Control Fund

Year ended December 31, 2002

Revenues (budgetary basis):	\$ 135,983,723
Bond proceeds	(78,745,000)
Loan principal repayments	(17,757,248)
Colorado state match	<u>(3,227,699)</u>
Revenues (GAAP basis)	<u>36,253,776</u>
Expenditures (budgetary basis):	122,672,106
Project costs paid – direct loans	(1,010,593)
Bond principal payments	(16,505,000)
Amortization – bond refunding costs	104,335
Advance repayment – state match	(4,150,000)
Loans made – leveraged loans	(81,972,699)
Capital asset acquisitions	<u>(4,346)</u>
Expenses (GAAP basis)	<u>19,133,803</u>
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$ <u><u>17,119,973</u></u>

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Revenues, Expenditures, and Changes in Funds Available –  
Actual (Non-GAAP Budgetary Basis) and Budget

Drinking Water Fund

Year ended December 31, 2002

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 3,602,342	3,750,000	—	3,750,000	(147,658)
Loan interest income	3,557,261	4,786,000	—	4,786,000	(1,228,739)
Loan principal repayments	5,784,044	6,600,000	—	6,600,000	(815,956)
Bond proceeds	16,320,000	40,000,000	—	40,000,000	(23,680,000)
Capital contributions – EPA	6,821,521	16,700,000	—	16,700,000	(9,878,479)
EPA capitalization grant set asides revenue	3,038,001	3,409,000	—	3,409,000	(370,999)
Administrative fee income	1,239,576	1,407,000	—	1,407,000	(167,424)
Other	20,269	—	—	—	20,269
Total revenues	<u>40,383,014</u>	<u>76,652,000</u>	<u>—</u>	<u>76,652,000</u>	<u>(36,268,986)</u>
Expenditures:					
Grant administration – State funded	953,118	1,120,000	—	1,120,000	166,882
Project costs paid – direct loans	5,000,474	3,300,000	1,700,500	5,000,500	26
Loans made – leveraged	17,754,659	43,500,000	(1,704,900)	41,795,100	24,040,441
Bond principal payments made	4,840,000	5,240,000	—	5,240,000	400,000
Bond interest expense	6,059,369	6,928,000	—	6,928,000	868,631
EPA capitalization grant set asides	2,716,207	3,016,000	—	3,016,000	299,793
Planning and design grants to small local governments	19,506	150,000	—	150,000	130,494
State match for PWSS set aside	—	203,000	—	203,000	203,000
Capital asset acquisitions	4,346	—	4,400	4,400	54
Total expenditures	<u>37,347,679</u>	<u>63,457,000</u>	<u>—</u>	<u>63,457,000</u>	<u>26,109,321</u>
Excess revenues over expenditures	<u>\$ 3,035,335</u>	<u>13,195,000</u>	<u>—</u>	<u>13,195,000</u>	<u>(10,159,665)</u>

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Reconciliation of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses, and Changes in Fund Net Assets

Drinking Water Fund

Year ended December 31, 2002

Revenues (budgetary basis)	\$ 40,383,014
Bond proceeds	(16,320,000)
Loan principal repayments	(5,784,044)
	<hr/>
Revenues (GAAP basis)	18,278,970
	<hr/>
Expenditures (budgetary basis)	37,347,679
Project costs paid – direct loans	(5,000,474)
Bond principal payments made	(4,840,000)
Loans made – leveraged loans	(17,754,659)
Capital asset acquisitions	(4,346)
	<hr/>
Expenses (GAAP basis)	9,748,200
	<hr/>
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$ 8,530,770
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See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Project Costs Payable – By Borrower

December 31, 2002

	<u>Project costs payable</u>
<b>Water Operations Fund:</b>	
1994A – Town of Berthoud	\$ 216,518
1994A – Town of Platteville	81,661
1996A – Town of Johnstown	236,781
1997A – Town of Monument	307,138
2000A – Upper Eagle Regional Water Authority	13,068
2001A – North Weld County Water District	4,274,924
2002A – Eagle River Water and Sanitation District	2,888,088
2002A – Parker Water and Sanitation District	3,686,678
	<u>11,704,856</u>
<b>Water Pollution Control Revolving Fund:</b>	
1995A – Winter Park Water and Sanitation District	55,696
1997A – Town of Carbondale	77,916
1999A – City of Aurora	7,284,605
1999A – Fremont Sanitation District	136,564
1999A – Grand County Water and Sanitation District	2,355,296
2000A – Parker Water and Sanitation District	2,720,786
2000A – Three Lakes Water and Sanitation District	31,491
2000DL – Left Hand Water and Sanitation District	62,633
2001A – Cortez Sanitation District	8,918,246
2001A – City of Ft. Collins	2,976,452
2001A – Fraser Sanitation District	1,241,100
2001A – City of Lafayette	2,745,620
2001A – Mt. Crested Butte Water and Sanitation District	2,309,340
2001A – Parker Water and Sanitation District	5,000,000
2001A – Plum Creek Wastewater Authority	21,343,845
2001A – City of Steamboat Springs	175,704
2001DL – Baca Grande Water and Sanitation District	621,750
2002A – Berthoud, Town of	6,395,911
2002A – Blackhawk-Central City Sanitation District	23,750,000
2002A – Mesa County	11,557,730
2002A – South Adams County Water and Sanitation District	5,381,411
2002A – Wellington, Town of	3,875,665
2002A – Winter Park West Water and Sanitation District	1,536,087
2002B – Denver Southeast Suburban Water and Sanitation District	7,000,000
2002B – Parker Water and Sanitation District	14,000,000
2002B – Plum Creek Wastewater Authority	3,365,000
2002 DL – Julesburg, Town of	170,977
2002 DL – Town of Pagosa Springs-GID (#2)	200,000
	<u>135,289,825</u>
<b>Drinking Water Revolving Fund:</b>	
1998A – Town of Buena Vista	58,221
1999A – Grand County Water and Sanitation District No. 1	506,455
1999A – City of Greeley	302,696
1999A – Left Hand Water District	1,206,747
2000A – Evergreen Metro District	550,000
2000A – City of Westminster	141,209
2002A – Grand Junction, City of	3,500,000
2002A – La Junta, City of	8,033,277
2002 DLF – Basalt, Town of	1,000,000
2002 DLF – Dillon, Town of	635,059
2002 DLF – Hayden, Town of	667,945
2002 DLF – Thunderbird Water and Sanitation District	384,543
2002 DLF – Woodland Park, City of	49,945
	<u>17,036,097</u>
Total project costs payable	<u>\$ 164,030,778</u>

See accompanying independent auditors' report.



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Loans Receivable – By Borrower

December 31, 2002

Water Operations Fund – Small Water Resources Projects:	
1990A – Town of Estes Park	1,210,000
1990A – Fort Collins – Loveland Water District	1,426,667
1990A – North Weld County Water District	1,688,750
1990A – Eagle River Water and Sanitation District	1,102,500
1991A – Edwards Metropolitan District	695,000
1991A – Town of Estes Park	725,000
1991A – Town of Minturn	245,000
1991A – City of Steamboat Springs	715,000
1992A – City of Brush	645,000
1992A – City of Fort Lupton	1,935,000
1992A – Town of LaSalle	1,180,000
1992A – City of Louisville	4,745,000
1992B – Central Weld County Water District	956,250
1992B – City of Glenwood Springs	1,710,000
1992B – Little Thompson Water District	2,587,500
1992B – Town of Minturn	50,000
1992B – Mt. Werner Water and Sanitation District	2,888,333
1992B – North Weld County Water District	652,500
1994A – Town of Berthoud	558,333
1994A – City of Fort Morgan	1,771,667
1994A – Town of Gypsum	507,500
1994A – Parker Water and Sanitation District	418,750
1994A – Town of Platteville	707,500
1994B – Town of Carbondale	1,440,000
1994B – Project 7 Water Authority	3,107,500
1994B – City of Rifle	882,500
1996A – City of Canon City	3,446,667
1996A – Town of Johnstown	1,398,333
1996B – Morgan County Quality Water District	455,000
1997A – Town of Monument	1,495,000
1997A – Parker Water and Sanitation District	4,047,500
1997A – Roxborough Park Metropolitan District	2,450,000
1998A – Town of Dillon	270,833
1998A – Morgan County Quality Water District	2,555,000
1998A – North Weld County Water District	4,277,500
2000A – Parker Water and Sanitation District	12,797,500
2000A – Upper Eagle Regional Water Authority	10,721,250
2001A – North Weld County Water District	15,176,250
2002A – Eagle River Water and Sanitation District	4,560,000
2002A – Parker Water and Sanitation District	10,055,000
	<hr/>
Total Water Operations Fund loans receivable – SWRP	108,257,083
Water Operations Fund – Water Revenue Bonds Program:	
1998A – Rio Blanco Water Conservancy District	2,535,000
Water Operations Fund – Authority interim loans	
2002 – City of Rifle	1,085,334
2002 – City of Fountain	2,232,750
	<hr/>
Total Water Operations Fund interim loans	3,318,084
	<hr/>
Total Water Operations Fund loans receivable	114,110,167

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Loans Receivable – By Borrower

December 31, 2002

Water Pollution Control Revolving Fund:

Direct loans (loans were provided by EPA Capitalization Grants and Authority resources):

1989DL – Larimer County Commissioners (Mountain Range Shadows Project)	\$ 791,668
1990DL – Mountain Water and Sanitation District	83,687
1991DL – Durango West Metropolitan District No. 2	253,992
1992DL – Nucla Sanitation District	93,019
1992DL – City of Ouray	472,866
1992DL – Montrose County	101,165
1994DL – City of Fort Lupton	134,163
1994DL – St. Mary’s Glacier Water and Sanitation District	103,146
1995DL – City of Fruita	82,377
1995DL – Town of Log Lane Village	189,769
1996DL – Town of Ordway	278,263
1996DL – City of Broomfield	2,002,996
1996DL – Town of Lyons	404,402
1997DL – Town of Vona	69,064
1997DL – Town of Manzanola	65,865
1997DL – Pagosa Springs Sanitation District	720,010
1997DL – Town of Erie	422,078
1997DL – City of Holyoke	411,115
1998DL – Byers Water and Sanitation District	375,719
1998DL – City of Las Animas	927,199
1998DL – City of Evans	351,361
1998DL – East Alamosa Water and Sanitation District	156,803
1999DL – Town of Kersey	150,032
1999DL – City of La Junta	329,887
1999DL – City of Monte Vista	865,664
1999DL – Town of New Castle	418,427
1999DL – Left Hand Water and Sanitation District	111,505
2000DL – Columbine Water and Sanitation District	390,376
2000DL – Left Hand Water and Sanitation District	78,773
2000DL – Town of Springfield	188,444
2001DL – Baca Grande Water and Sanitation District	786,784
2001DL – Niwot Sanitation District	959,987
2002DL – Town of Julesburg	800,000
Total WPCRF direct loans	13,570,606

Leveraged loans (loans were provided by bond proceeds, EPA Capitalization Grants and Authority resources):

1989A – Denver Southeast Suburban Water and Sanitation District (Denver SE)	4,169,534
1990A – Town of Castle Rock	2,271,529
1991A – City of Englewood	8,335,457
1991A – City of Littleton	8,335,910
1991B – Metro Wastewater Reclamation District	12,228,581
1992A – City of Fort Lupton	2,693,474
1992A – Frisco Sanitation District	2,682,080
1992A – Eagle River Water and Sanitation District	4,807,971
1992B – City of Fort Collins	15,222,272
1992B – City of Longmont	1,910,491
1994A – City of Alamosa	1,735,008
1994A – Genesee Water and Sanitation District	1,012,985
1994A – City of Greeley	11,379,776

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Loans Receivable – By Borrower

December 31, 2002

1994A – Parker Water and Sanitation District	\$ 1,198,624
1994A – Town of Windsor	2,245,063
1995A – City of Brighton	3,980,151
1995A – City of Craig	781,150
1995A – City of Fort Morgan	6,834,769
1995A – City of Steamboat Springs	1,115,297
1995A – Eagle River Water and Sanitation District	4,354,272
1995A – Winter Park Water and Sanitation District	2,290,138
1996A – Town of Crested Butte	1,970,460
1996A – Mt. Crested Butte Water and Sanitation District	1,084,020
1996A – Fountain Sanitation District	1,333,563
1996A – City of Idaho Springs	1,215,924
1997A – Breckenridge Sanitation District	6,511,245
1997A – Town of Carbondale	1,251,225
1997A – Town of Eagle	1,878,310
1997A – Town of Erie	1,463,763
1997A – Parker Water and Sanitation District	2,631,190
1997A – City of Sterling	1,969,646
1997A – City of Westminster	11,130,248
1998A – Buena Vista Sanitation District	3,228,380
1998A – Eagle River Water and Sanitation District	14,728,870
1998A – City of Evans	952,249
1998A – City of Trinidad	5,736,234
1998A – City of Westminster	3,280,939
1998B – City of Colorado Springs	20,096,945
1999A – City of Aurora	19,979,841
1999A – Fremont Sanitation District	7,434,334
1999A – Grand County Water and Sanitation District	3,483,157
1999A – City of Steamboat Springs	2,587,431
2000A – Parker Water and Sanitation District	11,162,886
2000A – Summit County	15,798,664
2000A – Three Lakes Water and Sanitation District	5,979,960
2001A – Cortez Sanitation District	9,400,000
2001A – City of Fort Collins	9,285,000
2001A – Fraser Sanitation District	2,350,000
2001A – City of Lafayette	7,759,046
2001A – Mt. Crested Butte Water and Sanitation District	4,967,415
2001A – Parker Water and Sanitation District	4,731,048
2001A – Plum Creek Wastewater Authority	24,609,999
2001A – City of Steamboat Springs	5,673,484
2002A – Town of Berthoud	6,325,000
2002A – Blackhawk-Central City Sanitation District	24,107,369
2002A – Mesa County	13,490,000
2002A – South Adams County Water and Sanitation District	6,267,500
2002A – Town of Wellington	4,826,281
2002A – Winter Park West Water and Sanitation District	2,406,249
2002B – Denver Southeast Suburban Water and Sanitation District	7,045,000
2002B – Parker Water and Sanitation District	14,112,800
2002B – Plum Creek Wastewater Authority	3,390,000
	<hr/>
Total WPCRF leveraged loans	397,220,207
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Total Water Pollution Control Revolving Fund loans receivable	410,790,813
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**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Loans Receivable – By Borrower

December 31, 2002

Drinking Water Fund:

Direct loans (loans were provided by EPA Capitalization Grants and/or Authority resources)

(DLS = state, DLF = federal):

1995DLS – Idledale Water and Sanitation District	\$ 183,866
1995DLS – Town of Fairplay #1	182,407
1995DLS – Town of Minturn	223,214
1995DLS – Town of Empire	246,601
1995DLS – Town of Elizabeth	382,402
1996DLS – Lake Creek Metropolitan District	364,147
1996DLS – Baca Grande Water and Sanitation District	179,600
1996DLS – Town of Firestone	38,802
1996DLS – Town of Nunn	259,231
1996DLS – Town of Lochbuie	274,097
1996DLS – Town of Lyons	403,595
1996DLS – Town of Bayfield	278,527
1997DLS – Town of Fairplay #2	165,349
1997DLS – City of Idaho Springs	416,598
1997DLS – Westlake Water and Sanitation District	192,298
1997DLF – Town of Grand Lake	412,307
1998DLS – Redstone Water and Sanitation District	344,205
1998DLF – Chatfield South Water District	630,948
1998DLF – Left Hand Water and Sanitation District	162,090
1999DLF – Thunderbird Water and Sanitation District	681,000
1999DLF – City of La Junta	442,408
2000DLF – Sedalia Water and Sanitation District	301,525
2000DLF – Springfield Water and Sanitation District	321,185
2000DLF – City of Craig	299,417
2001DLF – Town of Wellington	988,963
2002DLF – Town of Basalt	1,000,000
2002DLF – Town of Dillon	1,000,000
2002DLF – Town of Hayden	1,000,000
2002DLF – City of Woodland Park	797,793
Total Drinking Water Fund direct loans	12,172,575

Leveraged loans (loans were provided by bond proceeds, EPA Capitalization Grants and Authority resources):

1997A – Arapahoe Estates Water District	827,630
1997A – City of Englewood	12,660,183
1997A – City of Fort Collins	8,146,414
1998A – Town of Buena Vista	1,103,433
1998A – City of Fort Morgan	13,223,868
1999A – City of Aurora	12,482,920
1999A – City of Fort Collins	4,302,209
1999A – City of Glenwood Springs	4,256,723
1999A – Grand County Water and Sanitation District No. 1	2,620,369
1999A – City of Greeley	13,235,082
1999A – Town of Julesburg	879,838
1999A – Left Hand Water District	5,678,841
2000A – Evergreen Metropolitan District	5,158,953
2000A – Fountain Valley Authority	7,021,473
2000A – Town of Limon	1,332,477
2000A – Pueblo Board of Waterworks	9,558,795
2000A – City of Westminster	13,565,411
2002A – Evergreen Metropolitan District	2,036,130
2002A – City of Grand Junction	3,566,522
2002A – City of Idaho Springs	2,339,797
2002A – City of La Junta	9,812,211
Total DWRF leveraged loans	133,809,279
Total Drinking Water Fund loans receivable	145,981,854
Total loans receivable	\$ 670,882,834

See accompanying independent auditors' report.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2002

<u>Water Operations Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>
Small Water Resources Program Revenue Bonds:			
1992 Series B	14,825,000	1,155,000	2.9% – 6.2%
1993 Series A	6,585,000	5,845,000	2.7% – 5.0%
1994 Series A	5,835,000	4,015,000	3.4% – 5.875%
1994 Series B	9,305,000	605,000	4.0% – 6.375%
1996 Series A	6,385,000	4,890,000	3.7% – 5.45%
1996 Series B	1,040,000	455,000	5.84% – 6.37%
1997 Series A	9,725,000	8,040,000	4.1% – 5.6%
1997 Series B	12,500,000	11,460,000	3.8% – 4.9%
1998 Series A	8,765,000	7,175,000	3.35% – 4.86%
1998 Series B	13,850,000	13,410,000	3.35% – 4.75%
2000 Series A	24,110,000	23,595,000	4.3% – 5.8%
2001 Series A	15,510,000	15,245,000	3.9% – 4.6%
2002 Series A	14,615,000	14,615,000	1.7% – 5.375%
Total Small Water Resources Revenue Bonds	<u>143,050,000</u>	<u>110,505,000</u>	

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2006, term bonds subject to mandatory redemption 2007 – 2012. Avon Metropolitan District’s outstanding bonds in the amount of \$840,000 were defeased in 1996. Various bonds from 2003 to 2008 were defeased and all bonds after 2008 were defeased with the 1998B issue	2002 – 2003 at 101% of par, 2003 – 2004 at 100.75% of par, 2004 – 2005 at 100.5% of par, 2005 – 2006 at 100.25% of par, after 2006 at par
Serial Bonds through 2006, term bonds subject to mandatory redemption 2007 – 2010	After 2002 at par
Serial Bonds through 2003, term bonds subject to mandatory redemption 2007 – 2014	2002 – 2003 at 101% of par, 2003 – 2004 at 100.5% of par, after 2004 at par
Serial Bonds through 2009, term bonds subject to redemption 2010 – 2015. Upper Eagle Regional Water Authority’s outstanding bonds in the amount of \$2,000,000 were defeased in 1995. Bonds maturing after 2004 were defeased with the 1998B issue	After 2004 at par
Serial Bonds through 2010, term bonds subject to redemption 2011 – 2016	After 2006 at par
Taxable Serial bonds 2001 through 2006, term bonds subject to mandatory redemption 1996 – 2000	The bonds are not subject to early redemption
Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2017	2007 – 2008 at 101% of par, 2008 – 2009 at 100.5% of par, after 2009 at par
Serial Bonds through 2010, term bonds subject to mandatory redemption in 2011 and 2012	2008 – 2009 at 101%, after 2009 at par
Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 through 2018	2008 – 2009 at 101%, 2009 – 2010 at 100.5%, after 2010 at par
Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 and 2015	2008 – 2009 at 101%, 2009 – 2010 at 100.5%, after 2010 at par
Serial Bonds through 2017, term bonds subject to mandatory redemption in 2018 through 2020	2011 – 2020 at par
Serial Bonds through 2016, term bonds subject to mandatory redemption in 2017 through 2023	2012 – 2023 at par
Serial Bonds through 2022, term bonds subject to mandatory redemption in 2019 through 2020	2013 – 2022 at par

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2002

<b>Water Operations Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>
Water Revenue Bonds Program:			
1998 Taxable Rio Blanco Water Conservancy District	\$ 3,140,000	2,535,000	6.0% – 7.0%
Total Water Revenue Bonds Program	3,140,000	2,535,000	
Total Water Operations Fund	146,190,000	113,040,000	
<b>Water Pollution Control Revolving Fund</b>			
Clean Water Revenue Bonds:			
Clean Water 1989 Series A (Denver Southeast Suburban Water and Sanitation District)	6,905,000	630,000	5.95% – 7.0%
Clean Water 1990 Series A (Town of Castle Rock)	3,890,000	285,000	6.25% – 7.4%
Clean Water 1991 Series A (City of Englewood – City of Littleton)	22,915,000	2,530,000	5.75% – 7.0%
Clean Water 1991 Series B (Metro Wastewater Reclamation District)	19,685,000	1,930,000	4.8% – 6.9%
Clean Water 1992 Series A (City of Fort Lupton, Frisco Sanitation District and Eagle River Water and Sanitation District)	15,200,000	915,000	4.15% – 6.25%
Clean Water 1992 Series B (City of Fort Collins and City of Longmont)	25,785,000	2,505,000	3.75% – 6.0%

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2013	2009 – 2010 at 101%, after 2010 at par
Serial Bonds through 2005, term bonds subject to mandatory redemption 2006 – 2011. \$4,130,000 of bonds maturing in 2000 and thereafter were refunded with the issuance of the 1996 Series A Wastewater Revolving Fund Refunding Revenue Bonds	After 1999 at par
Serial Bonds through 2006, term bonds subject to mandatory redemption 2007 – 2010. \$2,060,000 of bonds maturing in 2001 and thereafter were refunded with the issuance of the 1996 Series A Wastewater Revolving Fund Refunding Revenue Bonds	After 2001 at par
Serial Bonds through 2007, term bonds subject to mandatory redemption 2008 – 2012. \$11,985,000 of bonds maturing in 2002 and thereafter were refunded with the issuance of the 1996 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2002 at 101% of par, 2002 – 2003 at 100.5% of par, after 2003 at par
Serial Bonds through 2006, term bonds subject to mandatory redemption 2007 – 2011. \$65,000 of bonds maturing in 1997 and \$9,660,000 of bonds maturing in 2002 and thereafter were refunded with the issuance of the 1996 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2002 at 101% of par, 2002 – 2003 at 100.5% of par, after 2003 at par
Serial Bonds through 2004, term bonds subject to mandatory redemptions 2005 – 2007 and 2008 – 2013	2002 – 2003 at 101% of par, 2003 – 2004 at 100.5% of par, after 2004 at par
Serial Bonds through 2006, term bonds subject to mandatory redemptions 2007 – 2009 and 2010 – 2014	2002 – 2003 at 101% of par, 2003 – 2004 at 100.5% of par, after 2004 at par



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2002

<b>Water Pollution Control Revolving Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>
Clean Water 1994 Series A (City of Alamosa, City of Greeley, Town of Windsor, Parker Water and Sanitation District and Genesee Water and Sanitation District)	\$ 22,510,000	2,600,000	3.8% – 6.3%
Clean Water 1995 Series A (City of Fort Morgan, Eagle River Water and Sanitation District, City of Brighton, Winter Park Water and Sanitation District, City of Steamboat Springs and City of Craig)	24,525,000	3,750,000	4.1% – 5.85%
Clean Water 1996 Series A (Town of Crested Butte, Mt. Crested Butte Water and Sanitation District, Fountain Sanitation District and City of Idaho Springs)	6,710,000	5,255,000	4.25% – 5.9%
Clean Water 1997 Series A (City of Westminster, Breckenridge Sanitation District, Parker Water and Sanitation District, City of Sterling, Town of Carbondale, Town of Erie and Town of Eagle)	31,605,000	25,240,000	4.05% – 5.8%
Clean Water 1998 Series A (Eagle River Water and Sanitation District, City of Trinidad, City of Westminster, Buena Vista Sanitation District, City of Evans)	31,190,000	26,105,000	3.7% – 5.13%
Clean Water 1998 Series B (City of Colorado Springs)	20,810,000	18,835,000	3.7% – 5.0%
Clean Water 1999 Series B (City of Aurora, Fremont Sanitation District, Grand County Water and Sanitation District, Mt. Werner Water and Sanitation District City of Steamboat Springs)	39,220,000	31,135,000	4.25% – 5.25%
Clean Water 2000 Series A (Parker Water and Sanitation District, Summit County, Three Lakes Water and Sanitation District)	33,575,000	31,025,000	5.0% – 6.25%

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2008, term bonds subject to mandatory redemptions 2009 – 2011 and 2012 – 2014	2002 – 2003 at 102% of par, 2003 – 2004 at 101% of par, after 2004 at par
Serial Bonds through 2009, term bonds subject to mandatory redemptions 2010 – 2012 and 2013 – 2015	2003 – 2004 at 102% of par, 2004 – 2005 at 101% of par, after 2005 at par
Serial Bonds 1998 through 2008, term bonds subject to mandatory redemptions 2009 – 2011 and 2012 – 2016	2006 – 2007 at 101% of par, 2007 – 2008 at 100.5% of par, after 2008 at par
Serial Bonds through 2011, term bonds subject to mandatory redemption 2012 – 2015 and 2016 – 2017	2007 – 2008 at 102% of par, 2008 – 2009 at 101% of par, after 2009 at par
Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2018	2009 at par
Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2016 and 2017 – 2019	2009 at par
Serial Bonds through 2014, term bonds subject to mandatory redemption 2015 – 2019. Mt. Werner Water and Sanitation District's outstanding bonds in the amount of \$2,700,000 were defeased in 2001.	2009 at par
Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 through 2020	2011 – 2020 at par

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2002

<b>Water Pollution Control Revolving Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>
Clean Water 2001 Series A (Cortez Sanitation District, City of Fort Collins, Fraser Sanitation District, City of Lafayette, Mt. Crested Butte Water and Sanitation District, Parker Water and Sanitation District, Plum Creek Wastewater Authority, City of Steamboat Springs)	\$ 69,710,000	67,305,000	4.0% – 5.625%
Clean Water 2002 Series A (Town of Berthoud, Blackhawk-Central City Water and Sanitation District, Mesa County, South Adams County Water and Sanitation District, Town of Wellington, Winter Park West Water and Sanitation District)	55,310,000	55,310,000	3.0% – 5.25%
Clean Water 2002 Series B (Denver SE Water and Sanitation District, Parker Water and Sanitation District, Plum Creek Wastewater Authority)	<u>23,435,000</u>	<u>23,435,000</u>	2.0% – 4.75%
Total WPCRF Clean Water Revenue Bonds payable	<u>452,980,000</u>	<u>298,790,000</u>	
Wastewater Revolving Fund Refunding Revenue Bonds 1996 Series A (Partial Refunding of the following Clean Water Bonds: 1989A, 1990A, 1991A and 1991B)	28,950,000	25,860,000	3.5% – 6.0%
Revenue Bonds 2001 Series A (Partial refunding of the following Clean Water Bonds: 1992A, 1992B, 1994A, 1995A)	<u>51,620,000</u>	<u>51,415,000</u>	3.0% – 5.25%
Total Water Pollution Control Revolving Fund	<u>533,550,000</u>	<u>376,065,000</u>	

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2019, term bonds subject to mandatory redemption in 2020 through 2021	2012 – 2021 at par
Serial Bonds through 2021, term bonds subject to mandatory redemption in 2022 through 2024	2014 – 2021 at par
Serial Bonds through 2023, term bonds subject to mandatory redemption in 2024 through 2025	2014 – 2023 at par
Serial Bonds 1997 through 2012	The Bonds are not subject to early redemption
Serial Bonds through 2015	The Bonds are not subject to early redemption

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Bonds Payable – By Issue

December 31, 2002

<u>Drinking Water Revolving Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>
Drinking Water Revenue Bonds Series 1997A (Arapahoe Estates Water District, City of Englewood, City of Fort Collins)	\$ 24,095,000	20,055,000	3.8% – 5.3%
Drinking Water Revenue Bonds Series 1998A (Town of Buena Vista, City of Fort Morgan)	15,205,000	13,295,000	3.85% – 5.0%
Drinking Water Revenue Bonds Series 1999A (City of Aurora, City of Fort Collins, City of Glenwood Springs, Grand County Water and Sanitation District No. 1, City of Greeley, Town of Julesburg, Left Hand Water District)	46,855,000	40,590,000	3.28% – 5.0%
Drinking Water Revenue Bonds Series 2000 A (Evergreen Metropolitan District, Fountain Valley Authority, Town of Limon, Pueblo Board of Waterworks, City of Westminster)	36,110,000	34,045,000	4.8% – 5.75%
Drinking Water Revenue Bonds Series 2002 A (Evergreen Metro. District, City of Grand Junction, City of Idaho Springs, City of La Junta)	<u>16,320,000</u>	<u>16,320,000</u>	3.0% – 5.125%
Total Drinking Water Revolving Fund	<u>138,585,000</u>	<u>124,305,000</u>	

See accompanying independent auditors' report.

<b>Due dates</b>	<b>Early redemption</b>
Serial Bonds through 2011, term bonds subject to mandatory redemption 2012 – 2015 and 2016 – 2018	2008 – 2009 at 101% of par, after 2009 at par
Serial Bonds through 2004 and 2008 – 2010. Term bonds subject to mandatory redemption 2005 – 2007, 2001 – 2015 and 2016 – 2019	2008 – 2009 at 101% of par, after 2009 at par
Serial Bonds through 2017, term bonds subject to mandatory redemption 2018 – 2019	9/1/2009 – 8/31/2010 at 101% of par, 9/1/2010 – 8/31/2011 at 100.5% of par, 9/1/2011 and thereafter at par
Serial Bonds through 2017, term bonds subject to mandatory redemption in 2018 through 2022	2011 – 2022 at par
Serial Bonds through 2020, term bonds subject to mandatory redemption in 2021 through 2022	2014 – 2020 at par

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Cash and Investments Held by Trustees – By Investment Type

December 31, 2002

	<u>Cash</u>	<u>Cash held by State Treasurer</u>	<u>Treasury Money Market Funds</u>	<u>COLOTRUST Local Government Investment Pool</u>	<u>US Treasury Notes – SLGS</u>	<u>US Treasury Bills, Notes, and Bonds (fair value)</u>	<u>Repurchase agreements</u>	<u>Total cash and investments by bond issue</u>
Water Operations Fund:								
Small Water Resources Projects Program Debt Service Reserve Fund	\$ —	—	—	2,144,854	—	—	6,361,034	8,505,888
Small Water Resources Projects Bonded Funds	—	—	—	6,894,479	—	—	9,461,602	16,356,081
Water Revenue Bonds Program	—	—	—	602,573	—	—	—	602,573
Animas-La Plata Account	—	6,568,294	—	—	—	—	—	6,568,294
Authority Operating	37,907	46,086,300	—	3,216,943	—	—	—	49,341,150
Subtotal – Water Operations Fund	37,907	52,654,594	—	12,858,849	—	—	15,822,636	81,373,986
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1989 Series A	—	—	—	1,050,829	2,285,600	—	—	3,336,429
Clean Water Revenue Bonds, 1990 Series A	—	—	—	455,943	771,500	338,530	—	1,565,973
Clean Water Revenue Bonds, 1991 Series A	—	—	—	570,471	6,764,200	2,874,148	593,592	10,802,411
Clean Water Revenue Bonds, 1991 Series B	—	—	—	1,065,476	5,556,000	2,518,916	—	9,140,392
Clean Water Revenue Bonds, 1992 Series A	—	—	—	347,699	1,456,200	1,735,792	—	3,539,691
Clean Water Revenue Bonds, 1992 Series B	—	—	—	2,300,563	5,491,100	3,101,685	—	10,893,348
Clean Water Revenue Bonds, 1994 Series A	—	—	—	370,155	—	—	5,132,278	5,502,433
Clean Water Revenue Bonds, 1995 Series A	—	—	—	1,694,860	—	—	5,928,295	7,623,155
Clean Water Revenue Bonds, 1996 Series A	—	—	—	385,181	—	—	1,744,834	2,130,015
Refunding Revenue Bonds, 1996 Series A	—	—	—	2,906	—	—	—	2,906
Clean Water Revenue Bonds, 1997 Series A	—	—	—	602,768	—	—	7,955,692	8,558,460
Clean Water Revenue Bonds, 1998 Series A	—	—	—	1,086,638	—	—	9,579,371	10,666,009
Clean Water Revenue Bonds, 1998 Series B	—	—	—	820,936	—	—	6,309,725	7,130,661
Clean Water Revenue Bonds, 1999 Series A	—	—	—	12,304,977	—	—	8,251,938	20,556,915
Clean Water Revenue Bonds, 2000 Series A	—	—	—	1,514,998	—	—	11,556,850	13,071,848
Clean Water Revenue Bonds, 2001 Series A	—	—	—	1,981,704	—	—	66,301,244	68,282,948
Refunding Revenue Bonds, 2001 Series A	—	—	—	315	—	—	—	315
Clean Water Revenue Bonds, 2002 Series A	—	—	—	128,397	—	—	64,810,592	64,938,989
Clean Water Revenue Bonds, 2002 Series B	—	—	—	157,067	—	—	29,381,561	29,538,628
Direct Loan Project Accounts	—	—	—	1,083,809	—	—	—	1,083,809
Direct Loan Surplus Matching Account	—	—	—	285,552	—	—	—	285,552
CWSRF Reloan Account	—	—	—	5,790,617	—	—	—	5,790,617
WPCRF Administrative Fee Account	—	—	—	524,854	—	—	—	524,854
Subtotal – Water Pollution Control Revolving Fund	—	—	—	34,526,715	22,324,600	10,569,071	217,545,972	284,966,358

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Cash and Investments Held by Trustees – By Investment Type

December 31, 2002

	<u>Cash</u>	<u>Cash held by State Treasurer</u>	<u>Treasury Money Market Funds</u>	<u>COLOTRUST Local Government Investment Pool</u>	<u>US Treasury Notes – SLGS</u>	<u>US Treasury Bills, Notes, and Bonds (fair value)</u>	<u>Repurchase agreements</u>	<u>Total cash and investments by bond issue</u>
Drinking Water Revolving Fund:			Milestone:					
Drinking Water Revenue Bonds, 1997 Series A	\$ —	—	834,834	—	—	—	7,793,606	8,628,440
Drinking Water Revenue Bonds, 1998 Series A	—	—	900,451	—	—	—	6,026,398	6,926,849
Drinking Water Revenue Bonds, 1999 Series A	—	—	4,272,670	—	—	—	14,230,845	18,503,515
Drinking Water Revenue Bonds, 2000 Series A	—	—	1,845,729	—	—	—	11,856,173	13,701,902
Drinking Water Revenue Bonds, 2002 Series A	—	—	20,262	—	—	—	13,753,949	13,774,211
State Direct Loan Project, Accounts	—	—	12,867	—	—	—	—	12,867
Federal Direct Loan Projects Pre-Construction Accounts	—	—	2,697,877	—	—	—	—	2,697,877
Drinking Water Funding Account	—	11,126,748	—	—	—	—	—	11,126,748
State Direct Loan Surplus Matching Account	—	—	108,125	—	—	—	—	108,125
State Direct Loan Reloan Account	—	—	75	—	—	—	—	75
State Direct Loan Administrative Fee Account	—	—	16,926	—	—	—	—	16,926
Federal Direct Loan Surplus Matching Account	—	—	158,507	—	—	—	—	158,507
DWSRF Reloan Account	—	—	4,202,725	—	—	—	—	4,202,725
DWRF Administrative Fee Account	—	—	1,508,611	—	—	—	—	1,508,611
Subtotal – Drinking Water Revolving Fund	—	11,126,748	16,579,659	—	—	—	53,660,971	81,367,378
Colorado Water Resources and Power Development Authority – total cash and investments	\$ 37,907	63,781,342	16,579,659	47,385,564	22,324,600	10,569,071	287,029,579	447,707,722

See accompanying independent auditors' report.



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Cash and Investments Held by Trustees – By Account Type

December 31, 2002

	<b>Rebate accounts</b>	<b>SWRP revenue or Debt service funds</b>	<b>Debt service reserve funds</b>	<b>Project accounts</b>	<b>DWRF and WPCRF matching accounts</b>	<b>Cost of issuance accounts</b>	<b>Other accounts</b>	<b>Total cash and investments by bond issue</b>
Water Operations Fund:								
Small Water Resources Projects Program Debt Service Reserve Fund	\$ —	—	8,505,888	—	—	—	—	8,505,888
Small Water Resources Projects Bonded Funds Water Revenue Bonds Program	384,018	1,873,059	—	14,098,681	—	—	323	16,356,081
Animas-La Plata Account	—	2,573	600,000	—	—	—	—	602,573
Authority Operating	—	—	—	—	—	—	6,568,294	6,568,294
	—	—	—	—	—	—	49,341,150	49,341,150
Subtotal – Water Operations Fund	<u>384,018</u>	<u>1,875,632</u>	<u>9,105,888</u>	<u>14,098,681</u>	<u>—</u>	<u>—</u>	<u>55,909,767</u>	<u>81,373,986</u>
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1989 Series A	—	93	—	—	3,232,203	—	104,133	3,336,429
Clean Water Revenue Bonds, 1990 Series A	—	61	—	—	1,507,121	—	58,791	1,565,973
Clean Water Revenue Bonds, 1991 Series A	—	1,449	—	—	10,503,651	—	297,311	10,802,411
Clean Water Revenue Bonds, 1991 Series B	7,222	383	—	—	8,980,584	—	152,203	9,140,392
Clean Water Revenue Bonds, 1992 Series A	—	101,711	—	—	3,437,895	—	85	3,539,691
Clean Water Revenue Bonds, 1992 Series B	—	1,197,163	—	—	9,696,177	—	8	10,893,348
Clean Water Revenue Bonds, 1994 Series A	246,765	2,460	—	—	5,253,208	—	—	5,502,433
Clean Water Revenue Bonds, 1995 Series A	165,120	2,249	—	55,713	7,400,073	—	—	7,623,155
Clean Water Revenue Bonds, 1996 Series A	28,448	626	—	51	2,100,887	—	3	2,130,015
Refunding Revenue Bonds, 1996 Series A	1,231	3	—	—	—	—	1,672	2,906
Clean Water Revenue Bonds, 1997 Series A	56,038	211,352	—	77,915	8,213,155	—	—	8,558,460
Clean Water Revenue Bonds, 1998 Series A	815,563	133,585	—	—	9,716,861	—	—	10,666,009
Clean Water Revenue Bonds, 1998 Series B	440,944	312,043	—	—	6,377,674	—	—	7,130,661
Clean Water Revenue Bonds, 1999 Series A	904,232	81,691	—	9,776,865	9,692,639	—	101,488	20,556,915
Clean Water Revenue Bonds, 2000 Series A	752,768	2,870	—	2,752,278	9,563,170	—	762	13,071,848
Clean Water Revenue Bonds, 2001 Series A	571,156	333,569	—	44,710,309	22,667,914	—	—	68,282,948
Refunding Revenue Bonds, 2001 Series A	—	—	—	—	—	—	315	315
Clean Water Revenue Bonds, 2002 Series A	39,473	57,438	—	52,496,804	12,345,274	—	—	64,938,989
Clean Water Revenue Bonds, 2002 Series B	—	75,015	—	24,365,000	5,016,658	81,727	228	29,538,628
Direct Loan Project Accounts	—	—	—	1,083,809	—	—	—	1,083,809
Direct Loan Surplus Matching Account	—	—	—	—	—	—	285,552	285,552
CWSRF Reloan Account	—	—	—	—	—	—	5,790,617	5,790,617
WPCRF Administrative Fee Account	—	—	—	—	—	—	524,854	524,854
Subtotal – Water Pollution Control Revolving Fund	<u>4,028,960</u>	<u>2,513,761</u>	<u>—</u>	<u>135,318,744</u>	<u>135,705,144</u>	<u>81,727</u>	<u>7,318,022</u>	<u>284,966,358</u>

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Cash and Investments Held by Trustees – By Account Type

December 31, 2002

	<u>Rebate accounts</u>	<u>SWRP revenue or Debt service funds</u>	<u>Debt service reserve funds</u>	<u>Project accounts</u>	<u>DWRF and WPCRF matching accounts</u>	<u>Cost of issuance accounts</u>	<u>Other accounts</u>	<u>Total cash and investments by bond issue</u>
Drinking Water Revolving Fund:								
Drinking Water Revenue Bonds, 1997 Series A	\$ 2,081	618,447	—		8,007,912	—	—	8,628,440
Drinking Water Revenue Bonds, 1998 Series A	252,423	451,104	—	58,220	6,165,102	—	—	6,926,849
Drinking Water Revenue Bonds, 1999 Series A	1,013,820	505,691	—	2,015,899	14,968,105	—	—	18,503,515
Drinking Water Revenue Bonds, 2000 Series A	612,537	487,236	—	691,209	11,910,920	—	—	13,701,902
Drinking Water Revenue Bonds, 2002 Series A	9,880	—	—	11,533,277	2,231,054	—	—	13,774,211
State Direct Loan Project Accounts	—	—	—	—	—	—	12,867	12,867
Federal Direct Loan Projects Pre-Construction Accounts	—	—	—	2,697,877	—	—	—	2,697,877
Drinking Water Funding Account	—	—	—	—	—	—	11,126,748	11,126,748
State Direct Loan Surplus Matching Account	—	—	—	—	108,125	—	—	108,125
State Direct Loan Reloan Account	—	—	—	—	—	—	75	75
State Direct Loan Administrative Fee Account	—	—	—	—	—	—	16,926	16,926
Federal Direct Loan Surplus Matching Account	—	—	—	—	158,507	—	—	158,507
DWSRF Reloan Account	—	—	—	—	—	—	4,202,725	4,202,725
DWRF Administrative Fee Account	—	—	—	—	—	—	1,508,611	1,508,611
Subtotal – Drinking Water Revolving Fund	<u>1,890,741</u>	<u>2,062,478</u>	<u>—</u>	<u>16,996,482</u>	<u>43,549,725</u>	<u>—</u>	<u>16,867,952</u>	<u>81,367,378</u>
Colorado Water Resources and Power Development Authority – total cash and investments	\$ <u>6,303,719</u>	<u>6,451,871</u>	<u>9,105,888</u>	<u>166,413,907</u>	<u>179,254,869</u>	<u>81,727</u>	<u>80,095,741</u>	<u>447,707,722</u>

See accompanying independent auditors' report.

**REPORTS REQUIRED BY  
OMB CIRCULAR A-133**



Suite 2700  
707 Seventeenth Street  
Denver, CO 80202

**Independent Auditors' Report on Compliance and on Internal  
Control Over Financial Reporting Based on an Audit of  
Basic Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Board of Directors  
Colorado Water Resources and Power Development Authority:

We have audited the basic financial statements of the Colorado Water Resources and Power Development Authority (the Authority) as of and for the year ended December 31, 2002, and have issued our report thereon dated April 11, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management of the Authority, and the U.S. Environmental Protection Agency, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

April 11, 2003  
Denver, Colorado





Suite 2700  
707 Seventeenth Street  
Denver, CO 80202

## **Independent Auditors' Report on Compliance with Requirements Applicable to the Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

The Board of Directors  
Colorado Water Resources and Power Development Authority:

### **Compliance**

We have audited the compliance of the Colorado Water Resources and Power Development Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2002. The Authority's major federal program is identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2002.

### **Internal Control over Compliance**

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management of the Authority, and the U.S. Environmental Protection Agency, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 11, 2003  
Denver, Colorado

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Expenditures of Federal Awards

Year ended December 31, 2002

<u>Grantor program title</u>	<u>Federal CFDA number</u>	<u>Grant award</u>	<u>Accrued January 1, 2002</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Accrued December 31, 2002</u>
U.S. Environmental Protection Agency						
Title VI Water Pollution Control						
Revolving Fund:						
1999 Grant	66.458	\$ 10,772,190	79,265	5,048,265	4,969,000	—
2000 Grant	66.458	10,735,659	—	5,693,954	5,774,974	81,020
2001 Grant	66.458	10,717,158	—	—	—	—
2002 Grant	66.458	10,663,884	—	—	—	—
Total federal awards – WPCRF			79,265	10,742,219	10,743,974	81,020
Drinking Water Revolving						
Fund:						
1997 Grant	66.468	16,784,100	24,992	655,356	678,967	48,603
1998 Grant	66.468	9,581,800	89,220	645,394	568,089	11,915
1999 Grant	66.468	16,709,267	88,057	792,455	838,235	133,837
2000 Grant	66.468	10,437,200	62,639	2,101,153	2,107,449	68,935
2001 Grant	66.468	10,480,300	—	5,541,952	5,666,782	124,830
2002 Grant	66.468	13,323,000	—	—	—	—
Total federal awards – DWRP			264,908	9,736,310	9,859,522	388,120
Total federal awards			\$ 344,173	20,478,529	20,603,496	469,140

See accompanying notes to schedule of expenditures of federal awards.

**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Notes to Schedule of Expenditures of Federal Awards

Year ended December 31, 2002

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

**(2) Subrecipients**

84% of the Title VI Water Pollution Control Revolving Fund (WPCRF) and Drinking Water Revolving Fund (DWRF) grant expenditures were provided to subrecipients.

**(3) Set Asides**

For the year ended December 31, 2002, the following DWRF grant amounts were used for the set aside programs.

	<u>Set aside amount</u>
DWRF program year:	
1997	\$ 678,967
1998	568,089
1999	838,235
2000	645,038
2001	<u>307,672</u>
Total	\$ <u><u>3,038,001</u></u>



**COLORADO WATER RESOURCES  
AND POWER DEVELOPMENT AUTHORITY**

Schedule of Findings and Questioned Costs

Year ended December 31, 2002

**Part I – Summary of Auditors’ Results**

**Basic Financial Statements**

Type of auditors’ report issued:	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ yes	_____ ✓	no
Reportable condition(s) identified not considered to be material weaknesses?	_____ yes	_____ ✓	none reported
Noncompliance material to basic financial statements noted?	_____ yes	_____ ✓	no

**Federal Awards**

Internal control over major program:			
Material weakness(es) identified?	_____ yes	_____ ✓	no
Reportable condition(s) identified not considered to be material weaknesses?	_____ yes	_____ ✓	none reported
Type of auditors’ report issued on compliance for major program:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)?	_____ yes	_____ ✓	no

Identification of major program:

**CFDA Number**

66.458

**Name of Federal Program or Cluster**

Title VI Water Pollution Control Revolving Fund

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$ 618,105

Auditee qualified as low-risk auditee?	_____ ✓	yes	_____	no
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**Part II – Findings Related to Basic Financial Statements**

None reported

**Part III – Findings Related to Federal Awards**

None reported