

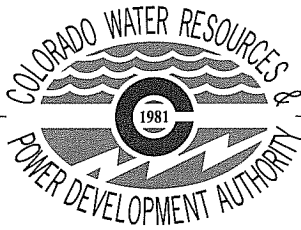
COLORADO
DRINKING WATER REVOLVING FUND
BIENNIAL REPORT
VOLUME I

JANUARY 1, 2007 – DECEMBER 31, 2008



PREPARED BY
THE STATE OF COLORADO
AUGUST 1, 2009

FOR THE ENVIRONMENTAL PROTECTION AGENCY
REGION VIII



COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY

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July 31, 2009

Ms. Karin Tatum
DWSRF Program Coordinator
U.S. EPA, Region 8
Technical & Financial Services Unit (8P-W-TF)
1595 Wynkoop Street
Denver, CO 80202-1129

RE: 2008 Biennial Report for the Colorado Drinking Water Revolving Fund (DWRf)

Dear Ms. Tatum:

As required by the Operating Agreement between the U.S. Environmental Protection Agency and the Authority, I am transmitting herewith three copies of the 2008 DWRf Biennial Report. This document is intended to describe the activity of the DWRf Program for 2008, address the progress made on the goals of the Program, and present the 2008 audited financial statements of the Program.

Also enclosed is a copy of the Authority's 2008 Annual Report.

If you should have any questions, please feel free to call.

Sincerely,

Michael Brod
Finance Director

MB/cas

Enclosures: (3 copies) 2008 DWRf Summary Report
(1 copy) Authority 2008 Annual Report

cc: Mr. Steve Gunderson, WQCD, 2008 DWRf Summary Report
Ms. Donna Davis, WQCD, 2008 DWRf Summary Report
Ms. Carolyn Schachterle, WQCD, 2008 DWRf Summary Report
Mr. Barry Cress, DLG, (2 copies) 2008 DWRf Summary Report

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I. INTRODUCTION

To comply with the requirements of regulation 40 CFR 35.3570, the Water Quality Control Division (Division) of the Colorado Department of Public Health & Environment, the Colorado Water Resources and Power Development Authority (Authority), and the Division of Local Government (DLG), hereinafter collectively referred to as the State, prepare and submit this biennial report on Colorado's Drinking Water Revolving Fund (DWRF). The report describes the activity of the DWRF for calendar years 2007 and 2008 and includes the 2007 and 2008 DWRF Intended Use Plans (IUPs) and annual program audits completed for 2007 and 2008.

II. LEGAL AUTHORITY AND BACKGROUND

The 1996 Amendments to the Safe Drinking Water Act (SDWA), Title I, Section 130, authorized the establishment of the DWRF. The fund 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 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 rules. The formal rule-making process involved forming a working committee to provide expert advice and input. The committee was comprised of members from the Division, Authority, DLG, EPA, Clean Water Action, Colorado Rural Water Association, Colorado Special Districts Association, Colorado Municipal League, and the Water Utility Council. The Colorado Board of Health adopted the initial DWRF rules on October 18, 1995. Beginning in 2006, authority to approve the DWRF Rules and IUP was transferred from the Colorado Board of Health to the Water Quality Control Commission.

Colorado was one of the first states in the country to receive an EPA capitalization grant for its DWRF and was the first state to issue Drinking Water Revenue Bonds. The Loan Summary Report (**Exhibit A**) provides specific details for the loans funded through the DWRF from inception through December 31, 2008. The DWRF has funded three types of loans; leveraged, direct loans using federal and state funds and direct loans using only state funds. Leveraged loans are provided to projects requiring loans in excess of \$2 million and are funded from municipal bonds, issued specifically to fund the loan, and using capitalization grant funds to provide below-market interest rates. Leveraged loan rates are primarily determined by the bond market and subsidization level. Federal direct loans finance projects requiring loans of two million dollars or less and use SRF re-loan funds, or DWRF grant funds and state funds (State Match). In addition, beginning in 2005, the Federal direct loans finance projects for entities which qualify as Disadvantaged Communities with loans with reduced interest rates of 0% to 50% of the direct loan interest rate as set annually by the Authority Board. (See section IV.C for further information on the Disadvantaged Communities loans.) State direct loans are funded solely from state funds. The Board of Directors determines and authorizes the interest rates for the direct loans on an annual basis. Due to the increased cost of project infrastructure the Authority Board

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authorized an increase of up to \$2,000,000, from \$1,000,000, for direct loans. This change was reflected in the 2006 IUP.

The state direct 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. See Section V “Financial Status of the DWRF” below for further information about leveraged and direct loans.

III. 2007 AND 2008 PROGRAM SUMMARY

From the DWRF inception through 2008, the State has been awarded \$154,682,600 from the EPA and the State has committed State Match funds in the amount of \$30,936,520. \$104,686,624 of total grant funds awarded have been obligated to loans. As of December 31, 2008, \$16,061,678, or 15%, of obligated federal grant funds remain un-liquidated. \$35,799,915 of the total amount received from the federal grants has been obligated to non-project activities (herein referred to as “set-asides”) eligible for funding under the SDWA. Set-asides are considered obligated when awarded. Of the total amount awarded, \$10,938,177, or 31% remains un-liquidated. An additional \$4,334,430 in credits has been committed to be provided from the State for the dollar for dollar match required for each State Program Management set-aside funds used from the 2008 grant. Set asides are described in more detail in Section VII of this report.

Included with this report is **Exhibit B**, the Binding Commitments report, which shows how well the State is using federal funds, and **Exhibit C**, the EPA Capital Contributions Summary report which provides further detail on the federal grant funds awarded and the disbursements of those funds.

In 2007, the State was awarded \$14,497,000 from the EPA and committed \$2,899,400 in state funds for the 20% required match. In 2008, the State was awarded \$14,350,000 and committed \$2,870,000 in State Match funds and other credits. \$4,494,070 and \$4,448,500 of the total 2007 and 2008 federal funds awarded, respectively, were allocated to set-asides. With the combined State Match committed to the loan program from these two years of over \$5.7 million and a combined total of over \$19.9 million dollars available from federal funds, an additional \$26 million is available to meet the needs of the loan program.

The IUP is developed by the Division with assistance from all DWRF partners. During formal public hearings held in November of 2007 and 2008 the Water Quality Control Commission adopted the annual IUPs. 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. A Priority/Fundable List, a subset of the Eligibility List, describes projects that have been qualified for funding based on the submission and approval by the Division of an eligibility assessment and/or a project planning report. Each project identified on the

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Priority/Fundable List is ranked based on the system's population, financial need including ability to pay and local burden, consolidation, water conservation, source water protection, and health risk. The 2007 and 2008 IUP's are included in this report as **Attachment 1** and **Attachment 2**.

Seventeen public entities received \$31,608,389 in loan funds over this two year time period. In 2007, three direct loans were executed for a total of \$1,592,397. In 2008, three leveraged loans were executed for \$22,829,792 and eleven direct loans were executed for \$7,186,200. Of the seventeen projects funded in 2007 and 2008, 11 entities qualified as Disadvantaged Communities and were funded with loans at a 0%, 1.75% or 1.875% interest rate. As of December 31, 2008, all loans are current. Refer to **Exhibit A** for a complete list of projects funded through the DWRF loan program. More loan information and the status of the loans is provided in the Authority's Loan Status Report which can be made available or can be viewed, along with other reports, at the Authority's website at www.cwrpda.com.

IV. 2007 AND 2008 INTENDED USE PLAN (IUP) GOALS AND ACCOMPLISHMENTS

The following goals were identified in the 2007 and 2008 IUPs and are listed in block style print. The accomplishments are listed in italics.

A. LONG TERM IUP GOALS AND ACCOMPLISHMENTS

1. Provide affordable financial assistance for eligible applicants while maintaining a perpetual, self-sustaining revolving fund.

The program has been set up to be self-perpetuating and will be leveraged to the maximum extent possible to meet the projected water quality needs of the state and to maintain the economic viability of the fund. The incentives used for loans included direct loan interest rates at 3.5 and 3.75 percent and leveraged loans at 80 percent of the market rate of the Drinking Water Revenue Bonds issued by the Authority. Beginning in 2005 a Disadvantaged Communities Loan Fund was established providing reduced interest rate loans.

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.

Pre-application meetings are arranged with communities to assist with planning, scheduling, and financing. Representatives from the Division, DLG and the Authority work with potential loan recipients to explore funding alternatives and explain the program requirements and timeframes.

\$100,000 is set aside each year from the Administrative Fee Account to provide small communities with \$10,000 pre-loan assistance grants. These grants are provided to assist with funding the upfront costs of project

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development activities including: Preliminary Engineering Reports, TMF Reviews , Planning and Design Documents and Environmental Assessments, and legal fees associated with the formation of a legal entity capable of receiving DWRF assistance.

An ongoing outreach program through DLG assists community officials to manage their systems and achieve compliance. Assistance is also provided by DLG through site visits, planning discussions, a plant operator training calendar and various other publications and activities.

3. Maintain compliance with State and Federal laws and the provisions of the EPA/State of Colorado Operating Agreement.

The DWRF program is administered in accordance with the EPA approved Operating Agreement and Handbook of Procedures and the DWRF Rules.

B. SHORT TERM IUP GOALS AND ACCOMPLISHMENTS

1. Submit an application for the 2007 and 2008 Capitalization Grant by January of the respective year.

The application for the FFY 2007 capitalization grant was submitted to EPA on July 10, 2007 and the application for the FFY 2008 capitalization grant was submitted on March 17, 2008.

2. The Division will continue to make revisions to the Handbook of Procedures to conform to regulations/guidance and submit it to EPA for approval.

On June 4, 2004, EPA approved an update to the Handbook of Procedures involving Chapter III Technical, Managerial and Financial review process for loan applicants. In 2007 several additional chapters were submitted to EPA for review and approval. The chapters included: chapter VI – Loan Disbursements, Chapter VII Plans, Specifications and Addenda Review, VIII Bid Solicitation and Contract Review, Chapter IX Project Close-out and Chapter X Maintenance, Storage and Retirement of DWRF Project Files.

Currently revisions are being considered during new staff training by comparing the procedures for consistency with the use of the Water Pollution Control Revolving Fund Handbook.

During 2009 the WQCD NEPA Specialist will evaluate the SERP for potential future revisions.

3. Initiate the process for identifying projects in the annual IUP in a timely manner.

The process of identifying projects for inclusion in the annual IUP is accomplished by means of developing and mailing an informative

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questionnaire type survey. The necessary information for developing this survey is obtained from various sources, including the “Shared Projects Database.” Data is collected using queries designed to gather and merge entity contact information, descriptions and costs of all projects on the previous year’s Project Eligibility List. This data is subsequently compiled along with information for entities that are under a compliance schedule or enforcement action. The distribution and reach of this survey also includes projects identified by the Funding Coordination Committee, projects identified by USDA Rural Development, DLG field staff, Division District Engineers and staff from the Area Council of Governments.

News articles describing the survey process and listing the Authority’s web site (for a copy of the survey form) are published in the Colorado Municipal Leagues bi-weekly newsletter, the Special District Association’s newsletter, and the Rocky Mountain Water Environment Association Rumble’s publication.

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

The Authority submitted an audit and summary report to EPA by April 30, 2007 and 2008 reporting on the program’s activities, outputs and outcomes. The Authority, in conjunction with the Division and DLG, were granted an extension in submitting the 2007-2008 Biennial Report to EPA. The 2007-2008 Biennial Report will be submitted by the extension date of August 1, 2009.

5. The program partners will work with the funding coordination committee and the SRF policy committee to implement program improvements including:

a. Continue coordination with all funding agencies to complete drinking water projects identified in the 2007 and 2008 IUPs.

The agencies involved in the DWRF continue to work together and with other applicable state and federal funding agencies to identify funding needs and develop joint funding packages. 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.

Available funding sources include: the Water Quality Control Division’s Drinking Water Grant Fund, DLG’s Community Development Block Grant and Energy and Mineral Impact Program, the Colorado Water Conservation Board, the U.S. Department of

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Agriculture-Rural Development Program, and the Authority's Water Revenue Program.

- b. Evaluate the impacts of implementing a pre-application form through the funding coordination committee that could be available statewide for water and wastewater entities interested in receiving funding through the State Revolving Fund Program (SRF), Energy Impact Assistance Fund (EIAF), Community Development Block Grant (CDBG), and Rural Development Program.**

Discussions were held with the Funding Coordination committee regarding implementation of a pre-application form. However, with significant staff turnover within the various funding agencies, efforts in this area have been put on hold.

- c. Review the areas of current flexibility with DWRF loan covenants and identify areas that may provide additional flexibility.**

The SRF Committee periodically meets to evaluate the programs and identify potential improvements. The Disadvantaged Communities Loan Fund was created on January 1, 2005 and provides reduced to 0% interest rates for small communities. Additional information regarding the Disadvantaged Communities is included under Section IV. C Other Program Accomplishments.

To reduce the audit burdens on small borrowers, the Authority Board adopted at its June 3, 2005 Board Meeting, the existing State statutory requirement to accept a copy of the short form audit exemption in lieu of audited financial statements for entities with revenues of less than \$100,000 provided that the exemption be completed by a person skilled in governmental accounting practices. Borrowers with revenues of more than \$100,000 but less than \$500,000 may provide the long form exemption in lieu of audited financial statements; however, the exemption must be completed by an independent accountant with knowledge of governmental accounting requirements.

The direct loan interest rates are established by the Authority Board each December. The direct loan rates for 2007 and 2008 were set at 3.75% and 3.5%, respectively.

- d. Evaluate the potential/impacts of increasing set-a-sides for Planning and Design grants.**

In evaluating the drinking water Administrative Fee Fund it was determined that the additional grant funding is not available at this time. However, the 2007 and 2008 IUP has a provision that if any of the \$100,000 set aside for planning and design grants were available

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on September 1st of each year, an additional grant of up to \$10,000 (maximum \$20,000 total per community) could be made to communities which have met the criteria in demonstrating progress toward receiving funding through the program.

6. Leverage funds in the DWRF to accommodate the estimated demand for eligible projects in 2007 and thereafter.

The DWRF was leveraged consistently on a scale of approximately 2.19 to 1 to ensure that there would be enough monies available to fund anticipated loans in 2007, 2008 and subsequent years.

7. The program will continue to provide funds (up to \$100,000 upon approval by the Authority Board) for Planning and/or Design grants for communities with populations under 10,000.

*A Planning and Design Grant Fund was initiated in 2001 to help needy systems address front-end project development and engineering expenses. In 2001, \$50,000 was reserved for this purpose, but due to the popularity of the grant program, \$100,000 was made available in 2002 and continues through 2008. For 2007 and 2008, the Authority Board authorized an annual appropriation of \$100,000. To date, 74 planning and design grants have been awarded to communities which led to executed loans exceeding \$64 million. **Exhibit C** provides a list of the DWRF Planning and Design Grants executed to date.*

Twenty \$10,000 grants were provided during 2007 and 2008. There are several systems that received planning and design grants during this time that are making progress on their respective project planning efforts. Many of the Planning and Design Grant projects take 12 to 18 months to complete. These efforts will likely result in DWRF loan applications and approval for projects to be funded in 2009 or 2010.

The Planning and Design Grant program has been an invaluable incentive to help systems develop projects and/or offset additional expenses associated with federal compliance issues.

8. The WQCD will review and revise as necessary the “Guidance for Preparing Preliminary Engineering Reports” and update the “State Environmental Review Policy” specific to the DWRF.

The Preliminary Engineering Report (PER) Checklist for the Water Pollution Control Revolving Fund (WPCRF) was revised in 2006. In 2007 the WPCRF checklist revisions were incorporated into a revised PER Checklist for the DWRF. The State Environmental Review Policy was reviewed in 2006 and it was determined that no changes would be made at this time. It is anticipated that once the FSU Unit is fully staffed that the State Environmental Review

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Policy will be reevaluated for consistency with the National Environmental Policy Act.

9. The DLG is will conduct training workshops to help build financial and managerial capacity of small rural public water and wastewater systems.

In 2007, DLG participated in the series of four capacity development training workshops to help build technical, managerial and financial capacity among local utility water staff around the state. The workshops were planned and conducted by WQCD contractor Malcolm Pirnie, and took place in Gunnison, Durango, Fort Morgan and Steamboat Springs in the months of February and March. The DLG supported and participated in other training events conducted by the Rocky Mountain Section of Water Environment Association, Colorado Rural Water Association, and Special District Association.

In 2008, DLG conducted a series of six training workshops to help raise awareness of renewable energy technology for water and wastewater utilities. Speakers from the National Renewable Energy Laboratory, the Governor's Energy Office, and Department of Local Affairs presented information in the sessions. The events were held in Pagosa Springs, Palisade, Silverthorne, Brush, Colorado Springs, and Lamar.

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. These regular meetings involve representatives of the DLG, Authority, Division, USDA Rural Development, the Colorado Water Conservation Board, Colorado's Rural Community Assistance Corporation and various other funding program and organization representatives. This committee also provides joint presentations at annual conferences of the Colorado Rural Water Association and the Colorado Municipal League.

10. The WQCD will develop a 5 year strategic plan for the Financial Solutions Unit.

Due to the reorganization of the Division efforts to develop a five year strategic plan for the Financial Solutions Unit, formally known as the Outreach and Project Assistance Unit, are currently being developed for the entire Division and as well as, individual Units. The Division solicited outside assistance with this effort and currently all plans are being reviewed by senior management.

11. The program partners will consider the appropriateness of introducing legislation in 2006 that would change the "planning" experience

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requirement for one of the Authority board positions to one that would have experience in “public health issues” and/or “water quality matters.”

This goal was accomplished in 2006.

12. The WQCD, in partnership with the Authority, will continue to utilize the shared access database for tracking project milestones.

*During 2008 Authority and WQCD staff worked together to implement upgrades to the server and staff continue to utilize the system to track all SRF projects. Refer to **Attachment 5** for examples of reports.*

C. OTHER PROGRAM ACCOMPLISHMENTS

1. Disadvantaged Communities Loan Fund

In accordance with federal statutes States are authorized to provide “loans at or below market interest rates, including interest free loans, and terms up to 30 years.” Effective January 1, 2005, the DWRF implemented a Disadvantaged Communities Loan Fund. A disadvantaged community is defined as a governmental agency that has a population of 5,000 or less with a median household income that is 80 percent or less of the statewide median household income.

DWRF re-loan funds are the primary source of revenues used to fund Disadvantaged Communities Loans. These funds are paid back by borrowers in the form of debt service payments on outstanding debt obligations. EPA capitalization grant funds in an amount not to exceed 30 percent of the annual capitalization grant may also be considered to underwrite loans in the event re-loan funds are not sufficient to meet demand. To the maximum extent practical and based on available data, projects eligible to receive the reduced interest rate will be identified on the Project Priority/Fundable List (Appendix B of the 2007 and 2008 IUPs).

Median household income as a percentage of the statewide median household income will be used to distribute funding to governmental agencies that are disadvantaged in accordance with two categorical affordability tiers:

Category 1 - Disadvantaged communities with median household income levels that range from 61 to 80 percent of the statewide median household income qualify for loans up to \$2 million per project. Loan terms up to 30 years, but not to exceed the project’s design life, are permitted. The loan interest rate is established at 50 percent of the direct loan rate as set annually by the Authority Board for qualifying governmental agencies. In 2007, the Category 1 loan rate was 1.875% and this was decreased in 2008 to 1.75% due to the Authority Board’s decision to reduce the direct loan rate.

Category 2 - Disadvantaged communities with median household income levels that are less than 61 percent of the statewide median household income

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qualify for loans up to \$2 million per project. Loan terms up to 30 years, but not to exceed the project's design life, are permitted. The loan interest rate is established at 0 percent for qualifying governmental agencies.

Note: All loan requests exceeding the \$2 million direct loan limit are not eligible for a Disadvantaged Communities Loan.

In 2006 the Authority Board adopted standardized income survey procedures for applicants to the DWRf Disadvantaged Communities Loan fund. The Authority, Division and DLG staff worked with the State Demographer's Office in DLG to develop a new income survey policy. With the assistance of the State Demographer's Office, potential loan applicants can conduct an income survey according to the adopted procedures to determine if they meet Disadvantaged Communities Loan criteria.

Division staff received the Colorado Department of Public Health and Environment's 2007 Diversity Award "For successfully increasing the quality and quantity of services to diverse populations and communities of color in a culturally competent manner to protect and preserve the health and environment of the people of Colorado." The team was nominated and recognized for their efforts with implementing and administering the Disadvantaged Communities Loan Programs.

2. Planning and Design Grants

As noted previously, Planning and Design Grants may exceed the \$10,000 per project threshold beginning in 2005 and continuing in subsequent years if certain conditions are met. In the event a balance of planning and design grant funds are available on September 1 of each year, additional grant funds of up to \$10,000 (maximum of \$20,000 total per community) may be made to communities that have met criteria in demonstrating progress towards receiving funding through the program.

The grant funds are non-reimbursable unless the entity does not borrow funds from the DWRf, in which case the Authority Board retains the ability to review and waive this requirement or request reimbursement of the grant. Grant funds may be used to support a variety of project development activities including, but not limited to: preliminary engineering reports, environmental assessments, development of TMF capacity reports, legal fees (including costs associated with the formation of a legal entity capable of receiving DWRf assistance) and engineering design and project construction specifications. These funds are provided from loan administrative fees.

To be eligible to receive a grant from this fund the entity must be identified on the most current, or are intended to be listed on the following, year's eligibility list and meet applicable planning and/or design grant criteria.

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3. Project Tracking Database

To further track projects for compliance with the Operating Agreement, the State developed a shared project Access database in 2005. Since that time, the Division and Authority staffs have worked diligently towards populating the database. Initial transfer of data and data entry was completed in 2005-06. This Access database system provides a central data source that is used by both agencies to track project information.

In its first year of usage, the shared Access database underwent significant design and development modifications. Additional modifications to the database have been identified, and staff is working with an outside consultant to implement recommended changes. The database serves dual roles both as a tool to simplify data warehousing and to provide easily accessible and comprehensive reports.

Division staff has created a project milestone tracking report that assists with maintaining an up-to-date and accurate accounting of numerous project elements. The database includes grant and loan data, federal and state compliance data, construction milestone dates and is also used in the development of a project tracking system for the Division's Engineering Section. **Attachment 5** provides examples of some reports generated using the system and examples of Access Shared Database forms.

4. State Grant Funding for Small Community Drinking Water Projects

The Division continued its efforts to solicit State general fund appropriations, for the small community grant program, to assist public and private not-for-profit drinking water systems in both 2007 and 2008. Unfortunately, due to budget constraints, the 2007 and 2008 budget request was denied.

During 2007 and 2008, DLG performed financial analysis and completed credit reports on eighteen (18) applicants to the DWRF. DWRF applicants included: The Town of Stratton, Town of Hotchkiss, City of Las Animas, Town of Eckley, Town of Ordway, Town of Kim, Town of La Veta, City of Estes Park, Pagosa Area Water and Sanitation District, East Alamosa Water and Sanitation District, Platte Canyon Water and Sanitation District Sub-district #2, Town of Paonia, Project 7 Water Authority, City of Creede, Town of Rye, Town of Del Norte, Olde Stage Water District, and the Town of Arriba.

5. SRF Funds Available for Transfer

Due to the large number of projected loans in 2004 from the WPCRF and a small number of loans from the DWRF, the Division, DLG, and the Authority met with a stakeholders group on August 6, 2003, to evaluate the feasibility of transferring funds from the DWRF to the WPCRF. There were no objections to the transfer. Based on the Commission, the Board of Health, and the Governor's approvals, a transfer of approximately \$8 million dollars (including the state match) was made from the

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DWRF into the WPCRF in 2003. None of these funds were used for administrative purposes.

The transfer was a combination of capitalization grant (\$6,666,667) and State Match (\$1,333,333) with the federal portion coming from the 2003 capitalization grant. The transfer diminished the loan capacity of the DWRF by approximately \$18 million (leverage ratio of approximately 2.25 multiplied by \$8.0 million) and increased the loan capacity of the WPCRF by an equal amount.

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 to Transfer	DWRF Funds Available to Transfer
1997	CG Award	\$5.6	-----	-----	\$5.6*	\$5.6*
1998	CG Award	8.8	-----	-----	8.8	8.8
1999	CG Award	12.1	-----	-----	12.1	12.1
1999	Transfer	12.1	\$6.7**	-----	5.4	18.8
2000	CG Award	15.6	-----	-----	8.9	22.3
2001	CG Award	19.1	-----	-----	12.4	25.8
2002	CG Award	23.6	-----	-----	16.9	30.3
2003	CG Award	28.0	-----	-----	21.3	34.7
2003	Transfer	28.0	-----	\$6.7**	28.0	28.0
2004	CG Award	32.0	-----	-----	32.0	32.0
2005	CG Award	36.7	-----	-----	36.7	36.7
2006	CG Award	41.5	-----	-----	41.5	41.5
2007	CG Award	46.3	-----	-----	46.3	46.3
2008	CG Award	51.0	-----	-----	51.0	51.0

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

**\$6.7 million capitalization grant funds and \$1.3 million State Match

6. Program Policies

The following policies concerning the loan distribution procedures were in place for the allocation of DWRF funds for 2007: 1) a minimum of \$8 million was held in reserve for small projects requesting (\$2 million or less). Of the \$8 million set aside, up to \$6 million was reserved for loans to qualified Disadvantaged Communities. There was no application deadline for these loans. De-allocations from loan repayments received in September could be made available for additional small system loans if the \$8 million reserve was inadequate. 2) All leveraged loan projects were required to submit applications by February 1st. Depending upon demand and available loan capacity, a second application date of July 1st was implemented by the Division, DLG, and the Authority for a fall bond issue.

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The policies concerning the loan distribution procedures for the allocation of DWRF funds changed in 2008. In 2008, in order to prioritize projects, two application deadlines of January 15th and June 15th were implemented. If sufficient funds are not available to cover all requests, those projects not funded are then included in the next prioritization of applications. If, after January 15th and June 15th, there are more funds available than requests for funds and it is not necessary to prioritize projects, then direct loan applications may be submitted and approved at subsequent Authority Board meetings up until the next prioritization deadline. These changes were adopted in the 2008 Intended Use Plan.

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 appropriated and transferred \$17,776,957 to the DWRF as a State Match, for a total of \$25,030,872. The last transfer of Authority funds occurred in 2001. No further transfers of state or Authority funds are anticipated.

The Authority made 17 direct loans for \$5,818,581 from the initial 1995 appropriation. 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. Of the total appropriation of \$25,030,872, the remaining \$19,212,291 was made available for use as State Match. As of December 31, 2006, the remaining amount has been used for State Match.

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 or Authority funds. This State Match amount must be deposited entirely into the loan fund and be maintained in perpetuity. The State added a paragraph to the 2006 IUP which allows the use of administrative fees to reimburse the Authority for State Match funds it provides to meet the State Match requirement. Loan fund amounts are not available for non-project activities.

The DWRF offers both direct loans and leveraged loans to finance projects. Direct loans (up to \$2,000,000) are generally made to smaller projects and borrowers that are not as credit worthy; and these loans are funded from “de-allocated” or “recycled” capitalization grant funds, State Match funds and federal direct loan payments (re-loan dollars). Through December 31, 2008, 26,365,791 of re-loan funds have been used to finance forty-three direct loans. 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 was set at 3.75% for 2007, and was decreased to 3.5% for 2008 loans to reflect market conditions at the time. In 2007, the effective interest rate included a fee of eight tenths of one percent of the original principal amount of the loan for administration. In 2008, the Authority’s Board

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raised the amount collected for administration in an amount up to one and one-quarter percent of the effective interest rate on the original principal amount of the loan.

Leveraged loans are provided to borrowers with projects in excess of \$2 million. A leveraged loan (composed of grant funds, State Match funds and bond proceeds) 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. The leveraged loan interest rate is 80% of the market rate on the bonds and included an administrative fee of eight tenths of one percent in 2007 and an amount up to one and one-quarter percent in 2008 on the original principal amount of the loan. 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 fee included in the loan interest rate ensures funding for long-term administration of the DWRF and provides potential opportunities for grant assistance to small public water systems. 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 to pay expenses associated with the administration of the DWRF (i.e. Authority, Division and DLG staffing and other operating expenses of the DWRF). The total amount of administrative fees received from all Drinking Water SRF loans for 2007 and 2008 was \$4,215,639. Total operating expenses for administration of the DWRF for 2007 and 2008 was \$2,319,673, of which \$419,563 was offset by the drinking water administrative set-aside. Additionally, administrative fee income was used to fund a planning and/or design grant program and to provide State Match which will continue into the future. In 2008, \$122,605 was transferred from the WPCRF administrative fee account to pay drinking water grant administrative costs and additional transfers which may occur in the future. Following is a summary of the administrative fee account activity recorded on a cash basis from program inception through 2008:

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Administrative Fee Account Activity (Cash Basis)

As of December 31, 2008

	Calendar Fiscal Year						TOTAL
	Inception - 2003	2004	2005	2006	2007	2008	
Sources:							
Loan Fees	\$ 5,089,917	\$ 1,602,662	\$ 1,665,264	\$ 1,701,524	\$ 2,016,956	\$ 2,198,684	\$ 14,275,005
Grant Income	1,770,289	336,362	359,611	424,383	433,436	419,563	3,743,644
Investment Interest	90,288	28,969	99,664	201,694	281,977	179,665	882,256
Advanced Admin. Fee (a) Operating Transfers From WPCRF	-	-	115,081	-	-	122,605	115,081
Other (b)	273,430	-	2,500	-	-	-	275,930
Total Sources	7,223,924	1,967,992	2,242,119	2,327,600	2,732,369	2,920,516	19,414,521
Uses:							
Grant Admin. Expenses	(5,092,678)	(1,113,941)	(927,446)	(957,208)	(1,030,499)	(1,289,173)	(10,410,946)
Planning & Design Grants	-	-	(94,883)	(91,815)	(65,465)	(85,956)	(338,119)
PWSS Set Aside Match	(120,913)	(112,743)	-	-	-	-	(233,656)
State Match for Loans	-	-	(226,072)	(193,047)	(341,400)	(1,440,000)	(2,200,519)
Total Uses	(5,213,591)	(1,226,684)	(1,248,401)	(1,242,070)	(1,437,364)	(2,815,129)	(13,183,240)
Net cash flows for year	2,010,333	741,308	993,718	1,085,530	1,295,005	105,387	
Previous year-end balance	-	2,010,333	2,751,641	3,745,360	4,830,889	6,125,894	
Balance at end of year	<u>\$ 2,010,333</u>	<u>\$ 2,751,641</u>	<u>\$ 3,745,360</u>	<u>\$ 4,830,889</u>	<u>\$ 6,125,894</u>	<u>\$ 6,231,281</u>	

(a) Advanced Admin Fee source: This source of funds is received at the closing of the issuance of refunding bonds to cover the cost of current and future administration of refunding bond issues.

(b) Most of these funds were provided from the State Funded Direct Loan Program's Administrative Fee Account and from the Drinking Water Funding Account to cover administrative costs incurred at the beginning of the SRF program.

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 DWRF Eligibility List needs (currently over \$1.7 billion) are compared against the loan capacity of the DWRF. Even though demand for loans (DWRF Priority / Fundable List) during these years was 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 achieve compliance with the SDWA. The leveraged loan rate of 80% of market rate has produced a loan rate of between 3.03 and 4.60%. 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.

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In 1998, the Authority Board sought EPA's approval to "cross-collateralize" or pledge monies on deposit in one fund to act as additional security for bonds secured by monies on deposit in the other fund. This mechanism has been utilized for both programs since that 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, 2007 and December 31, 2008.

VI. 2007 AND 2008 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 pre-loan grant and DWRF loan made in 2007 and 2008. The project summaries are grouped by major river basins. A project status update is also provided for all loans executed prior to January 1, 2007, that have not been closed out as of December 31, 2008.

Platte River Basin

Executed Loans awarded in 2007 & 2008:

Town of Eckley – received a 20 year disadvantaged communities loan on July 30, 2008 in the amount of \$100,000 at an interest rate of 0%. The project consisted of new meters and was completed in October, 2008.

Town of Estes Park – The Town received a 20-year leveraged loan on March 7, 2008 in the amount of \$5,494,410.09 at an interest rate of 3.26%. This project will expand the Mary's Lake Water Treatment Plant from a 2 mgd to a 4 mgd plant by changing treatment technologies to a membrane filter technology. The project began construction on August 30, 2008 and is expected to complete late 2009/early 2010.

Town of Hillrose – The Town received a 30-year disadvantaged communities loan on May 31, 2007 in the amount of \$995,097 at an interest rate of 0%. They also received a \$600,000 Community Development Block Grant. The project consists of connecting to the Morgan Quality Water District for a new drinking water supply. The Town's current water supply contains levels of uranium in excess of drinking water standards. The project includes the construction of new potable distribution system piping to connect the supply to new centralized disinfection equipment, new meters on the potable distribution lines, rehabilitation of an existing well, and a finished water storage tank. The Town's existing distribution system will be utilized for non-potable water. A DWRF planning grant of \$10,000 was issued on August 1, 2004 to assist with the cost of developing a PER. The report has been approved and the grant was fully paid as of April 15, 2005. The Preliminary Engineering Review (PER) was approved on February 2, 2006. The Environmental Assessment was approved on February 28, 2005. The project began construction on July 15, 2008 and the plant will start up on February 11, 2009 and has a completion deadline of March 20, 2009.

COLORADO DWRF BIENNIAL REPORT

Old Stage Water District – The District received a 20-year direct loan on June 1, 2005 in the amount of \$100,000 at an interest rate of 3.50%. The project consists of repairing the rusted floor of the existing 40,000-gallon storage tank, while adding an additional 75,000-gallon storage tank beside the existing tank. Sixty feet of 8” diameter piping will be installed to connect the tanks to the distribution system. Due to permitting issues with Boulder County the construction was delayed. On October 17, 2008 the District received a 20-year second loan in the amount of \$150,000 at an interest rate of 3.50%. All approvals have been received and it is anticipated that construction will begin in the summer of 2009.

Platte Canyon Water and Sanitation District #2 – The District received a 20-year direct loan on July 15, 2008 in the amount of \$475,000 at an interest rate of 3.5%. This project is a continuation of project #1 which was completed in March 2008. This project will water distribution system and second supply source. Construction began in August 2008 and scheduled for completion in the summer of 2009.

Town of Stratton – The Town received a 30-year Disadvantaged Communities Loan on December 20, 2007 in the amount of \$483,000 at an interest rate of 1.875%. The project was \$170,000 over budget when it went to bid. Therefore, on December 3, 2008 the town executed a 30-year second loan in the amount of \$90,000 at an interest rate of 1.75%. The project consists of the installation of: a new water storage standpipe to provide emergency storage; repairs and upgrades to the existing tank; installation of a new chlorination system and piping at the Town’s three wells; a new well house; and, additional minor system replacements and upgrades. Construction for the project started in August 2008 and is expected to complete March 2009.

Project Status Update:

Arapahoe County Water and Wastewater Authority (ACWWA) – ACWWA received a 16-year leveraged loan on November 2, 2006 in the amount of \$16,049,975 at an interest rate of 3.31%. The project will consist of the construction of a reverse osmosis treatment plant. The District has joined with the Cottonwood Water and Sanitation District to share water treatment facilities. The District plans to build a reverse osmosis water treatment plant to treat raw water from Cherry Creek alluvial wells in cooperation with Cottonwood. The project also includes components not eligible for funding through the DWRF, including a new water supply well. Construction started January 2008 and is expected to be complete July 2009.

Town of Arriba – The project consists of installation of a new storage standpipe, re-routing the existing wells to the new standpipe, upgrading the existing distribution system, and improving disinfection. The Town submitted a Disadvantaged Communities DWRF application on January 15, 2008 in the amount of \$705,000, which was approved at an interest rate of 0% at the December 2008 Authority board meeting. It is anticipated loan execution and construction to begin in May 2009.

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Castle Pines Metropolitan District – The District received a 20-year direct loan on May 25, 2006 in the amount of \$2,000,000 at an interest rate of 3.75%. The District also received a 20-year direct loan on November 6, 2006 in the amount of \$250,000 at an interest rate of 3.75% to cover higher than expected bids. The project consisted of constructing a new pipeline and transfer station to convey water between the district's two water treatment facilities. The project will allow flexibility in water treatment, as the Happy Canyon Road Plant is aging and approaching the end of its useful design life. Increased treatment reliability and redundancy are benefits of transferring water to the newer Country Club Drive Plant. Construction began in the fall of 2006 and was completed October 2007.

Cottonwood Water and Sanitation District – The District received a 21-year leveraged loan on November 2, 2006 in the amount of \$9,996,005 at an interest rate of 3.42%. The project will consist of the construction of a reverse osmosis treatment plant. The District has joined with the Arapahoe County Water and Wastewater Authority (ACWWA) to share water treatment facilities. The District plans to build a reverse osmosis water treatment plant to treat raw water from Cherry Creek alluvial wells in cooperation with ACWWA. The project also includes components not eligible for funding through the DWRF, including new a water supply well. Construction started January 2008 and is expected to be complete July 2009.

Town of Genoa – The Town received a 30-year disadvantaged communities loan on December 20, 2006 in the amount of \$175,000 at an interest rate of 0.00%. This project consists of replacing the undersized and failing water transmission line, constructing a new well house, recoating the water storage tank to extend longevity, and additional minor improvements within the distribution system. The Town also received a \$390,000 grant from the Energy and Mineral Impact Assistance Fund for the project, along with a \$75,000 Colorado State Drinking Water Construction Grant in the spring of 2007. Construction started April 2008 and completed October 2008.

Platte Canyon Water and Sanitation District #1 – The District received a 20-year direct loan on June 30, 2006 in the amount of \$400,000 at an interest rate of 3.75%. The project will replace portions of the district's failing distribution system within the Columbine Townhouses II area and add an additional connection point to loop the existing system. The project also includes the addition of fire hydrants to aid in system flushing and the instillation of meters. Construction began spring 2007 and was completed March 2008.

Ralston Valley Water and Sanitation District – The District received a 20-year direct loan on August 9, 2006 in the amount of \$1,300,000 at an interest rate of 3.75%. The water project consists of connection points and pipelines in order to allow better pressure regulation in the distribution system looping to the existing system supply lines, the installation of control valves in order for isolation of segments of the distribution system, and other minor system improvements. A DWRF \$10,000 planning grant was issued to the District on February 1, 2006 to assist in the development of engineering design documents. Construction is scheduled to begin spring 2007 and projected completion time is fall 2009.

COLORADO DWRF BIENNIAL REPORT

Town of Sedgwick – The Town received a 30-year disadvantaged communities loan on May 15, 2006 in the amount of \$419,000 at an interest rate of 0.00%. The project includes upgrades to the Town’s water treatment, supply and storage systems. Enhancements will include the purchase and construction of a new well, new meters, a new water tower, new disinfection equipment, and a new pump house. The project will also include reconditioning of an existing well and hydrants for fire protection and system flushing. The Town also received a \$300,000 grant from the Energy and Mineral Impact Assistance Fund for the project. The project began construction in the summer of 2008 and is expected to be completed late 2009.

Yampa/White Rivers Basin

Executed Loans awarded in 2007 & 2008

Town of Hotchkiss – The Town received a 20-year disadvantaged communities loan on April 23, 2008 in the amount of \$925,000 at an interest rate of 0%. The Town plans to apply for a DWRF direct loan in 2009 for approximately \$775,000. It is anticipated that construction will begin in fall 2009.

Project Status Update:

City of Craig – The City received a 21-year leveraged loan on April 27, 2006 in the amount of \$6,056,378 at an interest rate of 3.65%. The project involves system upgrades and expansion. Upgrades include replacements of the solids contact clarifiers with two dissolved air flotation basins, the addition of two multimedia filters and replacement of the existing gas chlorine system with a sodium hypochlorite onsite generation system. These improvements will also provide redundancy and increase capacity from 7.6 mgd to 12.0 mgd. The City also received a \$275,000 Energy and Mineral Impact Assistance Fund grant for the project. Construction began in December 2006 and was completed in June 2008.

Town of Walden – The Town received a 25-year disadvantaged communities loan on September 6, 2006 in the amount of \$900,000 at an interest rate of 1.75%. This project will replace the existing sand filtration system with two Axia microfiltration membrane treatment systems, for a total system capacity of 1 mgd. The Town has also received a \$500,000 grant from the Energy and Mineral Impact Assistance Fund and a 2006 \$650,000 STAG grant towards the project. Construction began in fall 2006 and was completed in December 2008.

Colorado River Basin

Executed Loans awarded in 2007& 2008

None

COLORADO DWRF BIENNIAL REPORT

Project Status Update:

Town of Palisade – The Town received a 30-year disadvantaged communities loan on May 26, 2006 in the amount of \$2,000,000 at an interest rate of 0.00%. The Town also received a 22-year leveraged loan on November 2, 2006 in the amount of \$3,976,045 at an interest rate of 3.47%. The project includes rehabilitation and replacement of the existing 5 mgd water treatment plant with a 2 mgd microfiltration membrane treatment facility, and construction of a 2.5 million gallon water storage facility. The Town also received a \$529,000 grant from the Energy and Mineral Impact Assistance Fund for the project. Construction began in May 2006 and was completed in November 2007.

Dolores/San Juan/ San Miguel Rivers Basin

Executed Loans awarded in 2007 & 2008:

Pagosa Area Water and Sanitation District – The District received a leveraged loan for \$7,158,869.96 at 3.4% interest for 20 years on June 12, 2008. The project consists of upgrading the Hatcher Water Treatment Plant with a new 2.0 MGD microfiltration water treatment facility and associated apparatuses. The project also incorporates automatic meter reading technology. Construction started in the summer of 2008 and is anticipated to be completed in the fall of 2009.

Town of Paonia – The Town received \$90,000 in emergency grant funding in December 2007 due to a boil order. The grant was used to purchase additional filters which had been discontinued in 2004. The Town also received a 20-year disadvantaged communities loan on November 5, 2008 in the amount of \$448,200 at an interest rate of 1.75%. The project consists of replacing the existing 0.8 MGD water treatment plant with a new 0.8 mgd microfiltration water treatment plant. Construction is anticipated to begin in the spring of 2009.

Project 7 Water Authority – The Authority received a 21-year leveraged loan on November 25, 2008 in the amount of \$10,176,512 at an interest rate of 3.82%. The project consists of improvements to the existing water treatment plant which will restore the treatment capacity to 27.6 mgd. The project also includes the installation of a 150 kilowatt hydropower generator providing a renewable source of energy for operating the electrical equipment within the treatment plant and also serves as a necessary energy dissipation device. Construction started in the summer of 2008 and is anticipated to complete construction in the summer of 2009.

Project Status Update:

City of Ouray – The City received a 20 year direct loan on December 19, 2003 in the amount of \$1,000,000 at an interest rate of 4.0%. The project included upgrades and replacement of the drinking water distribution system, treated water storage, treatment plant and source water collection systems. The project reduced the potential for contamination entering the distribution system, facilitate adequate water pressure in the lines, reduce repair costs and

COLORADO DWRF BIENNIAL REPORT

prevent water loss due to leaks. This phase of the project was completed in March 2007 however there is approximately \$144,000 remaining on the loan. The City is currently working through the environmental assessment process with EPA. The City is further evaluating additional components to the project in order to utilize the remaining SRF funds as a match requirement to a 2005 STAG Award of \$1,200,000 received in December 2005 and subsequently reduce to \$923,059 in October 2008. Construction is anticipated to begin again in the fall of 2009.

Arkansas/Rio Grande River Basin

Executed Loans awarded in 2007 & 2008:

Town of Del Norte – The Town received a 20-year disadvantaged communities loan on December 31, 2008 in the amount of \$934,000 at an interest rate of 0%. The project consists of installing water meters and replacing service lines throughout the Town. Construction is anticipated to begin in the summer of 2009.

East Alamosa Water and Sanitation – The District received a 30-year disadvantaged communities loan on July 24, 2008 in the amount of \$2,000,000 at an interest rate of 0%. project includes regionalizing drinking water treatment with the City of Alamosa, a new supply pipeline, replacement of undersized lines, looping of dead end lines, a new storage tank with booster pump and metering equipment. Construction was started in the summer of 2008 and is anticipated to be completed in the spring of 2009.

Town of Kim – The Town received a 30-year disadvantaged communities loan on May 30, 2008 in the amount of \$118,000 at an interest rate of 0%. The project consist of replacing old transmission line from its old wells to the water storage tanks, replace meter pit assemblies, construct a new storage standpipe, bring its two older wells back online, and make additional minor upgrades. Construction started in September 2008 and is scheduled to complete in April 2009.

Town of La Veta – The Town received a 30-year disadvantaged communities loan on April 11, 2008 in the amount of \$1,134,000 at an interest rate of 1.875%. The project consists of upgrades to the water supply, storage tank improvements, distribution system improvements and construction of a new water treatment plant (WTP) building. Construction started September 2008 and is expected to complete April 2009.

City of Las Animas – The City received a 30-year disadvantaged communities loan on March 26, 2008 in the amount of \$812,000 at an interest rate of 0%. The project consist of replacement of and improvements to various aging and deteriorating distribution system piping throughout the City, distribution system backup power supply, distribution pumping building and storage tank upgrades, lead service line replacement, fire hydrant replacement and meter installations. Construction started in December 2008 and is scheduled for completion in June 2009.

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Town of Ordway – The Town received a second 30-year disadvantaged communities loan on December 21, 2007 in the amount of \$114,300 at an interest rate of 0%. The Town had undertaken a wastewater project concurrently with the drinking water project. Bids for the wastewater project were received lower than anticipated, thus allowing the Town the flexibility to correct unforeseen conditions related to their drinking water project. Therefore, the Town had requested an addition \$114,300 to complete the drinking water project. Construction started in April 2007 and completed in April 2008.

Project Status Update:

City of Alamosa – The City received a 21-year leveraged loan on November 2, 2006 in the amount of \$11,865,063 at an interest rate of 3.42%. The project consists primarily of the construction of a new, regional, 6.3 mgd water treatment facility to remove arsenic from the current drinking water supply. The arsenic treatment technology is coagulation followed by membrane filtration. New chlorination, pumping waste disposal, and storage facility are included in the project. Since this is a regional, centralized facility replacing a decentralized system, extensive raw water and treated water line work is included. Project construction began in March 2007 and completed in October 2008.

Town of Bethune – The Town received a 30-year disadvantaged communities loan on July 18, 2006 in the amount of \$418,000 at an interest rate of 0.00%. The project involves relocating the south well, purchasing a storage tank to increase storage and chlorine contact time, purchasing a series of booster pumps, pipes, controls, valves, meters, hydrants, and other distribution appurtenances. The Town also received a \$115,000 Colorado State Drinking Water Construction Grant in the spring of 2007. Construction began in spring 2007 and was completed in September 2007. A final inspection was completed January 2008.

Town of Boone – The Town received a 30-year disadvantaged communities loan on August 15, 2006 in the amount of \$514,297 at an interest rate of 0.00%. Construction includes an anion exchange nitrate removal water treatment plant, replacement of a water supply well, and recoating the interior and exterior of the Town's water storage tank. Other activities include various replacements and rerouting of distribution lines, installing a booster pump, valves, hydrants, meters, and other water distribution appurtenances. The Town also received a \$120,000 Colorado State Drinking Water Construction Grant in the spring of 2007. Construction began March 2007 and completed September 2007.

Bristol Water and Sanitation District – The District received a 30-year disadvantaged communities loan on February 8, 2006, in the amount of \$200,000 at an interest rate of 0.00%. The project consists of modifications of existing wells, increasing storage from 31,100 gallons to 55,600 gallons, rehabilitation of existing storage and piping, and replacement of old and undersized water distribution lines. The District also plans a treated water connection with Granada Water Association's rural water system providing either system with a backup water

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source in an emergency situation. Construction began in fall 2006 and was completed in May 2007.

Cucharas Water and Sanitation District – The District received a 20-year direct loan on November 29, 2006 in the amount of \$269,000 at an interest rate of 3.75%. The water project involves improvements to the distribution system within the Pinehaven service area. Existing, shallow and small diameter water system piping will be replaced with larger, deeper piping. Construction started June 2008 and completed November 2008.

Town of Kit Carson – The project consist of replacements, installations, improvements, and modifications to the water system's collection, treatment, and distribution facilities. The Town is currently participating in CO-RADS (Colorado Radionuclide Abatement and Disposal Strategy). A disadvantaged communities DWRP application was submitted in the amount of \$392,000 on October 15, 2008, which will be presented at the April 2009 Authority board meeting for approval. It is anticipated construction will begin in late summer 2009 and end early December 2009.

Town of Ordway – The Town received a 30-year disadvantaged communities loan on December 20, 2006 in the amount of \$200,000 at an interest rate of 0.00%. The project includes replacement of sections of the old and undersized water distribution system, recoating of the well field storage tank and installation of additional fire hydrants for adequate system flushing and additional fire protection. The Town also received a \$50,000 Colorado State Drinking Water Construction Grant in the spring of 2007. In addition, the Town received a second 30-year disadvantaged communities loan on December 21, 2007 in the amount of \$114,300 at an interest rate of 0%. The Town had undertaken a wastewater project concurrently with the drinking water project. Bids for the wastewater project were received lower than anticipated, thus allowing the Town the flexibility to correct unforeseen conditions related to their drinking water project. Therefore, the Town had requested an addition \$114,300 to complete the drinking water project. Construction started in April 2007 and completed in April 2008.

Town of Pritchett – The Town received a 30-year disadvantaged communities loan on March 31, 2006 in the amount of \$200,000 at an interest rate of 0.00%. The project includes upgrades to the Town's water treatment, supply and storage systems. Enhancements will include the purchase of a steel 265,000 gallon storage standpipe, a flow meter, water pump, and chlorination equipment. The secondary wells will be fitted with chlorinators and chlorine contact reservoirs. Construction began in summer 2006 and completed February 2008.

Town of Rye – The Town received approval of a disadvantaged communities loan in the amount of \$1,040,000 at an interest rate of 1.75% at the August 2008 Power Authority Board meeting. It is anticipated the loan will close in early 2009. The project consist of replacing the existing sand filtration treatment system for with a membrane treatment system and alleviate excess lead concentrations, iron concentrations, radium levels, as well as remedy various non-

COLORADO DWRF BIENNIAL REPORT

permitted treatment systems to make them usable. Construction for the proposed project is scheduled to start in April 2009 and complete in late December 2009.

VII. NON-PROJECT ACTIVITY STATUS

The Division set aside portions of the FFY 2007 and 2008 capitalization grant for non-project (set-aside) related activities. The purpose of the set-asides was to provide the funds needed to help the Division meet programmatic requirements of the 1996 Amendments to the SDWA and to assist with the administration of the DWRF. 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 activities for each set-aside is outlined below:

Administration

The purpose of 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 are funded by the administrative set-aside and supplemented by a loan administrative surcharge. The State has requested the full 4% administrative set-aside on each grant for the DWRF.

The DWRF has consistently met its performance requirements for program administration. EPA concluded in a 2007 and 2008 annual review of the DWRF that “the State continues to manage the program in accordance with applicable sections of the CWA and SDWA, and other applicable regulations and guidance.”

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 2007 and 2008, a two percent set-aside was taken by the State from the capitalization grants for SSTTA assistance activities. Training activities are provided through contracts with local service providers, including the American Water Works Association (Leadville Operators School, Action Now Seminars, and other workshops), Colorado Rural Water Association, and the Rocky Mountain Water and Wastewater Operators and Distribution School. EPA approved the SSTTA work plans prior to any funds being expended for these purposes. The number of small systems benefiting from the training offered was 406 in 2007 and 485 in 2008. The number of small system participants enrolled and served by training programs was 1,468 in 2007 and 1,684 in 2008.

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The SSTTA set-aside was \$289,940 for 2007 and \$287,000 for 2008. Program expenses for the two-year period were \$237,762. All balances remaining will be used in future years or 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
- Wellhead protection
- Source water protection
- Capacity development programs
- Operator certification program

A 10% set-aside of the EPA annual capitalization grants may be used by the State for drinking water program management activities. In 2007, \$1,449,700 was set aside and \$1,435,000 in 2008. Division was able to meet EPA match requirements by utilizing a variety of other funding sources.

These set-aside funds were used to support full time employees and contract support for implementation of the specific program requirements associated with the 1996 reauthorization of the SDWA. Division staff has been allocated to the state drinking water program manager's office, the Engineering Section, the Compliance Assurance and Data Management Section and the Capacity Building Unit.

Staff was assigned to these activities during calendar years 2007 and 2008 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, Division staff continues to work on fulfilling specific regulatory initiatives that require increased data handling and enforcement for new rules.

Division staff has also been involved in drafting new regulations and implementation manuals tailored to various categories at public water systems. A new staff-driven effort termed "Systems of Concern" was implemented. This project focuses on assisting systems that have poor operation, management, or compliance records. It uses both existing as well as new tools to ensure that these systems not only achieve compliance, but also remain in compliance.

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DWRF - Status of Set Aside Grants		
Set-Aside	Grant Amount	Amount Remaining
Administration		
1997	\$671,364	\$0
1998	\$383,272	\$0
1999	\$401,704	\$0
2000	\$417,488	\$0
2001	\$0	\$0
2002	\$0	\$0
2003	\$1,481,852	\$0
2004	\$549,508	\$161,544
2005	\$548,344	\$548,344
2006	\$579,892	\$579,892
2007	\$579,880	\$579,880
2008	\$574,000	\$574,000
Capacity Development		
*1998	\$650,000	\$0
*1999	\$650,000	\$0
*2000	\$650,000	\$0
*2001	\$650,000	\$0
2002	\$650,000	\$0
2003	\$650,000	\$0
2004	\$1,373,770	\$0
2005	\$1,370,860	\$0
2006	\$1,445,106	\$140,806
2007	\$1,449,700	\$1,449,700
2008	\$1,435,000	\$1,435,000

Public Water System Supervision		
*2000	\$505,620	\$0
*2001	\$505,620	\$0
*2002	\$505,620	\$0
2003	\$768,617	\$0
2004	\$871,617	\$0
2005	\$961,104	\$0
2006	\$1,449,730	\$0
2007	\$1,449,700	\$81,372
2008	\$1,435,000	\$1,435,000

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Small System Training and Technical Assistance		
*1997	\$335,682	\$0
*1998	\$191,636	\$0
*1999	\$200,852	\$0
*2000	\$208,744	\$0
2001	\$209,606	\$0
2002	\$266,460	\$0
2003	\$264,860	\$118,907
2004	\$274,754	\$274,754
2005	\$274,172	\$274,172
2006	\$289,946	\$289,946
2007	\$289,940	\$289,940
2008	\$287,000	\$287,000

Source Water Assessment and Protection		
*1997	\$1,678,410	\$0
Wellhead Protection		
*1998	\$787,270	\$0
*1999	\$354,260	\$0
*2000	\$525,170	\$0
*2001	\$500,000	\$0
2002	\$500,000	\$0
2003	\$500,000	\$0
2004	\$315,967	\$0
2005	\$372,500	\$372,500
2006	\$397,500	\$397,500
2007	\$724,850	\$724,850
2008	\$717,500	\$717,500

Originally, 5% of the 1997 grant (\$839,295) 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).

Source Water Assessment and Protection Program

The assessment phase of the program was completed and the public versions of the assessment reports were posted to the SWAP website (www.cdphe.state.co.us/wq/sw/swaphom.html) in November 2005. A select number of public water systems have provided data feedback and the Division is processing and incorporating the feedback into revised reports. The Division set

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aside a one-time allocation of \$1,678,410 from FFY 1997 funds to support this program. The Division has advanced the SWAP program and continued with protection phase planning efforts.

Expenditures from the SWAP set-aside to support the completion of source water assessment reports were allowed through August 23, 2005. The balance of \$18,345 was utilized under the 2007-09 Capacity Development work plan to support SWAP implementation efforts.

Wellhead Protection (WHP) 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 is to determine the susceptibility of the public water system to contamination. This requirement must be applied to public ground water sources so that assessment results are consistent between surface water and ground water sources. A public involvement process has been an integral component of all three phases of the SWAP assessments.

The Division allocated set-aside funds of \$724,850 in 2007 and \$717,500 in 2008 to support this program and protection planning efforts.

The SWAP program has spent \$533,591 during the period of January 1, 2007 and December 31, 2008. Accomplishments made during the reporting period include:

- Development, maintenance and improvement to the spatial data library.
- Updates and Maintenance of the SWAP website (www.cdphe.state.co.us/wq/sw/swaphom.html).
- Revisions to the source water assessment reports for the public water systems that provided feedback.
- Development of the Integrated Source Water Assessment & Protection (ISWAP) project plan.
- Protection plan development assistance
- Development of outreach information for public water systems.
- Development of a source water protection plan template and supporting grant funding opportunities.
- Implementation of the ISWAP and the protection phase of SWAP.

As of the report dated January 30, 2009, a balance of approximately \$2,327,311 was available in the wellhead set aside account.

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VIII. COMPLIANCE WITH GRANT AND OPERATING AGREEMENT

The State must comply with specific performance requirements 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 below in block style print, and the associated State work activities are listed in italics.

- 1. 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 Authority was created by statute with broad powers aimed at protecting, developing, upgrading and conserving state water resources. By statute, the Authority can enter into loans in order to finance public system drinking water improvements of governmental agencies through the DWRF.

- 2. 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.

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

Proposed staffing plans are included as part of the EPA/State of Colorado Operating Agreement and the Memorandum of Agreement between the three program agency partners.

- 4. 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.

- 5. 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 that will be used for non-project activities. Amended applications may be submitted transferring unused capitalization grant funds that 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.)

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6. 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 payment.

The Authority deposits the required match into the DWRF state match holding account on or before the times required by the payment schedule defined in IAW 40 CFR 3550. In 2004, the Authority executed Resolution No. 04-34 (Attachment 6) that: (1) establishes a DWRF state match account to be used solely and exclusively for providing the state match to the Drinking Water Revolving Fund; (2) transfers the state match requirement amount for the EPA 2004 capitalization grant to the state match account; and (3) commits that future transfers of the state match requirement will be made to the state match account.

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

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

8. As required by the DWRF Program Guidelines, the State has established fiscal controls and accounting procedures sufficient to assure sound accounting procedures and in accordance with generally accepted accounting principles. 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.

9. 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 (Attachments 3 and 4).

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.

Standard provisions and covenants dealing with the security pledge are incorporated into each loan agreement.

10. 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.

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

11. The DWRF Rules establish procedures to adopt proposed additions and modifications to the Project Eligibility List for eligible drinking water projects.

The DWRF Rules were amended in 2004. The rules were amended to provide for the Disadvantaged Communities Loan fund and to ensure consistency with State statutory changes that were made in 2002. Specifically, establishing the procedure for adding projects to the eligibility list that were deemed to be emergencies and to provide notification procedures to the Colorado General Assembly for emergency projects added to the eligibility list.

12. 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, and provide a description of the criteria and method established for the distribution of funds as well as the financial status of the DWRF. The DWRF IUP is available for public review and comment through the approval process.

The Division annually revises the IUP to include a priority/fundable list along with the project eligibility list. The annual revision is approved by the Water Quality Control Commission during an administrative hearing. The project eligibility list is required by State statute and by DWRF Rules. The remainder of the IUP contents is developed to meet federal regulations. (See Attachments 1 and 2.)

13. 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.

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

All applicable crosscutting Federal requirements are complied 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.

Exhibit D provides a summary of the 2007-2008 EPA Capital Contributions.

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Division complies with the provisions of Executive Order 12432 and EPA's Minority and Women's Business Enterprise Program (MBE/WBE). **Exhibit F** is the tracking system used to ensure compliance. 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 2005. The goals of 6.1% MBE and 6.6% WBE for all four categories (i.e. construction, supplies, services and equipment) were established based on the analysis. The 2006 through 2008 MBE/WBE goals were renegotiated and based on the state's current construction practices it was determined the goals would remain the same.

During 2007 and 2008, the State utilized MBE/WBE firms for overall construction services, and arbitrage rebate services.

Exhibit G is a table listing those systems that have certified compliance with civil rights requirements during 2007 and 2008.

15. The State agrees that it will conduct environmental reviews. A specific determination (e.g. categorical exclusion, environmental assessment or environmental impact statement) will be made 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 2007 and 2008. The detailed environmental review record for each specific project is included in the individual Division project file. A summary is provided as follows:

Finding of No Significant Impact:

<u>Borrower</u>	<u>Publication Date</u>
Arapahoe County Water and Wastewater Authority/ Cottonwood Water and Sanitation District Joint Water Purification Project	October 26, 2007
Town of Creede	October 16, 2008
Town of Estes Park	May 16, 2008

Categorical Exclusion Determination:

<u>Borrower</u>	<u>Publication Date</u>
East Alamosa Water and Sanitation District	April 19, 2008
Town of Genoa	February 1, 2007
Town of Hotchkiss	October 10, 2007
Town of Kim	May 6, 2008
Town of LaVeta	November 20, 2008

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<i>Pagosa Area Water and Sanitation District</i>	<i>June 12, 2008</i>
<i>Platte Canyon Water and Sanitation District</i>	<i>August 6, 2008</i>
<i>Town of Paonia</i>	<i>June 18, 2008</i>
<i>Project 7 Water Authority</i>	<i>June 15, 2008</i>
<i>Town of Rye</i>	<i>August 27, 2008</i>
<i>Town of Stratton</i>	<i>February 19, 2008</i>
<i>Town of Las Animas</i>	<i>January 10, 2008</i>
<i>Town of Del Norte</i>	<i>November 1, 2007</i>

16. The use of set-asides 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.

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.

17. In accordance with Section 1420(a) of the SDWA, the State must 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. No further action on this matter is deemed necessary.

18. 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. No further action on this matter is deemed necessary.

19. 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.

All DWRF loans issued in 2007 and 2008 required the submission of an adequate technical, managerial and financial capability report prior to loan execution. The current TMF process, as approved by EPA, is outlined in the DWRF Handbook of Procedures.

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20. The State currently has a water and wastewater treatment plant operator's certification program within the Division.

House Bill 00-1431, adopted by the Colorado General Assembly in 2000, revised the existing Colorado Operators Certification Program, in part to meet new federal requirements. The Division 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. A program was submitted to EPA and approved by the February 5, 2001, deadline. No further action on this matter is deemed necessary.

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

In 2000, the Colorado State Auditor recommended changes to the Authority's legislation that would allow funding to privately owned public water systems. The Authority Board reviewed the proposal and it concluded the Safe Drinking Water Act does not require the funding of privates. However, the Authority Board approved expansion of the Planning and Design Grant list of eligible activities to include reimbursement of necessary legal fees and costs associated with the formation of a legal entity capable of receiving DWRF assistance.

In addition, consideration has been given to using funds through the Capacity Development set-aside for retaining consulting services to develop a primer through a pilot project that addresses the pros and cons of government incorporation. Due to staffing issues this effort was put on hold. However, the DWRF Program partners have developed educational materials aimed at privately owned public water system boards of directors and managers that provide information about the feasibility of forming a local government.

22. 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.

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

The Colorado Disadvantaged Communities Loan fund was initiated on January 1, 2005. A detailed explanation of the program's features is provided above in Section IV., Subsection C.

24. 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 DWRF capitalization grant and transfer the funds to the Water Pollution Control Revolving Fund. That same dollar amount (33% of the DWRF 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.

A transfer of approximately \$8 million dollars (including the State Match) was made from the DWRF into the WPCRF in August of 2005. None of the transferred

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funds were used for administrative purposes. Grant funds and State Match funds totaling \$8 million were initially transferred from the WPCRF to the DWRF in 1999. The 2005 transfer from the DWRF returned the \$8 million to the WPCRF.

25. In accordance with 40 CFR 31.40 and 40 CFR 35.3570, as applicable, the recipient agrees to provide in its Annual Report, as applicable, information regarding environmental results in the following areas: 1) achievement of the outputs established in the intended Use Plan and set-aside work plans; 2) the reasons for delays if established outputs were not met; and 3) any additional pertinent information on environmental results.

The following activities/outputs were identified in the 2008 IUP:

1. It is the goal to fund nine projects through the Colorado DWRF of this amount, at least six projects will be funded through the state's Disadvantaged Communities Program.

Three DWRF were issued in 2007 of which all three were disadvantaged communities.

Fourteen DWRF were issued in 2008 of which 9 were for disadvantaged communities.

2. In calendar year 2008, the Colorado DWRF fund utilization rate was 87 percent. The 2008 national DWRF average rate was 88 percent. It is the goal of the State to maintain the utilization rate at or above the national level.

The DWRF fund utilization rate for 2007 and 2008 was 88% and 87%, respectively.

3. In calendar year 2006, the rate at which the Colorado DWRF projects progressed as measured in fund disbursements as a percent of assistance provided was 92 percent. It is the goal of the State to maintain this construction pace. The DWRF disbursement rate for 2007 and 2008 was 81% and 84%, respectively.

The following anticipated outcomes were identified in the 2008 IUP:

1. Nine (9) projects are anticipated to initiate construction between October 1, 2007 and December 31, 2008. (six (6) projects will be Disadvantaged Communities Loans.)

2. Fifteen (15) projects are anticipated to initiate operations/complete construction between October 1, 2007 and December 31, 2008.

Compliance information was compiled using the project tracking database, for DWRF issued in 2007 and 2008 and is included as **Attachment 9**.

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IX. EPA Annual Review -

Recommendations made by EPA during the annual reviews of the DWRF fund are outlined below in bold and the State's responses are included in italic:

- a. **For the 2008 DWRF IUP, if the current priority/fundable list does not identify uses of all available SRF monies, there should be a description of how all funds will be used. This description should outline projects, costs and expected timeframes. This is a minor recommendation. EPA will provide the State with suggested formats for this activity.**

*The State's 2008 DWRF IUP identified uses for all funds and addressed this issue. As outlined in the 2008 IUP22 projects, totaling \$64.8 million, were identified on the Priority/Fundable List (Appendix B of the 2008 IUP.) The Division identified nineteen (19) potential projects, totaling \$68,920,000 on page 11 of the 2008 IUP. These projects had not yet received an eligibility assessment and therefore were not included on the 2008 Priority/Fundable List. **Attachments 7 and 8** provide a status update on projects identified on the 2007 and 2008 Priority/fundable List.*

Project development activities progress at different rates in each community facing infrastructure replacement and upgrade needs. Based on the original projection of program demand made in November 2002, the actual outcome demonstrated that more loans and more capital was needed to assist communities with projects that improved public health conditions. All projects identified on the DWRF Eligibility List are deemed qualified to participate in the program. Priority points for systems are only considered relevant when demand for DWRF funds outstrip available resources. Throughout the history of the program, it is fortunate that the available financial resources have always been able to adequately meet demand. When sufficient program resources are available, withholding funds from lower priority projects until higher priority projects are ready to proceed could severely jeopardize project feasibility for those systems that are forced to wait. Ultimately, the attractiveness of the program to prospective borrowers is diminished. Notwithstanding this reality, each project proceeding through the funding process is required by DWRF rules to have priority points assigned based on specific need factors. This prioritization process will continue in accordance with adopted rules.

2. **The WQCD should ensure that "time tracking 2" is implemented and DWRF set-aside funds used to compensate for personnel services are drawn in accordance with 40 CFR Part 31 and OMB Circular A-87.**

The Division implemented the "time tracking 2" system beginning on July 1, 2006.

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3. The State must follow through with its DWRF funding plans to improve its fund use rate and commit all DWRF loan funds in a timely and expeditious manner. Based on our financial planning model and using DWRF program assumptions based on historical data, our estimated DWRF funding capacity is in the \$88.6 million range of new projects through June 30, 2008.

Colorado will continue to work with communities to bring drinking water projects to fruition. In 2007 and 2008, seventeen (17) loans were issued from the DWRF. The Division and DOLA made an effort to coordinate its grant funds with DWRF loans to assist with bringing these projects to fruition. Thirteen out of the seventeen DWRF loans made in 2007 and 2008 included DOLA grant funds in the borrower's project budget.

4. As of December 31, 2008, there were \$14.1 million and \$10.9 million in unexpended DWRF grant funds for loan fund and set asides purposes, respectively. Colorado's annual DWRF allotment is now \$14.3 million per year. The State must increase its DWRF loan fund and DWRF set aside use and draw down these anticipated, sizable undrawn grant balances.

The revised work plans for the Capacity Development and 10% Program Management Assistance Set-asides include expenditures for additional Drinking Water Program staff. These work plans and the Wellhead set-aside work plan also identify related project expenses, especially contracted projects that will increase spending considerably during the next three years. The program is committed to executing the activities identified in these work plans and will decrease the current balances of these accounts over the same time period. The program will carefully monitor the use of funds to ensure that long-term expenditures do not exceed the projected annual set-aside amounts in order to ensure long term funding viability. In addition, it is anticipated a small community grant program will be implemented in 2009. The grant program will provide up to \$25,000 grants to entities with a population of 10,000 or less from the Small Systems Training and Technical Assistance Set-aside (SSTTA). The grants will assist with costs associated with the development of one of the following:

- *Preliminary Engineering Report*
- *Environmental Assessment*
- *Technical, Managerial and Financial Capacity*
- *Rate Studies*
- *Public Education*
- *Legal Fees associated with the formation of a Special Improvement District, Local Improvement District, Public Improvement District, etc.*
- *Engineering Design Documents*

Up to \$100,000 a year will be made available for the SSTTA grants.

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The State increased the use of the DWRF loan fund in 2007 and 2008 with the execution of 17 loans totaling approximately \$31.5 million. The State will continue to work with communities to bring more drinking water projects to fruition.

X. PROJECTIONS

The 2009 IUP (**Attachment 6**) includes a list of all projected loans on the Priority/Fundable List. Nineteen additional projects have been identified on page 9 of the 2009 IUP as potential loan applicants. However, these projects had not completed the Eligibility Assessment prior to the adoption of the 2009 IUP. The following DWRF applications have been approved by the Authority Board and are expected to receive a loan in 2009:

City of Creede
Town of Rye
Town of Arriba
Town of Nederland
City of Lamar

XI. FUTURE DWRF ACTIVITIES

1. Consider adopting an additional Tier for the Disadvantaged Communities Loans that would allow a reduction in interest rates (e.g., 70% of Bond Market) for communities with a population between 5,000 – 10,000.
2. The Division will finalize a 5 year strategic plan for the DWRF activities.
3. Program partners will consider adding language to the 2010 IUP that would allow the Water Quality Control Commission and the Authority to consider changes to the loan rates and/or provide additional incentives to borrowers if legislation is enacted that would put additional requirements on borrowers.
4. Division staff will seek a Rulemaking Hearing in the spring of 2009 to revise the State's Drinking Water Grant Rules to mirror the DWRF Rules and allow for a single IUP and Project Eligibility List for all drinking water projects.

Exhibit A

DWRF Loan Summary (1997 – 2008)

Colorado Water Resources & Power Development Authority
DRINKING WATER REVOLVING FUND (DWRP) LOAN PROGRAM
2008 BIENNIAL REPORT - EXHIBIT A - LOAN SUMMARY REPORT
As of December 31, 2008

DETAIL OF LOANS FINANCED UNDER THE DWRP PROGRAM									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest	DW SRF Funds Obligated to	State Match Provided for Loan (b)	New Loans Funded or Subsidized with	Percent of State Match Provided to	Loan Type
Grand Lake, Town of	10/29/97	\$ 495,000.00	20	4.500%	\$ 394,988.00	\$ 100,012.00		0.253	DL
Arapahoe Estates WD	10/01/97	1,048,332.75	20	4.150%	388,359.00	98,332.75		0.253	LL
Englewood, City of	10/01/97	15,292,635.61	21	4.140%	5,361,910.00	1,357,635.61		0.253	LL
Fort Collins, City of	10/01/97	10,125,299.77	20	4.120%	3,614,928.00	915,299.77		0.253	LL
Chatfield South WD	07/13/98	728,500.00	20	4.500%	581,310.00	147,190.00		0.253	DL
Left Hand W&SD	09/11/98	188,700.00	20	4.500%	150,574.00	38,126.00		0.253	DL
Buena Vista, Town of	06/01/98	1,324,119.65	20	4.010%	490,204.00	124,119.65		0.253	LL
Fort Morgan, City of	06/01/98	15,433,355.38	21	4.020%	5,641,214.00	1,428,355.38		0.253	LL
Julesburg, Town of	05/01/99	693,000.00	1	4.500%	543,757.00	149,243.00		0.274	DL
La Junta, City of	10/15/99	490,000.00	20	4.500%	384,475.00	105,525.00		0.274	DL
Thunderbird W&SD	06/01/99	285,000.00	20	4.500%	223,623.00	61,377.00		0.274	DL
Aurora, City of	05/01/99	14,999,898.55	15	3.633%	4,751,500.00	1,024,898.55		0.216	LL
Fort Collins, City of	05/01/99	4,998,394.59	20	3.808%	1,870,165.00	403,394.59		0.216	LL
Glenwood Springs, City of	05/01/99	4,999,017.40	19	3.773%	1,710,790.00	369,017.40		0.216	LL
Grand County W&SD	05/01/99	2,998,566.15	19	3.783%	1,036,468.00	223,566.15		0.216	LL
Greeley, City of	05/01/99	14,999,038.36	20	3.802%	5,280,660.00	1,139,038.36		0.216	LL
Julesburg, Town of	05/01/99	994,599.70	20	3.809%	392,210.00	84,599.70		0.216	LL
Left Hand WD	05/01/99	6,571,538.04	20	3.802%	2,139,722.00	461,538.04		0.216	LL
Craig, City of	12/15/00	450,000.00	5	4.000%	353,089.00	96,911.00		0.274	DL
Sedalia W&SD	03/09/00	326,000.00	20	4.500%	255,794.00	70,206.00		0.274	DL
Springfield, Town of	07/28/00	349,470.76	20	4.500%	274,209.00	75,261.76		0.274	DL
Evergreen MD	04/15/00	5,577,981.71	21	4.390%	1,786,069.00	452,981.71		0.254	LL
Fountain Valley Auth	04/15/00	7,607,966.23	21	4.400%	2,633,735.00	667,966.23		0.254	LL
Limon, Town of	04/15/00	1,440,808.84	21	4.410%	436,910.00	110,808.84		0.254	LL
Pueblo Board of WW	04/15/00	9,558,794.83	23	4.600%	2,499,000.00	633,794.83		0.254	LL
Westminster, City of	04/15/00	14,998,357.36	21	4.400%	4,764,452.00	1,208,357.36		0.254	LL
Wellington, City of	11/01/01	1,000,000.00	20	4.000%	716,007.00	283,993.00		0.397	DL
Basalt, Town of	12/19/02	948,245.63	20	4.000%			1,000,000.00	n/a	DL
Dillon, Town of	10/18/02	1,000,000.00	10	4.000%			1,000,000.00	n/a	DL
Hayden, Town of	04/30/02	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Thunderbird W&SD	08/27/02	343,684.15	20	4.000%			343,684.15	n/a	DL
Woodland Park, City of	03/13/02	800,000.00	20	4.000%	597,200.00	202,800.00		0.340	DL
Evergreen MD	04/01/02	2,036,129.62	21	4.000%	764,260.00	181,129.62		0.237	LL
Grand Junction, City of	04/01/02	3,566,521.69	21	4.020%	1,082,370.00	256,521.69		0.237	LL
Idaho Springs, City of	04/01/02	2,339,796.89	21	3.990%	906,316.00	214,796.89		0.237	LL
La Junta, City of	04/01/02	9,812,211.15	21	4.000%	3,300,469.00	782,211.15		0.237	LL
Mustang WA	12/08/03	700,000.00	20	4.000%			700,000.00	n/a	DL
Oak Creek, Town of	11/18/03	900,688.96	20	4.000%			900,688.96	n/a	DL
Ouray, City of	12/19/03	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Westwood Lakes WD	05/15/03	500,000.00	20	4.000%			500,000.00	n/a	DL
Florence, City of	11/01/03	12,999,092.97	22	3.510%	5,502,502.00	1,304,092.97		0.237	LL
Fountain Valley Auth	06/01/03	3,221,861.82	22	3.030%	1,463,552.00	346,861.82		0.237	LL
Longmont, City of	06/01/03	14,998,044.44	21	3.110%	6,046,601.00	1,433,044.44		0.237	LL
Lyons, Town of	06/01/03	4,915,599.18	22	3.030%	2,196,621.00	520,599.18		0.237	LL
Pinewood Springs WD	07/26/04	123,200.00	20	3.500%			123,200.00	n/a	DL
Swink, Town of	04/20/04	669,000.00	20	3.500%			669,000.00	n/a	DL
Florence, City of	01/25/05	769,899.33	20	3.500%			769,899.33	n/a	DL
Olde Stage WD	06/01/05	100,000.00	20	3.500%			100,000.00	n/a	DL
La Jara, Town of	04/20/05	200,000.00	20	0.000%			200,000.00	n/a	DC
Victor, City of	06/17/05	283,000.00	10	0.000%			283,000.00	n/a	DC
Log Lane Village, Town of	10/14/05	1,000,000.00	30	1.750%			1,000,000.00	n/a	DC
Bristol W&SD	02/08/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Pinewood Springs WD	04/03/06	752,425.00	20	3.500%			752,425.00	n/a	DL
Pritchett, Town of	03/31/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Craig, City of	04/27/06	6,056,378.40	21	3.650%	2,263,200.00	536,378.40		0.237	LL
Little Thompson WD	04/27/06	6,383,774.04	21	3.650%	2,653,055.00	628,774.04		0.237	LL
Sedgwick, Town of	05/15/06	419,000.00	30	0.000%			419,000.00	n/a	DC
Castle Pines MD	05/25/06	2,000,000.00	20	3.750%			2,000,000.00	n/a	DL
Palisade, Town of	05/26/06	2,000,000.00	30	0.000%	1,526,000.00	474,000.00		0.311	DC
Platte Canyon W&SD #1	06/30/06	400,000.00	20	3.750%			400,000.00	n/a	DL
Bethune, Town of	07/18/06	418,000.00	30	0.000%			418,000.00	n/a	DC
Ralston Valley W&SD	08/09/06	1,300,000.00	20	3.750%			1,300,000.00	n/a	DL
Boone, Town of	08/15/06	514,297.00	30	0.000%			514,297.00	n/a	DC
Walden, Town of	09/06/06	900,000.00	25	1.750%			900,000.00	n/a	DC
Castle Pines MD	11/06/06	250,000.00	20	3.750%			250,000.00	n/a	DL
Alamosa, City of	11/02/06	11,865,062.50	20	3.420%	4,683,808.00	1,110,062.50		0.237	LL
Arapahoe County W&SD	11/02/06	16,049,975.43	15	3.310%	6,223,525.00	1,474,975.43		0.237	LL
Cottonwood W&SD	11/02/06	9,996,005.27	20	3.420%	3,801,710.00	901,005.27		0.237	LL

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DETAIL OF LOANS FINANCED UNDER THE DWRf PROGRAM (Cont'd)									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest	DW SRF Funds Obligated to	State Match Provided for Loan (b)	New Loans Funded or Subsidized with	Percent of State Match Provided to	Loan Type
Palisade, Town of	11/02/06	3,976,045.10	21	3.470%	1,502,300.00	356,045.10		0.237	LL
Cucharas S&WD	11/29/06	269,000.00	20	3.750%			269,000.00	n/a	DL
Genoa, Town of	12/20/06	175,000.00	30	0.000%			175,000.00	n/a	DC
Ordway, Town of	12/20/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Hillrose, Town of	05/31/07	995,097.00	30	0.000%			995,097.00	n/a	DC
Stratton, Town of	12/20/07	483,000.00	30	1.875%			483,000.00	n/a	DC
Ordway, Town of	12/21/07	114,300.00	30	0.000%			114,300.00	n/a	DC
Las Animas, City of	03/26/08	812,000.00	30	0.000%			812,000.00	n/a	DC
La Veta, Town of	04/11/08	1,134,000.00	30	1.875%			1,134,000.00	n/a	DC
Hotchkiss, Town of	04/23/08	925,000.00	20	0.000%			925,000.00	n/a	DC
Kim, Town of	05/30/08	118,000.00	30	0.000%			118,000.00	n/a	DC
Estes Park, Town of	06/12/08	5,494,410.09	20	3.260%	2,761,224.00	654,410.89		0.237	LL
Pagosa Area W&SD	06/12/08	7,158,869.96	20	3.400%	3,223,080.00	763,869.96		0.237	LL
Platte Canyon W&SD #2	07/15/08	475,000.00	20	3.500%			475,000.00	n/a	DL
East Alamosa W&SD	07/24/08	2,000,000.00	30	0.000%			2,000,000.00	n/a	DC
Eckley, Town of	07/30/08	100,000.00	20	0.000%			100,000.00	n/a	DC
Olde Stage WD	10/17/08	150,000.00	20	3.500%			150,000.00	n/a	DL
Paonia, Town of	11/05/08	448,200.00	20	1.750%			448,200.00	n/a	DC
Project 7 Water Auth	11/25/08	10,176,512.03	21	3.820%	5,512,709.00	1,306,512.03		0.237	LL
Stratton, Town of	12/03/08	90,000.00	30	1.750%			90,000.00	n/a	DC
Del Norte, Town of	12/31/08	934,000.00	20	0.000%			934,000.00	n/a	DC

SUMMARY OF DW SRF LOANS MADE BY TYPE OF LOAN									
Loan Type	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	No. of Loans Financed with Reloan Monies (c)	Percent of Loans Funded With Reloan Monies (c)
DISADVANT. COMMU. (DC)	24	\$14,662,894	27	0.50%	\$1,526,000	\$474,000	\$12,662,894	23	95.83%
DIRECT LOANS (DL)	31	\$19,456,814	19	3.96%	\$4,475,026	\$1,330,645	\$13,702,897	20	64.52%
LEVERAGED LOANS (LL)	34	\$264,014,995	20	3.78%	\$98,685,598	\$23,474,996	\$0	0	0.00%
TOTAL FOR PROGRAM	89	\$298,134,703	22	3.63%	\$104,686,624	\$25,279,641	\$26,365,791	43	48.31%

STATE DIRECT LOAN PROGRAM				
Borrower	Loan Date	Amount of Loan	Loan Term	Loan Rate
Idledeale W&SD	07/10/95	\$250,000	20 YEARS	4.500%
Fairplay #1, Town of	08/01/95	250,000	20 YEARS	4.500%
Minturn, Town of	08/11/95	300,000	20 YEARS	4.500%
Empire, Town of	08/24/95	331,432	20 YEARS	4.500%
Elizabeth, Town of	10/01/95	500,000	20 YEARS	4.500%
Lake Creek MD	01/12/96	500,000	20 YEARS	4.500%
Fraser, Town of	04/15/96	200,000	5 YEARS	4.500%
Baca Grande, W&SD	02/01/96	500,000	10 YEARS	4.500%
Firestone, Town of	06/13/96	95,000	10 YEARS	4.500%
Nunn, Town of	08/12/96	330,260	20 YEARS	4.500%
Lochbuie, Town of	08/28/96	351,889	20 YEARS	4.500%
Lyons, Town of	08/19/96	500,000	21 YEARS	4.500%
Bayfield, Town of	11/15/96	350,000	20 YEARS	4.500%
Fairplay #2, Town of	07/30/97	200,000	20 YEARS	4.500%
Idaho Springs, Town of	10/15/97	500,000	20 YEARS	4.500%
Westlake W&SD	08/19/97	250,000	20 YEARS	4.500%
Redstone W&SD	12/01/97	410,000	20 YEARS	4.500%
TOTAL STATE DIRECT LOANS FUNDED		\$5,818,581		
NUMBER OF NON-SRF DIRECT LOANS FUNDED		17		

Borrower Abbreviations Clarification: Type of Loan:

W&SD = Water and Sanitation District LL = Leveraged Loan - Funded from bond proceeds
 MD= Metropolitan District DL = Direct Loan - Funded from available sources: (1) Authority state funds, (2) Grant Funds or (3) Drinking Water SRF Reloan funds.
 WW = Water Works DD = Disadvantage Community Loans
 WD = Water District In 2002, the DWRf program began funding all direct loans with DW SRF Reloan Monies>

Explanation of DW SRF Loan Funding and/or Subsidization

- (a) DW SRF Funds = Drinking Water State Revolving Fund - Received from EPA Capitalization Grant Awards
- (b) State Match Funds = (Required 20% match for Each Dollar Received From EPA Grants from State Funds) - Provided Mainly from Authority Funds
- (c) Reloan Monies = Recycled DW SRF funds - No State Match Required

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SUMMARY OF DW SRF LOANS MADE EACH FISCAL YEAR									
Fiscal Year	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	No. of Loans Financed with Reloan Monies (c)	Percent of Loans Funded With Reloan Monies (c)
1997	4	26,961,268	20.3	4.14%	9,760,185	2,471,280	0	0	0.0%
1998	4	17,674,675	20.2	4.04%	6,863,302	1,737,791	0	0	0.0%
1999	10	52,029,053	17.4	3.77%	18,333,370	4,022,198	0	0	0.0%
2000	8	40,309,380	19.0	4.44%	13,003,258	3,316,288	0	0	0.0%
2001	1	1,000,000	20.0	4.00%	716,007	283,993	0	0	0.0%
2002	9	21,846,589	19.3	4.00%	6,650,615	1,637,459	3,343,684	4	44.4%
2003	8	39,235,287	20.9	3.30%	15,209,276	3,604,598	3,100,689	4	50.0%
2004	2	792,200	20.0	3.50%	0	0	792,200	2	100.0%
2005	5	2,352,899	20.0	2.04%	0	0	2,352,899	5	100.0%
2006	21	64,324,963	24.0	3.22%	22,653,598	5,481,241	7,997,722	14	66.7%
2007	3	1,592,397	30.0	0.57%	0	0	1,592,397	3	100.0%
2008	14	30,015,992	23.6	2.88%	11,497,013	2,724,793	7,186,200	11	78.6%
TOTAL	89	\$ 298,134,703	21.2	3.63%	\$ 104,686,624	\$ 25,279,641	\$ 26,365,791	43	48.3%

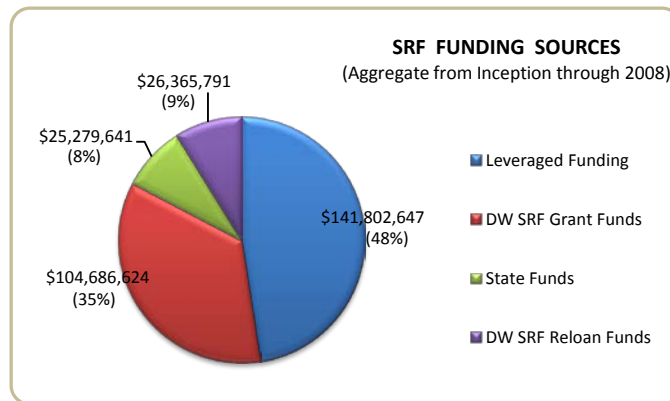


Exhibit B

Amended and Restated Memorandum of Agreement for the Operation of the DWRP Program

ATTACHMENT 1
AMENDED AND RESTATED
MEMORANDUM OF AGREEMENT
FOR THE OPERATION OF THE DWRF PROGRAM

This AMENDED AND RESTATED MEMORANDUM OF AGREEMENT ("MOA") is entered into this 5 day of March 2004, by and between the Colorado Department of Local Affairs, Division of Local Government (DLG), the Colorado Department of Public Health and Environment, Division of Administration (known as the Water Quality Control Division ("WQCD")), and the Colorado Water Resources and Power Development Authority ("Authority").

Section 1. Background and Purpose.

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

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

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

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

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

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

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

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

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

The arrangement of three entities sharing SDWA Section 1452 program responsibilities, as reflected in this MOA, is intended to make use of each entity's capabilities to operate a financially and technically sound DWRF. As the entity responsible for achieving and maintaining primary enforcement responsibility or "primacy" for the public water supervision program in Colorado (referred to as the "Drinking Water Program"), the WQCD is involved to establish assistance priorities (including use of fund set-asides) and carry out oversight and related activities (other than financial administration) with respect to assistance after consultation with the Authority and the DLG. The Authority is involved by virtue of its administrative and financial responsibility for the DWRF, its ability to provide the capitalization grant match required by the federal program, its role as recipient of the Capitalization Grant and its ability to issue bonds to leverage the capitalization grants and other funds in the DWRF. The DLG is involved as a liaison with the local governments utilizing the loan program, and to analyze local fiscal and management capacity by using the data it maintains for the State and to conduct outreach and financial assistance.

The Authority uses the funds received in the Capitalization Grants to capitalize the DWRF and to fund the Set-Asides. The Authority uses the money deposited in the DWRF to provide financial assistance to governmental agencies for eligible projects that are included upon a project eligibility list adopted by the Board of Health, and then approved by the Colorado Legislature in a Joint Resolution (the "Joint Resolution") signed by the Governor, all as required by C.R.S. §37-95-108.8.

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

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

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

The operation and administration of the DWRF and Set-Asides encompasses the following general activities: (1) budgeting, accounting, and administrative expense reimbursement; (2) periodic modifications to the DWRF Rules and annual modifications to the IUP which includes the Project Eligibility List ("PEL"); (3) processing and administering loan applications and loans, including financial and technical review and monitoring and approving project expenditures in accordance with the loan agreements; (4) administration and execution of the Set-Asides; (5) financial summary and biennial reports; and (6) annual audits, annual updates to the Intended Use Plan (the "IUP"), periodic updates to the Operating Agreement, annual approval of Capitalization Grant Agreements; and liaison with EPA. Further definition of the roles and responsibilities of each party hereto with respect to the general activities of the DWRF and Set-Asides is set forth in Sections 3 and 4 below.

Section 3. Roles and Responsibilities of the Parties.

3.1. WQCD.

3.1.1. Budget.

The WQCD shall provide a proposed detailed budget for its DWRF administrative costs and for the Set-Asides for the following calendar year to the Authority by August 21 of each year. The WQCD's 2004 budget for administrative costs shall not exceed \$596,000 and shall be limited to no more than 6.3 FTE. Subsequent annual DWRF budgets for the WQCD shall be adjusted by a factor reflecting: (1) State Annual Compensation Survey results as implemented by the General Assembly; (2) any change in responsibilities among the parties; and (3) any change in indirect costs or in responsibilities resulting from changes in federal or state laws, regulations, directives from, or requirements imposed by, the General Assembly in developing the budget for state agencies. A material change to federal funding levels for this program shall require a review and revision to budgeting provisions of this MOA.

3.1.2. Project Eligibility List (PEL).

The WQCD shall update the PEL as part of the annual IUP by assigning categories to projects in accordance with the "State of Colorado Drinking Water Revolving Fund Rules" adopted by the Board of Health, as amended from time to time, and by deleting projects that have been completed or come into compliance. Further, in consultation with the DLG and the Authority, the WQCD shall develop additions and modifications to the PEL. The WQCD shall periodically update and assign priority points to projects on the Priority/Fundable List (required by EPA) once public water systems have submitted a planning or pre-planning document and an eligibility review is completed.

The WQCD shall annually submit the PEL to the Board of Health for its adoption by October 31st of each year. The WQCD shall provide technical back-up information on additions and modifications to the PEL to the Authority, and as appropriate, provide testimony to the General Assembly in support of a Joint Resolution on such additions and modifications.

3.1.3. Set-Asides.

From each capitalization grant, the WQCD shall determine the amount of funds necessary to be set aside to develop and carry out the Set-Asides. The WQCD shall develop and update as necessary, detailed Work Plans for the Set-Asides, in substantial conformance with the activities identified in the annual IUP, for EPA review and approval. Upon EPA approval, the WQCD shall be

responsible for implementing the Work Plan for the Set-Asides. The WQCD shall submit to the Authority requests for disbursements for Set-Asides, with appropriate documentation and certification by the WQCD that the requests are accurate and appropriate for payment under the approved Work Plans.

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

3.1.4. Loan Processing and Administration.

3.1.4.1. Loan Applications.

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

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

The WQCD shall inform applicants of their responsibility to obtain and demonstrate sufficient TMF capacity to ensure compliance with all applicable SDWA requirements; the procedures to be followed to assess the applicant's TMF capacity; and for conducting the TMF capacity review required by the SDWA.

The WQCD is also responsible for conducting engineering design reviews on the proposed project in accordance with the Colorado Primary Drinking Water Regulations; evaluating eligible and reasonable costs; and providing environmental reviews.

3.1.4.3. Monitoring Project Expenditures.

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

3.1.4.4. Files Maintenance and Data Management

The WQCD shall maintain official project files for all projects receiving assistance under the DWRF. The WQCD shall make such files available to the DLG, the Authority, and

the EPA for review at the WQCD's offices on reasonable notice. The WQCD will also maintain, update and populate the technical and project information in the Authority/WQCD shared database.

3.1.5. Reports, Certification, and Liaison.

The WQCD shall serve as the primary contact with the EPA for the programmatic aspects of the DWRF Operating Agreement. The WQCD shall provide all certifications or other documentation required by the EPA that relate to programmatic aspects of the DWRF or of the projects financed thereby. The WQCD, as necessary, shall approve in writing any capitalization grant or agreement between the EPA and the Authority with respect to the DWRF. The WQCD shall coordinate closely with the Authority in structuring Capitalization Grant Payment Schedules. In addition, in cooperation with the Authority and the DLG, the WQCD shall develop annual IUP's describing the activities proposed for the DWRF and Set-Asides. The annual IUP is adopted by the Board of Health and submitted to the EPA. In addition, the WQCD, with assistance from the Authority and the DLG, initially prepares a biennial report for review by the DWRF Committee.

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

So long as planning and design grants remain authorized, and funds are available for them in the DWRF administrative fee account, the WQCD shall forward requests for such funds, along with a recommendation to approve or reject, to the Authority.

3.1.6. Needs Surveys.

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

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

3.1.7. Disadvantaged Communities Activities.

The WQCD is responsible for the administration and implementation of any disadvantaged community program duly established in accordance with SDWA Section 1452(d).

3.2. DLG.

3.2.1. Budget.

The DLG shall provide a proposed, detailed budget for its DWRF administrative costs for the following calendar year to the Authority by August 21 each year. The DLG's 2004 budget for administrative costs shall not exceed \$120,000 and shall be limited to 1.25 FTE. Subsequent budgets shall be adjusted by a factor reflecting: (1) State Annual Compensation Survey results as implemented by the General Assembly; (2) any change in responsibilities among the parties; and (3) any change in indirect costs or in responsibilities resulting from changes in federal or state laws, regulations, directives from, or

requirements imposed by, the General Assembly in developing the budget for state agencies. A material change to federal funding levels for this program shall require a review and revision to the budgeting provisions of this MOA. Prior to June 30, 2005, the Authority Board, in consultation with the DLG, shall establish such FTE cap as is warranted by the facts of record at that time; provided, however, that in no case shall the number of FTE's fall below 1.0 absent justification therefore under the above-referenced adjustment factors.

3.2.2. Project Eligibility List.

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

3.2.3. Set-Asides.

The DLG will assist the WQCD and the Authority, as requested, with financial reviews associated with the Set-Asides.

3.2.4. Loan Processing and Administration.

3.2.4.1. Loan Applications.

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

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

3.2.4.2. Outreach and Assistance

The DLG will conduct a DWRF outreach program consisting of sponsorship of and participation in workshops and conferences relevant to the DWRF, providing financial and managerial assistance to public water systems, coordination of funding activities through the Funding Coordination Committee and marketing of the SRFs to make potential project loan applicants aware of the availability of DWRF monies. The outreach program will be coordinated with the staffs of the Authority and the WQCD. The DLG shall develop a proposed annual workplan for review by other

members of the DWRF Committee at such time as to permit a summary to be incorporated into the annual IUP. The outreach program will be summarized in the IUP and the biennial report.

3.2.4.3. Monitoring Project Expenditures.

The DLG shall not be responsible for monitoring project expenditures.

3.2.4.4. Loan Surveillance

The DLG shall annually review all DWRF direct loan borrowers' audits and establish financial trends for the DWRF direct loan borrowers and annually issue a report with copies to the Authority and the WQCD. Audit information may be supplemented by personal communication with borrower representatives. The DLG will also support the Authority in its efforts to monitor leveraged loan borrowers through the provision of copies of financial audits and other materials and support as requested.

3.2.5. Reports and Liaison.

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

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

3.3. Authority.

3.3.1. DWRF Administration.

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

3.3.2. State Match.

The Authority shall provide the 20 percent State Match required under the SDWA for receipt of the Capitalization Grant. The Authority Board may issue bonds, utilize administrative surcharges, or other available resources, to provide the State Match. The State Match is deposited into the DWRF and is not used for funding the Set-Asides.

3.3.3. Budget.

The Authority staff shall prepare a proposed DWRF budget for the following calendar year based on the budget information provided by the WQCD and the DLG and on information developed internally. The Authority's 2004 budget for internal administrative costs (personnel and overhead) shall not exceed \$324,000. Subsequent annual internal administrative DWRF budgets for the Authority shall be adjusted by a factor reflecting: (1) Board authorizations for a) personnel costs covering staff and associated benefits as well as annual salary adjustments, and b) overhead costs covering rent, utilities, equipment, furniture and fixtures, insurance, etc.; (2) any change in responsibilities among the parties; and (3) any change in responsibilities resulting from changes in federal or state laws, regulations, directives from, or requirements imposed by, the General Assembly in developing the budget for state

agencies. A material change to federal funding levels for this program shall require a review and revision to the budgeting provisions of this MOA. Outside consulting needs for required, but specific, services will be presented separately from the Authority's DWRF internal administrative budget as part of the standard budget documentation and shall be adjusted to reflect anticipated increases or decreases in the cost of the services. The proposed DWRF budget incorporating the administrative expenses of the DLG, the WQCD and the Authority for the ensuing calendar year shall be accompanied by the narrative descriptions, provided by the WQCD and the DLG, and a similar narrative prepared by the Authority staff for the Authority's portion of the proposed DWRF budget, explaining changes in the amounts compared to the previous year and specifically identifying those costs that are eligible for grant reimbursement.

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

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

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

3.3.4. Project Eligibility List.

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

3.3.5. Set-Asides.

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

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

3.3.6. Loan Processing and Administration.

3.3.6.1. Loan Applications.

The Authority Board and staff shall review applications for financial assistance from the DWRF, using the financial analysis of the DLG and the technical analyses of the WQCD. The Authority Board shall approve or disapprove all applications for project loans and Section 1452(k)(1)(A) Set-Aside loans. If the Authority Board denies a project loan application, the Authority Board's meeting minutes shall reflect the reasons for denial. The Authority Board shall determine the loan structure, including interest rate and security provisions, for each loan financed by the DWRF, as well as all other loan provisions and conditions.

3.3.6.2. Financial Services.

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

3.3.6.3. Disbursements and Monitoring Loan Expenditures.

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

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

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

3.3.7. Annual Reports and Liaison with EPA.

The Authority shall serve as the primary contact with the EPA for all financial issues involved with the Capitalization Grant Agreement required under Section 1452 of the SDWA and the Operating Agreement for the DWRF. The Authority shall participate with the DLG and the WQCD to

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

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

3.3.8. Operating Agreement and Capitalization Grant Agreement.

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

3.3.9. Marketing.

The Authority, in coordination with the DLG and the WQCD, will market the DWRF at various conferences including but not limited to those conferences sponsored by: Colorado Rural Water Association, Colorado Municipal League, Special District Association, Colorado Water Congress, Colorado Government Finance Officers Association, Colorado Counties, Inc., DOLA, and the Rocky Mountain AWWA/WEA. The marketing effort may involve a display at these conferences as well as individual contacts with local government officials involving a potential DWRF project. The individual contacts with local government officials will be coordinated with the WQCD and the DLG. The Authority shall develop a workplan for review by the other members of the DWRF Committee. The marketing program will be summarized in the annual IUP and the biennial report.

3.3.10 Files Maintenance and Data Management

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

Section 4. DWRF Committee.

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

4.1. Duties of the Committee.

4.1.1. DWRF Review.

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

4.1.2. Project Review.

The Committee shall review each loan application received and the financial analysis and technical information (including but not limited to planning review, plans and specifications review, environmental review and the project sponsor's ability to operate and maintain the system) provided on each such loan application by the DLG and the WQCD respectively, and upon review of such information, forward its findings and recommendation to the Authority Board. If upon initial review, the Committee recommends that a loan application be denied, the Committee, acting through the DLG, shall afford the loan applicant an opportunity to submit additional information relevant to the loan application, and to correct deficiencies therein.

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

4.1.3. Disadvantaged Communities Activities.

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

Section 5. Reimbursement of Expenses.

5.1 Reimbursable Expenses

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

5.2. Rates for Reimbursement.

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

5.2.2. Reimbursement of other direct costs of the WQCD and the DLG shall be according to the rates and terms of the State of Colorado Fiscal Rules for Travel, Personnel Pay, Allowances and Benefits as they exist on the date of this amended agreement and as they may be further amended from time to time during the term of this agreement. (The current Rules are found at 1 CCR 101-1 and 1 CCR 101-2.) The Authority shall be reimbursed for other direct costs based on the

reimbursement policies adopted by the Authority Board of Directors for the Authority's personnel. Reimbursement from federal grant funds for computers and other equipment shall follow federal regulations associated with the use of grant funds for the purchase of such equipment.

5.3 Reimbursement Procedures.

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

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

Section 6. Term.

This MOA shall be in effect from the date of execution until termination by any party for cause by written notice to all other Parties hereto, or until statutory revisions to the DWRF require adjustments to the MOA; provided however, that if adjustments are required because of statutory revisions, those portions, if any, of this MOA that are consistent with such statutory revisions shall remain effective until a revised MOA has been executed. This MOA shall be reviewed by all parties at least every five years, but no later than December 31, 2008.

Section 7. Amendments.

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

Section 8. Notices.

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


If to the WQCD: Executive Director
Colorado Department of Public Health and Environment
4300 Cherry Creek Drive South – A-5
Denver, Colorado 80246-1530

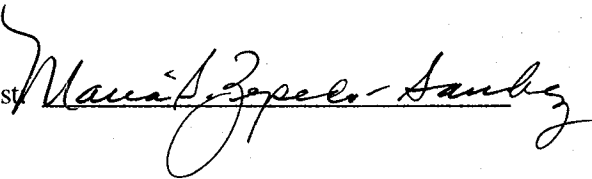
If to the DLG: Executive Director
Department of Local Affairs
1313 Sherman Street – Room 521
Denver, Colorado 80203

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


These addresses may be changed by written notice.

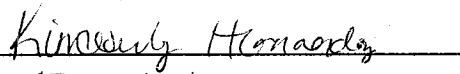
COLORADO DEPARTMENT OF PUBLIC
HEALTH AND ENVIRONMENT

By: 
Douglas H. Benevento, Executive Director

Attest: 
Maria Lopez-Sanchez

DEPARTMENT OF LOCAL AFFAIRS

By: 
Michael L. Beasley, Executive Director

Attest: 
Kimberly Hornaday
Exec. Asst.

COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY

By: 
Ann Nichols, Chair


Attest: 
Susan Ober
Asst. Secretary

Exhibit C

DWRF Planning and Design Grants

COLORADO DWRF BIENNIAL REPORT

EXHIBIT C

DWRF PLANNING/DESIGN GRANT FUNDS FOR THE YEARS FROM 2001 THROUGH TO 2008

(\$10,000 EACH)

Recipients of 2001 Funds	Received Application	Criteria Met	Agreement Date	Project Number	Expiration / Completion Date
1) City of La Junta	4/12/2001	Both	4/18/2001	WQC01000040	10/3/2001
2) Aspen Springs MD	5/14/2001	Rate	6/18/2001	WQC02000018	6/30/2002
3) Town of Cedaredge	5/25/2001	Income	6/15/2001	WQC02000006	12/2/2003
4) Pinewood Springs WD	11/28/2001	Rate	12/11/2001	WQC02000029	6/30/2003
5) Town of Oak Creek	10/31/2001	Income	11/6/2001	WQC02000026	12/30/2003
Recipients of 2002 Funds					
1) Grand County	4/30/2002	Rate	5/9/2002	WQC02000044	6/30/2003
2) Parkville WD	6/28/2002	Income	7/22/2002	WQC03000014	12/31/2003
3) City of Ouray	12/19/2002	Income	12/28/2002	030051D	1/31/2004
4) Town of Nucla	2/24/2003	Income/Rate	2/24/2003	020027D	3/31/2004
5) Town of Naturita	2/24/2003	Income	2/24/2003	020026D	3/31/2004
6) City of Florence	6/6/2003	Income/Rate	5/1/2003	960033D	12/31/2003
7) Olde Stage WD	6/25/2003	Rate	7/1/2003	960084D	6/30/2004
8) Pinewood Springs WD	7/15/2003	Rate	8/15/2003	960093D	3/1/2004
9) East Alamosa WSD	6/27/2003	Income	9/1/2003	000007D	6/30/2004
Recipients of 2003 Funds					
1) Town of Sedgwick	8/7/2003	Income	8/15/2003	040027D	7/31/2004
2) City of Victor	9/23/2003	Income	10/01/2003	010037D	12/31/2004
3) Town of Georgetown	10/17/2003	Income	11/1/2003	030026D	12/31/2004
4)* Town of Haswell	10/29/2003	Income	11/15/2003	010016D	12/31/2004
5) Town of Swink	11/4/2003	Income	12/10/2003	030065D	12/31/2004
6)* Mountain WSD	11/12/2003	Rate	12/10/2003	040014D	12/31/2004
7) Forest View Acres WD	2/10/2003	Rate	12/15/2003	030022D	12/31/2004

* GRANTS CANCELLED (NOT READY TO PROCEED)

(Cont.)

COLORADO DWRF BIENNIAL REPORT

EXHIBIT C

DWRF PLANNING/DESIGN GRANT FUNDS FROM 2001 THROUGH TO 2008

(\$10,000 EACH)

Recipients of 2004 Funds	Received Application	Criteria Met	Agreement Date	Project Number	Expiration / Completion Date
1) Walden, Town of	1/16/2004	Income	2/29/2004	960115D	12/31/2004
2) Evans, City of	3/3/2004	Income	3/10/2004	960199D	12/31/2005
3) Lookout Mt. WD	4/28/2004	Rate	4/20/2004	990030D	12/31/2005
4) Larkspur	4/13/2004	Income	12/28/2004	960061D	12/31/2005
5) Platteville	4/14/2004	Income/Rate	6/1/2004	960094D	5/30/2005
6) Sedalia WSD	6/17/2004	Income	7/1/2004	960105D	7/1/2005
7) Hillrose, Town of	8/4/2004	Income	8/1/2004	040033D	7/31/2005
8) La Jara, Town of	11/30/2004	Income	11/15/2004	040011D	12/31/2005
9) Eckley, Town of	12/7/2004	Income	12/30/2004	050021D	6/30/2006
10) Bristol, WSD	12/22/2004	Income	12/30/2004	05120006D	6/30/2006
Recipients of 2005 Funds					
1) Pritchett, Town of	12/23/2004	Rate/Income	1/7/2005	050041D	6/30/2006
2) Hotchkiss, Town of	1/6/2005	Income	1/31/2005	010017D	6/30/2006
3) *Hudson, Town of	2/1/2005	Income	2/11/2005	020023D	6/30/2006
4) Alamosa, City of	2/10/2005	Income	2/15/2005	000001D	8/31/2006
5) DeBeque, Town of	5/16/2005	Income	6/1/2005	040005D	11/30/2006
6) Rifle, City of	6/28/2005	Income	7/15/2005	020007D	1/15/2007
7) Bethune, Town of	7/18/2005	Income	8/1/2005	050004D	1/30/2007
8) Boone, Town of	8/4/2005	Rate/Income	8/15/2005	050005D	2/15/2007
9) Palisade, Town of	8/16/2005	Income	9/1/2005	040022D	2/28/2007
10) *Mountain WSD	10/13/2005	Rate	10/17/2005	040015D	4/17/2007
Recipients of 2006 Funds					
1) Cucharas W&San Dist.	11/9/2005	Rate/Income	8/1/2006	060002D	1/1/2008
2) Ordway, Town of	11/21/2005	Rate/Income	2/1/2006	030045D	7/31/2007
3) Hayden, Town of	12/8/2005	Income	2/1/2006	960137D	8/1/2007
4) Ralston Valley Water Dist.	1/27/2006	Rate	2/1/2006	060012D	8/1/2007
5) Kit Carson, Town of	10/18/2006	Income	11/1/2006	960056D	5/1/2008
6) Genoa, Town of	3/27/2006	Income	4/1/2006	960161D	10/1/2007
7) Bennett, Town of	4/13/2006	Income	5/1/2006	960007D	11/1/2007
8) Stratton, Town of	10/12/2006	Rate/Income	11/1/2006	050048D	5/1/2008
9) Wiggins, Town of	11/22/2005	Income	11/1/2006	050056D	5/1/2008
10) Alamosa, City of	2/10/2005	Income	12/15/2006	000001D	6/14/2008

COLORADO DWRF BIENNIAL REPORT

EXHIBIT C

DWRF PLANNING/DESIGN GRANT FUNDS FROM 2001 THROUGH TO 2008

(\$10,000 EACH)

Recipients of 2007 Funds	Received Application	Criteria Met	Agreement Date	Project Number	Expiration / Completion Date
1) City of Las Animas	3/1/2007	Rate/Income	3/15/2007	050032D	9/14/2008
2) Town of Arriba	3/6/2007	Income	3/1/2007	030002D	8/31/2008
3) Town of Williamsburg	3/14/2007	Rate/Income	4/1/2007	020015D	9/30/2008
4) Town of La Veta	3/6/2007	Income	3/1/2007	020024D	8/31/2008
5) Town of Kim	3/6/2007	Rate/Income	3/1/2007	030033D	8/31/2008
6) Florissant WSD	3/9/2007	Rate	5/1/2007	030021D	10/30/2008
7) Turkey Cannon Water District	3/23/2007	Rate	4/1/2007	050050D	9/30/2008
8) Nederland, Town of	7/30/2007	Rate	8/1/2007	060027D	1/31/2009
9) Naturita, Town of	5/14/2007	Income	6/1/2007	070011D	11/30/2008
10) Town of Estes Park	12/7/2007	Income	12/15/2007	990019D	6/15/2009
Recipients of 2008 Funds					
1) Costilla County For San Luis WSD	1/9/2008	Income	1/15/2008	030059D	7/14/2009
2) Seibert	1/11/2008	Income	2/1/2008	000017D	7/31/2009
3) Paonia	2/11/2008	Income	2/29/2008	000015D	8/31/2009
4) Teller County WSD #1	3/6/2008	Rate	4/1/2008	040030D	9/30/2009
5) Red Rock Valley Estates	4/14/2008	Income	5/1/2008	040024D	10/31/2009
6) Town of Rye	5/15/2008	Income	6/1/2008	960102D	11/30/2009
7) Cederege, Town of		Rate/Income	6/1/2008	000004D	11/30/2009
8) Idaho Springs, City of	8/8/2008	Rate/Income	8/15/2008	010018D	2/14/2010
9) Hot Sulphur Springs	8/11/2008	Rate/Income	8/15/2008	960047D	2/14/2010
10) Pagosa Area WSD	10/3/2008	Income	10/15/2008	960087D	4/14/2010

Exhibit D

2007 – 2008 Binding Commitments

Colorado Water Resources & Power Development Authority
DRINKING WATER REVOLVING FUND (DWRF)
2008 BIENNIAL REPORT - EXHIBIT D - BINDING COMMITMENTS
As of December 31, 2008

Federal Quarter Ending	FED. YEAR	FED. QTR.	Grant Award FS998632 -	Total Deposits to LOC (Loan Program Only) (g)	State Funds to Match Grant Funds	Cumulative Federal Funds Deposits Plus State Match	Notes	Executed Loans	Cumulative Binding Commitments	Binding Commitments Percentage (a)
Cumulative Balance as of			1997 - 2002	\$65,198,421	\$15,463,133		(b)	\$199,056,252		
03/31/04	FY04	2				\$80,661,554			\$199,056,252	246.7796%
06/30/04	FY04	3	03-1	2,911,004	1,315,267	84,887,825	(f)	669,000	199,725,252	247.6090%
09/30/04	FY04	4	04-0	10,352,084	2,747,540	97,987,449		123,200	199,848,452	247.7617%
12/31/04	FY05	1				97,987,449			199,848,452	247.7617%
03/31/05	FY05	2				97,987,449		769,899	200,618,352	248.7162%
06/30/05	FY05	3	05-0	5,090,810	1,370,860	104,449,119		583,000	201,201,352	237.0203%
09/30/05	FY05	4	05-0	5,090,810	1,370,860	110,910,789			201,201,352	205.3338%
12/31/05	FY06	1				110,910,789		1,000,000	202,201,352	206.3543%
03/31/06	FY06	2				110,910,789		400,000	202,601,352	206.7626%
06/30/06	FY06	3	06-1	5,167,563	1,449,730	118,977,812		18,011,577	220,612,929	211.2157%
09/30/06	FY06	4	06-1	5,167,563	1,449,730	124,145,375		3,132,297	223,745,226	201.7344%
12/31/06	FY07	1				124,145,375		42,781,088	266,526,314	240.3069%
03/31/07	FY07	2				124,145,375			266,526,314	240.3069%
06/30/07	FY07	3				124,145,375		995,097	267,521,411	224.8498%
09/30/07	FY07	4				124,145,375			267,521,411	215.4904%
12/31/07	FY08	1				124,145,375		597,300	268,118,711	215.9716%
03/31/08	FY08	2				124,145,375		812,000	268,930,711	216.6256%
06/30/08	FY08	3	07-0	10,002,930	2,899,400	137,047,705		14,830,280	283,760,991	228.5715%
09/30/08	FY08	4				137,047,705		2,575,000	286,335,991	230.6457%
12/31/08	FY09	1				137,047,705		11,798,712	298,134,703	240.1497%
Totals	TOTALS			\$118,882,685	\$30,936,520			\$298,134,703		

(a) The required minimum percentage for binding commitments is 120%. (Calculated by dividing cumulative loan obligations and grant administration (binding commitments) by cumulative payments to the LOC one year earlier.) This percentage reflects not only new loan funding and grant awards, but any adjustments made during the current year to existing loans and grants (amendments).

(b) To reduce the size of this report, the 1997 through 2002 grant details and fiscal years prior to 2004 have been combined in the cumulative balances - . Details of these years are available upon request.

(f) 2003 DW SRF Grant Award (originally \$13,243,000) net of the \$6.7 million in loan funds transferred to the WPCRF program.

(g) The amount awarded for loans from the 2008 Grant have not been deposited to the LOC as of the date of this report.

Exhibit E

2007 – 2008 EPA Capital Contributions Summaries

Colorado Water Resources & Power Development Authority
Drinking Water Revolving Fund
2008 BIENNIAL REPORT - EXHIBIT E - EPA CAPITAL CONTRIBUTION SUMMARY
As of December 31, 2008

DW SRF FEDERAL FUNDS AWARD SUMMARY								
EPA CAPITALIZATION GRANTS	1997 - 2002 CONSOLIDATE	2003 GRANT	2004 GRANT	2005 GRANT	2006 GRANT	2007 GRANT	2008 GRANT	TOTAL GRANTS
GRANT ID NUMBER FS998832-		03-1	04-1	05-0	06-01	07-01	08-00	
TOTAL GRANT AWARD	77,315,667.00	6,576,333.00	13,737,700.00	13,708,600.00	14,497,300.00	14,497,000.00	14,350,000.00	154,682,600.00
		June 18, 2003	June 28, 2004	April 27, 2005	February 14, 2006	August 9, 2007	May 8, 2008	
ALLOCATED TO SET ASIDES:	12,117,246.00	3,665,329.00	3,385,616.00	3,526,980.00	4,162,174.00	4,494,070.00	4,448,500.00	35,799,915.00
ALLOCATED TO DW SRF LOAN PROGR	65,198,421.00	2,911,004.00	10,352,084.00	10,181,620.00	10,335,126.00	10,002,930.00	9,901,500.00	118,882,685.00
		(c)						

GRANT FUNDS DRAWN FOR SETASIDES									
SETASIDE / ACTIVITY		CONSOLIDATE D	2003 GRANT	2004 GRANT	2005 GRANT	2006 GRANT	2007 GRANT	2008 GRANT	TOTAL
GRANT	AWARDED	1,873,828.00	1,481,852.00	549,508.00	548,344.00	579,892.00	579,880.00	574,000.00	6,187,304.00
ADMINISTRATION	USED	(1,873,828.00)	(1,481,852.00)	(387,963.97)	0.00	0.00	0.00	0.00	(3,743,643.97)
(DD)	REMAINING	0.00	0.00	161,544.03	548,344.00	579,892.00	579,880.00	574,000.00	2,443,660.03
SMALL SYSTEM	AWARDED	1,131,448.00	264,860.00	274,754.00	274,172.00	289,946.00	289,940.00	287,000.00	2,812,120.00
TECHNICAL ASSIST.	USED	(1,131,448.00)	(145,953.15)	0.00	0.00	0.00	0.00	0.00	(1,277,401.15)
(DE)	REMAINING	0.00	118,906.85	274,754.00	274,172.00	289,946.00	289,940.00	287,000.00	1,534,718.85
STATE PROGRAM	AWARDED	1,516,860.00	768,617.00	871,617.00	961,104.00	1,449,730.00	1,449,700.00	1,435,000.00	8,452,628.00
MANAGEMENT - PWSS	USED	(1,516,860.00)	(768,617.00)	(871,617.00)	(961,104.00)	(1,449,730.00)	(1,368,327.98)	0.00	(6,936,255.98)
(DF)	REMAINING	0.00	0.00	0.00	0.00	0.00	81,372.02	1,435,000.00	1,516,372.02
CAPACITY	AWARDED	3,118,345.00	650,000.00	1,373,770.00	1,370,860.00	1,445,106.00	1,449,700.00	1,435,000.00	10,842,781.00
DEVELOPMENT (a)	USED	(3,118,345.00)	(650,000.00)	(1,373,770.00)	(1,370,860.00)	(1,304,299.89)	0.00	0.00	(7,817,274.89)
(DG)	REMAINING	0.00	0.00	0.00	0.00	140,806.11	1,449,700.00	1,435,000.00	3,025,506.11
WELLHEAD	AWARDED	2,666,700.00	500,000.00	315,967.00	372,500.00	397,500.00	724,850.00	717,500.00	5,695,017.00
PROTECTION (a)	USED	(2,666,700.00)	(500,000.00)	(110,396.57)	0.00	0.00	0.00	0.00	(3,277,096.57)
(DG)	REMAINING	0.00	0.00	205,570.43	372,500.00	397,500.00	724,850.00	717,500.00	2,417,920.43
SOURCE WATER	AWARDED	1,660,065.00	0.00	0.00	0.00	0.00	0.00	0.00	1,660,065.00
PROTECTION (a)	USED	(1,660,065.00)	0.00	0.00	0.00	0.00	0.00	0.00	(1,660,065.00)
(DG)	REMAINING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IN-KIND SERVICES AWARDED		150,000.00							150,000.00
IN-KIND SERVICES USED		(150,000.00)							(150,000.00)
TOTAL ALLOCATIONS TO SET ASIDES		12,117,246.00	3,665,329.00	3,385,616.00	3,526,980.00	4,162,174.00	4,494,070.00	4,448,500.00	35,799,915.00
TOTAL DRAWS FOR SETASIDES		(12,117,246.00)	(3,546,422.15)	(2,743,747.54)	(2,331,964.00)	(2,754,029.89)	(1,368,327.98)	0.00	(24,861,737.56)
TOTAL REMAINING SET ASIDES		0.00	118,906.85	641,868.46	1,195,016.00	1,408,144.11	3,125,742.02	4,448,500.00	10,938,177.44

(a) Local Assistance Activities (1452k)

Colorado Water Resources & Power Development Authority
Drinking Water Revolving Fund
2008 BIENNIAL REPORT - EXHIBIT E - EPA CAPITAL CONTRIBUTION SUMMARY
As of December 31, 2008

DW SRF FEDERAL FUNDS AWARD SUMMARY								
EPA CAPITALIZATION GRANTS	1997 - 2002 CONSOLIDATE	2003 GRANT	2004 GRANT	2005 GRANT	2006 GRANT	2007 GRANT	2008 GRANT	TOTAL GRANTS
GRANT ID NUMBER FS998832-		03-1	04-1	05-0	06-01	07-01	08-00	
TOTAL GRANT AWARD	77,315,667.00	6,576,333.00	13,737,700.00	13,708,600.00	14,497,300.00	14,497,000.00	14,350,000.00	154,682,600.00
		June 18, 2003	June 28, 2004	April 27, 2005	February 14, 2006	August 9, 2007	May 8, 2008	
ALLOCATED TO SET ASIDES:	12,117,246.00	3,665,329.00	3,385,616.00	3,526,980.00	4,162,174.00	4,494,070.00	4,448,500.00	35,799,915.00
ALLOCATED TO DW SRF LOAN PROGR	65,198,421.00	2,911,004.00	10,352,084.00	10,181,620.00	10,335,126.00	10,002,930.00	9,901,500.00	118,882,685.00
		(c)						

GRANT FUNDS DRAWN FOR LOANS									OBLIGATED FUNDS SUMMARY		
BORROWER / PROJECT	LOAN #/ CODE	1997 - 2002 CONSOLIDATE D	2003 GRANT	2004 GRANT	2005 GRANT	2006 GRANT	2007 GRANT	2008 GRANT	DRAWN (LIQUIDATED)	Total Obligated Federal Funds for Loans	Remaining Unliquidated Obligations
ALAMOSA	D06B001	0.00	0.00	(1,937,747.44)	(2,029,945.96)	0.00	0.00	0.00	(3,967,693.40)	4,683,808.00	716,114.60
ARAPAHOE COUNTY	D06B162	0.00	0.00	0.00	(1,965,466.50)	0.00	0.00	0.00	(1,965,466.50)	6,223,525.00	4,258,058.50
COTTONWOOD	D06B184	0.00	0.00	0.00	(982,762.45)	0.00	0.00	0.00	(982,762.45)	3,801,710.00	2,818,947.55
CRAIG	D06A022	0.00	0.00	(1,214,842.82)	(1,048,357.18)	0.00	0.00	0.00	(2,263,200.00)	2,263,200.00	0.00
ESTES PARK	D08A038	0.00	0.00	0.00	(614,119.27)	0.00	0.00	0.00	(614,119.27)	2,761,224.00	2,147,104.73
FOUNTAIN VA	D03A049	(1,245,170.00)	(45,755.00)	(131,459.94)	(27,825.64)	0.00	0.00	0.00	(1,450,210.58)	1,463,552.00	13,341.42
LYONS	D03A080	(308,289.00)	(480,031.00)	(1,329,071.57)	(59,427.18)	0.00	0.00	0.00	(2,176,818.75)	2,196,621.00	19,802.25
PAGOSA AREA	D08A202	0.00	0.00	0.00	(379,521.72)	0.00	0.00	0.00	(379,521.72)	3,223,080.00	2,843,558.28
PALISADE DL	D06F173	0.00	0.00	(911,049.95)	(614,950.05)	0.00	0.00	0.00	(1,526,000.00)	1,526,000.00	0.00
PROJECT 7	D08B101	0.00	0.00	0.00	(2,267,958.46)	0.00	0.00	0.00	(2,267,958.46)	5,512,709.00	3,244,750.54
TOTALS DRAWS FOR LOANS - CURRENT		(1,553,459.00)	(525,786.00)	(5,524,171.72)	(9,990,334.41)	0.00	0.00	0.00	(17,593,751.13)	33,655,429.00	16,061,677.87
TOTAL FOR LOANS FULLY DRAWN		(63,644,962.00)	(2,385,218.00)	(4,827,912.28)	(173,101.73)	0.00	0.00	0.00	(71,031,194.01)	71,031,194.01	0.00
TOTAL FEDERAL FUNDS DRAWN		(65,198,421.00)	(2,911,004.00)	(10,352,084.00)	(10,163,436.14)	0.00	0.00	0.00	(88,624,945.14)	104,686,623.01	16,061,677.87
TOTAL REMAINING GRANT FUNDS		0.00	0.00	0.00	18,183.86	10,335,126.00	10,002,930.00	9,901,500.00			
									TOTAL		
REMAINING UNLIQUIDATED OBLIGATIONS		0.00	118,906.85	641,868.46	1,213,199.86	11,743,270.11	8,834,110.03	4,448,500.00	26,999,855.31		
UNOBLIGATED GRANT FUNDS		0.00	0.00	0.00	0.00	0.00	4,294,561.99	9,901,500.00	14,196,061.99		
PERCENTAGE OF TOTAL GRANT FUNDS EXPENDED THROUGH REPORT DATE											73.37%

Exhibit F

2007 – 2008 MBE/WBE Tracking

COLORADO DWRF ANNUAL REPORT

EXHIBIT F

MBE/WBE PARTICIPATION CALENDAR YEAR 2007 and 2008

Project Name	Project Number	Construction Start Date	Construction End Date	Federal Share	Yr	Calendar Quarter	MBE Dollars	WBE Dollars
Craig, City of	010009D	1/1/2007	5/30/2008		07	1st (Jan-Mar)	\$0.00	\$0.00
						2nd (Apr-Jun)	\$0.00	\$0.00
						3rd (Jul-Sep)	*	*
						4th (Oct-Dec)	\$0.00	\$0.00
					08	1st (Jan-Mar)	\$0.00	\$0.00
						2nd (Apr-Jun)	\$0.00	\$0.00
						3rd (Jul-Sep)	\$0.00	\$0.00
						4th (Oct-Dec)	\$0.00	\$0.00
Estes Park, City of	090017D	9/1/2008				1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/A	N/A
						1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	*	*
Pagosa Area Water & San	960087D	9/1/2008	10/30/2009			1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/A	N/A
						1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	*	*

COLORADO DWRF ANNUAL REPORT

EXHIBIT F

MBE/WBE PARTICIPATION CALENDAR YEAR 2007 and 2008

Project Name	Project Number	Construction Start Date	Construction End Date	Federal Share	Yr	Calendar Quarter	MBE Dollars	WBE Dollars
Palisades, Town of	040022D	7/1/2006	11/8/2007		07	1st (Jan-Mar)	\$0.00	\$0.00
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/A	N/A
					08	1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/A	N/A
Project 7 Water Authority	990036D	9/1/2008	6/1/2009		07	1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/A	N/A
					08	1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	*	*
Walden, Town of	XP97852401	9/1/2006	5/30/2008		07	1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	\$0.00	\$0.00
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/A	N/A
					08	1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/A	N/A

August 1, 2009

COLORADO DWRF ANNUAL REPORT

EXHIBIT F

MBE/WBE PARTICIPATION

CALENDAR YEAR 2007 and 2008

Project Name	Project Number	Construction Start Date	Construction End Date	Federal Share	Yr	Calendar Quarter	MBE Dollars	WBE Dollars
Little Thompson Water District	060009D	3/1/2006	11/1/2007		07	1st (Jan-Mar)	\$0.00	\$0.00
						2nd (Apr-Jun)	\$0.00	\$0.00
						3rd (Jul-Sep)	\$0.00	\$0.00
						4th (Oct-Dec)	N/A	N/A
					08	1st (Jan-Mar)	N/A	N/A
						2nd (Apr-Jun)	N/A	N/A
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/a	N/a
Alamosa, City of	000001D	3/19/2007	9/30/2009		07	1st (Jan-Mar)	\$0.00	\$0.00
						2nd (Apr-Jun)	\$0.00	\$0.00
						3rd (Jul-Sep)	\$0.00	\$0.00
						4th (Oct-Dec)	\$0.00	\$14,000.00
					08	1st (Jan-Mar)	\$81,392.40	\$0.00
						2nd (Apr-Jun)	\$9,174.60	\$1,705.00
						3rd (Jul-Sep)	N/A	N/A
						4th (Oct-Dec)	N/A	N/A
TOTALS:							\$90,567.00	\$15,705.00

August 1, 2009

COLORADO DWRF ANNUAL REPORT

EXHIBIT F

MBE/WBE PARTICIPATION CALENDAR YEAR 2007 and 2008

Project Name	Project Number	Construction Start Date	Construction End Date	Federal Share	Yr	Calendar Quarter	MBE Dollars	WBE Dollars
**Colorado Water Resources & Power Development Authority	998832-03-1				07	1st (Jan-Mar)	\$0.00	\$1,250.00
						2nd (Apr-Jun)	\$0.00	\$4,645.00
						3rd (Jul-Sep)	\$0.00	\$3,750.00
						4th (Oct-Dec)	\$0.00	\$2,895.00
	998832-03-2				08	1st (Jan-Mar)	\$0.00	\$1,900.00
						2nd (Apr-Jun)	\$0.00	\$3,750.00
						3rd (Jul-Sep)	\$0.00	\$8,020.00
						4th (Oct-Dec)	\$0.00	\$3,900.00
TOTAL CWRPDA Participation							\$0.00	\$30,110.00
TOTAL Including CWRPDA Participation:							\$90,567.00	\$45,815.00

NA = Project not in construction during the reporting quarter

* = Quarterly form was not submitted during the reporting period.

** = Non-construction related participation.

Exhibit G

2007 – 2008 Civil Rights Compliance

COLORADO DWRF BIENNIAL REPORT**EXHIBIT G****CIVIL RIGHTS COMPLIANCE**

Project	Project Number	Administrator	Date Received
Del Norte, Town of	080003D	E. Worker	6/10/2008
East Alamosa Water and Sanitation District	000007D	E. Worker	6/27/2006
Eckley, Town of	050021D	L. Cruz	6/8/2007
Estes Park, Town of	990019D	L. Cruz	1/10/2008
Hotchkiss, Town of	010017D	E. Worker	3/13/2007
Kim, Town of	030033D	M. Beck	10/15/2007
La Veta, Town of	020024D	M. Beck	10/12/2007
Las Animas, City of	050032D	M. Beck	6/29/2007
Olde Stage Water District	960084D	L. Cruz	3/15/2008
Ordway, Town of	030045D	M. Beck	7/3/2007
Pagosa Area Water and Sanitation District	960087D	E. Worker	1/15/2008

COLORADO DWRF BIENNIAL REPORT**EXHIBIT G****CIVIL RIGHTS COMPLIANCE**

Project	Project Number	Administrator	Date Received
Paonia, Town of	000015D	E. Worker	4/14/2008
Platte Canyon Water and Sanitation District #2	060011D-2	L. Cruz	2/8/2008
Project 7 Water Authority	990036D	E. Worker	4/14/2008
Stratton, Town of	050048D	M. Beck	5/1/2007

Per Brian Friel 12/18/02 no staff at EPA to certify (state responsible for tracking)

Exhibit H

Certification Letter

STATE OF COLORADO

Bill Ritter, Jr., Governor
James B. Martin, Executive Director

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

4300 Cherry Creek Dr. S. Laboratory Services Division
Denver, Colorado 80246-1530 8100 Lowry Blvd.
Phone (303) 692-2000 Denver, Colorado 80230-6928
TDD Line (303) 691-7700 (303) 692-3090
Located in Glendale, Colorado
<http://www.cdph.state.co.us>



Colorado Department
of Public Health
and Environment

EXHIBIT I

August 1, 2009

Karin Tatum, SRF Program Officer
Municipal Support Unit
U. S. EPA Region VIII
1595 Wynkoop St
Denver, CO 80202-1129


Dear Ms. Tatum:

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 2007 and 2008 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 Carolyn Schachterle at (303) 692-3551 for any questions or if you require additional information.

Sincerely,



Steven H. Gunderson, Director
Water Quality Control Division

COLORADO
DRINKING WATER REVOLVING FUND
BIENNIAL REPORT
VOLUME II

JANUARY 1, 2007 – DECEMBER 31, 2008



PREPARED BY
THE STATE OF COLORADO
AUGUST 1, 2009
FOR THE ENVIRONMENTAL PROTECTION AGENCY
REGION VIII

Attachment 1

2007 Intended Use Plan

STATE OF COLORADO

2007

DRINKING WATER REVOLVING FUND

INTENDED USE PLAN

WQCC Approved: October 2006

Effective Date: January 1, 2007

**DWRF IUP
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- A. 2007 DWRP Project Eligibility List
- B. 2007 DWRP Project Priority / Fundable List
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- 2. Eligible and Ineligible Projects and Project Related Costs
- 3A. Summary of Set-Aside and Fee Activity
- 3B. Funds Available to the DWRP
- 4. Loan Summary Report

**STATE OF COLORADO
DWRF INTENDED USE PLAN
JANUARY 1 - DECEMBER 31, 2007**

I. INTRODUCTION

As required by Section 1452(b) of the Safe Drinking Water Act (SDWA) and by Interim Final Regulations 40 CFR 35.3555 published August 7, 2000, an Intended Use Plan (IUP) is to be filed annually with the U.S. Environmental Protection Agency (EPA). The IUP describes how the State intends to use the Capitalization Grant and Drinking Water Revolving Fund (DWRF) to meet the objectives of the SDWA and further the goals of protecting public health. The IUP is made available to the public for review and comment prior to submitting it to the EPA as required by the capitalization grant agreement.

The purpose of the DWRF program is to provide financial assistance to governmental agencies for the construction of water projects for public health and compliance purposes as described in the DWRF Rules (Attachment 1), and 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 serves as the planning document to describe how the funds allotted for Federal Fiscal Year (FFY) 2007 and the funds remaining from all prior federal fiscal years' capitalization grant appropriations will be used for the DWRF and non-project program set-asides. The DWRF fiscal year is January 1, 2007 to December 31, 2007. 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 (Authority), the Water Quality Control Division (WQCD) at the Department of Public Health and Environment, 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 helps to evaluate the financial and managerial capacity of loan applicants, identifies 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 2007;
- ◆ 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 (WPCRF); and
- ◆ A description of the non-project activities to be funded from the DWRF Capitalization Grant including the percentage of such funds allocated to these activities.

The State will prepare and submit a capitalization grant application for FFY 2007 based on this IUP.

II. DRINKING WATER REVOLVING FUND PROJECT LISTS

States are required to develop a comprehensive priority list of eligible projects for funding and to identify projects that will receive funding. 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 that are primarily intended to serve future growth are not eligible. Examples of eligible and ineligible projects and project related costs are found in Attachment 2.

Appendix A to this IUP is the 2007 DWRF Project Eligibility List illustrating the various projects and their associated estimated costs as required by Colorado's authorizing statute. The DWRF Project Eligibility List includes, for each individual entry: the name of the public water system, a description of the project, population, the estimated cost of the project and a categorical ranking by priority as described in the DWRF Rules (included in Attachment 1).

Appendix B (DWRF Project Priority / Fundable List) is a list of the 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 or have recently received 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.

Projects are added and deleted from the DWRF Project Priority / Fundable List during the annual IUP approval process. Deletions to the list are made for those entities that received a DWRF loan and completed the project. In other cases, projects are deleted from the list when the entity is able to secure project funding from sources other than the DWRF. Projects that receive funding during the year that are not included on the currently DWRF Project Priority/Fundable List will be added to the list in the following year.

III. CRITERIA, METHODS AND EVALUATION FOR DWRF DISTRIBUTION

Federal 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 that are forwarded to the Authority Board for funding.

Regarding the non-project activities, the WQCD prepares the capitalization grant application including the amount of funds to be set aside for activities documented in the IUP. The application is forwarded to the Authority for signature and submission to EPA. Section VII (Non-Project Activities) outlines the WQCD's proposed use of funds from the DWRF capitalization grant to meet various SDWA requirements.

A. Project Priority System

Colorado's project priority system is set forth in the DWRF Rules (Attachment 1). The Rules include the following categories by priority ranking:

Priority 1 Acute Health Hazard:

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

Priority 2 Chronic (Long Term) Health Hazard:

The WQCD has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant.

Priority 3 Potential Acute Health Hazard:

The public water system (PWS) has periodically exceeded an acute MCL, has levels greater than 50 percent 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.

Priority 4 Potential Chronic Health Hazard:

The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short-term problems meeting other treatment technique requirements.

Priority 5 Other Future Needs:

The PWS 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.

B. Priority Point Assignments Within Each Category

As provided in the DWRP Rules, once a pre-planning, planning, or pre-design document is received, projects within each category will be prioritized by the assignment of points based upon the review of the following factors:

- (1) Population
- (2) Financial Need
- (3) Consolidation
- (4) Water Conservation
- (5) Source Water Protection
- (6) Beneficial Use of Sludge
- (7) Health Risk.

Projects on the DWRP 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 DWRP or they have received funding from other sources.
- c) Governmental agencies (on the DWRP Project Eligibility or DWRP Priority / Fundable List) had an emergency situation during the funding year.
- d) Certain governmental agencies are not approved for funding because of technical, managerial or financial (TMF) deficiencies. Note: It is important that all PWS be managed and operated in an efficient and effective manner to ensure continued service of high quality, affordable water to their customers, now and in the future. The DWRP has established an EPA approved TMF capacity review and evaluation process to help systems understand this role and build the capacity where needed to properly serve their customers. Meeting these requirements for a loan will help the system ensure it will operate into the future with fewer difficulties, be financially secure, and be managed in the best interest of the water users. This will result in a PWS being considered an asset to its community rather than a future liability. The WQCD will attempt to work with the governmental entity to resolve any deficiencies through the capacity development program.

C. Application Deadlines

All leveraged loan projects must submit applications by February 1st. Depending on the demand and available loan capacity a second application date of July 1st may be set by the WQCD and the Authority for a fall bond issue. Both direct and leveraged loan applications will be accepted throughout the year based on the following Authority Board Meeting schedule. However, leveraged loans will not be executed until all applications received by the application deadline have been prioritized and determination that sufficient funds are available. If funds are not available to cover all requests, those projects not funded will be included in the next prioritization of applications.

Authority Board meetings and applications submittal dates are as follows:

December 1 for consideration at the Authority's January (third week) Board meeting.

February 1 for consideration at the Authority's March (first Friday) Board meeting. This is also the last application deadline for inclusion into project prioritization and funding in the spring bond issue and for all direct loan consideration.

March 1 for consideration at the Authority's April (third Friday) Board meeting.

May 1 for consideration at the Authority's June (first Friday) Board meeting.

July 1 for consideration at the Authority's August (usually the third Friday) Board meeting. This is also the last application deadline for inclusion into project prioritization and funding in the fall bond issue and for all direct loan consideration.

September 1 for consideration at the Authority's October (first Friday) Board meeting.

October 15 for consideration at the Authority's December (first Friday) Board meeting.

D. Allocation of Loan Proceeds

In addition to the DWRF Rules, the following policy will be applied to the allocation of loan proceeds:

1. Direct Loans

The Authority will budget \$8 million for direct loans of \$2 million or less. Of the \$8 million budgeted, up to \$6 million will be reserved for loans to qualified disadvantaged communities, as defined below.

In September of each year, loan repayments are deposited into the fund. These deposits, if not obligated for leveraged loans, can be made available for additional direct loans if the \$8 million budgeted is not adequate. If necessary, direct loans may be funded from capitalization grant funds.

2. Planning and Design Grants

The intent of the planning and design grants is to assist DWRF applicants with costs associated with complying with program requirements. To be eligible for a planning and/or design grant, a governmental agency must meet the following criteria:

- Project is on the current year DWRF Eligibility List, and
- Population is 10,000 or less and
- Median household income (MHI) is less than the state average (the 2000 MHI for the state is \$47,203), or
- Current or post project monthly water rates are equal to or greater than the state average as calculated by DLG.

Upon approval by the Authority Board, \$100,000 will be made available on January 1 for planning and/or design grants. One grant in the amount of \$10,000 will be awarded per community. However, if planning and design grant funds are available on September 1 of each year, an additional grant of up to \$10,000 (maximum of \$20,000 total per community) may be made to communities that have met criteria in demonstrating progress towards receiving funding through the program.

Grants will be awarded on a first come, first served basis. If the entity does not seek funding through the DWRF, they may be requested to repay the grant or seek a waiver of the repayment requirement from the Authority Board.

Grant funds may be used to support a variety of project development activities including, but not

limited to: preliminary engineering reports; technical, managerial and financial reviews; environmental assessments; engineering design documents and legal fees (including costs associated with the formation of a legal entity capable of receiving DWRF assistance.)

These funds are provided from the administrative fee account from income received from DWRF loans.

3. Disadvantaged Communities Loans

In accordance with federal statutes states are authorized to provide "loans at or below market interest rates, including interest free loans, and terms up to 30 years." Effective January 1, 2005, the DWRF implemented a Disadvantaged Communities Loan opportunity. A disadvantaged community is defined as a governmental agency that has a population of 5,000 or less with a median household income that is 80 percent or less of the statewide median household income..

DWRF re-loan funds will be the primary source of revenues used to fund Disadvantaged Community Loans. These funds are paid back by borrowers in the form of debt service payments on outstanding debt obligations. The loan pool amount for all DWRF direct loans is established at an \$8 million minimum. Of this direct loan pool amount, up to \$6 million will be reserved for loans to qualified disadvantaged communities. EPA capitalization grant funds in an amount not to exceed 30 percent of the annual capitalization grant may also be considered to underwrite loans in the event re-loan funds are not sufficient to meet demand. To the maximum extent practical and based on available data, projects eligible to receive the reduced interest rate will be identified on the Project Priority/Fundable List (Appendix B).

Median household income as a percentage of the statewide median household income will be used to distribute funding to governmental agencies that are disadvantaged in accordance with two categorical affordability tiers:

Category 1 - Disadvantaged communities with median household income levels that range from 61 to 80 percent of the statewide median household income qualifies for loans up to \$2 million per project. Loan terms up to 30 years, but not to exceed the project's design life, are permitted. The loan interest rate is established at 50 percent of the direct loan rate as set annually by the Authority Board for qualifying governmental agencies.

Category 2 - Disadvantaged communities with median household income levels that are less than 61 percent of the statewide median household income qualify for loans up to \$2 million per project. Loan terms up to 30 years, but not to exceed the project's design life, are permitted. The loan interest rate is established at 0 percent for qualifying governmental agencies.

Note: All loan requests exceeding the \$2 million direct loan limit will not be eligible for a Disadvantaged Community Loan.

E. Emergency Procedures

The Water Quality Control Commission (WQCC) may amend the DWRF Project Eligibility and DWRF Priority / Fundable Lists at any time throughout the year to include PWS projects that it determines and declares to be emergency projects needed to prevent or address threats to public health. In cases where the WQCC determines the amendments will result in substantial changes to the DWRF Project Eligibility or DWRF Priority / Fundable Lists, public notice and opportunity for comment on the proposed inclusions shall be provided.

F. 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. It is anticipated that at least 17 small systems (population less than 10,000) will be funded in 2007 for a total of \$32 million in DWRF loans.

To further the small system-funding goal in 2007, planning and/or design grants will be made available to assist small systems in meeting some of the requirements of the DWRF. In addition, DLG is planning

to conduct a series of training workshops in 2007 to help build financial and managerial capacity of small rural public water and wastewater systems. For 2007, the focus of the workshops is targeted at financial management issues, with special attention devoted to rate setting techniques and asset management. DWRF set-aside funds may be used to partially support this effort.

All funding agencies meet periodically to coordinate the financial needs of communities that are planning water quality improvement projects. This funding coordination committee includes staff from the WQCD, Authority, DLG, Colorado Water Conservation Board, USDA Rural Development and the Rural Community Assistance Corporation. The committee uses a web page on the DLG website to keep the public aware of the projects it is assisting with arranging funding and to raise awareness of funding opportunities. Surveys are conducted to identify and update the needs of all public water systems including small systems.

G. DWRF Results

The following activities will occur in 2007 to ensure Colorado achieves the national goals:

1. It is the goal to execute eleven DWRF loans during 2007. At least seven projects will be funded through the state's Disadvantaged Communities Program.
2. In calendar year 2006, the Colorado DWRF fund utilization rate was 85 percent. The 2007 Region 8 target for the DWRF fund utilization rate has been established at 87%; it is the goal of the State to achieve this target.
3. In calendar year 2006, the rate at which the Colorado DWRF projects progressed as measured in fund disbursements as a percent of assistance provided was 98 percent. It is the goal of the State to maintain this construction pace.

Anticipated 2007 Outcomes:

1. Seven projects are anticipated to initiate construction. (Five of the eight projects will be Disadvantaged Communities Program loans.)
2. Eight projects are anticipated to initiate operations.

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 \$7,253,915 to the DWRF. The final transfer occurred in March 1998. The State has made seventeen (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.

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. As of June 30, 2006, \$2,904,856 is available for State match.

The DWRF provides both direct loans and leveraged loans to finance projects. Direct loans are generally made for smaller projects. 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. Direct loans (up to \$2 million) are generally funded from re-loan funds. If necessary, direct loans may be funded from capitalization grant funds. Based on an effort to keep the rates for direct loans at or below the leveraged loan rate, the interest rate will be set by the Authority's Board of Directors each December.

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) 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 percent 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.

Currently 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. The administrative fee supplements the 4 percent administrative set-aside from the capitalization grant. The administrative fee income 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 fee income will continue to be used to fund a planning and/or design grant program in 2007. Additionally, administrative fee income, as available, will be used beginning with the FFY2007 DWRF capitalization grant to reimburse the Authority for state match funds (state match loan) deposited to the DWRF. The program reserves the right to charge up to 1.5% administrative fee on all DWRF loans if it is determined that additional funds are needed to fund administrative costs and/or repay the state match provided by the Authority.

Administrative fees received from DWRF loans for 2007 are estimated to be \$1,809,900. 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 \$2,000,000 a portion of which will be paid from DWRF set aside grant monies available. Following is a table showing the administrative fee account activity since inception:

TABLE I
Administrative Fee Account

For Year Ending	Loan Admin Fee Revenue	Cap. Grant Draw For Admin Expenses	Investment Income/ Other Transfers	Other Income / (Expenses)	(Admin Expenses)	(PWSS Set Aside Payouts)	Planning & Design Grants Paid	Annual Net Income / (Loss)
12/31/1997	23,408	84,411	24		(214,301)			(106,458)
12/31/1998	251,210	205,130	1,817	178,808	(559,680)			77,285
12/31/1999	609,066	287,502	5,852	90,900	(735,077)			258,243
12/31/2000	931,797	302,679	23,115		(769,629)			487,962
12/31/2001	1,029,413	260,092	29,145		(898,512)			420,138
12/31/2002	1,172,059	321,794	17,119		(980,321)		(7,457)	523,194
12/31/2003	1,494,366	351,245	14,794		(1,041,963)	(120,913)	(66,860)	630,669
12/31/2004	1,632,181	320,302	32,436		(953,920)	(112,743)	(101,027)	817,229
12/31/2005	1,665,264	359,611	211,486		(1,016,570)	(226,072)	(90,312)	903,407
TOTALS	8,808,764	2,492,766	335,788	269,708	7,169,973	(459,728)	(265,656)	4,011,669

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 DWRF Eligibility List needs (currently over \$850 million) are compared against the loan capacity of the DWRF. Even though demand for loans (DWRF Priority / Fundable List) in the year 2007 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. By continuing to leverage, the program will be able to assist more communities currently on the DWRF Project Eligibility List and help those communities achieve compliance with the SDWA. To date, the leveraged loan rates have been in the range of 3.03 and 4.60 percent. 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.

Through August 31, 2006, the State has received a total of \$125,835,600 in federal capitalization grants (includes the \$6,666,667 transfer back to the WPCRF in 2003). Of this amount, \$26,857,345 has been set aside for non-project activities. The State anticipates receiving a FFY07 capitalization grant of

\$14,960,000 with \$3,848,943 set aside for non-project activities. This amount may change based on final federal appropriations. (See Attachments 3A and 3B.)

Under the federal portion of the DWRF, thirty- five (35) direct loans (which includes eight Disadvantaged Communities loans totaling \$4,720,000) for \$23,062,915 and twenty-seven (27) leveraged loans for \$199,298,115 have been made to-date from the DWRF utilizing the federal capitalization grants (See Attachment 4).

The attached Appendix B (Priority / Fundable list) identifies 18 projects totaling \$57.9 million. In addition to these 18 projects, it is anticipated that following projects may apply for DWRF funding during 2007: Forest View Acres Water District (\$465,000), Mountain Water and Sanitation District (\$1,250,000), the Cities of Rifle (\$14 million) and Evans (\$1 million Disadvantaged Community Loan) and the Towns of Bennett (\$2 million), Berthoud (\$8.5 million), DeBeque (\$850,000 Disadvantaged Community Loan), Georgetown (\$100,000), Hayden (\$2.4 million), Hotchkiss (\$1.5 million Disadvantaged Community Loan), Hudson (\$522,000), Kit Carson (\$450,000 Disadvantaged Community Loan) Platteville (\$2.2 million), Sheridan (\$1.1 million Disadvantaged Community Loan), Telluride (\$500,000) and Wiggins (\$500,000 Disadvantaged Community Loan) will be added to the Priority / Fundable list upon completion of an eligibility assessment and will receive a DWRF leveraged or direct loan during 2007. In addition, a transfer of an amount up to \$10 million (as discussed below) would reduce the 2007 DWRF loan capacity to \$26.6 million.

A. Transfer Activities

As authorized by Congress, up to 33 percent of the cumulative drinking water capitalization grants for FFY 1997 through FFY 2006 (total drinking water grants at \$125.8 million) may be reserved from the DWRF and transferred to the WPCRF. The following table itemizes (in \$ millions) the amount of net SRF funds available for transfer between the two programs:

TABLE II
Net Funds Available for Transfer

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	-----	-----	12.1	12.1
1999	Transfer	12.1	\$6.7**	-----	5.4	18.8
2000	CG Award	15.6	-----	-----	8.9	22.3
2001	CG Award	19.1	-----	-----	12.4	25.8
2002	CG Award	23.6	-----	-----	16.9	30.3
2003	CG Award	28.0	-----	-----	21.3	34.7
2003	Transfer	28.0	-----	\$6.7**	28	28
2004	CG Award	32.2	-----	-----	32.2	32.2
2005	CG Award	36.7	-----	-----	36.7	36.7
2006	CG Award	41.5	-----	-----	41.5	41.5

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

** \$6.7 million capitalization grant funds and \$1.3 million state match funds.

The authorization to transfer funds for FY 2006 and thereafter, has been approved in the 2006 EPA Appropriations Bill. Since a number of water pollution control projects are expected to request funds in 2007, the WPCRF loan demand is expected to exceed available loan capacity. If a transfer is pursued, a stakeholders group will be contacted to evaluate the feasibility of transferring funds from the DWRF to the WPCRF. Based on the Water Quality Control Commission and the Governor’s approvals, a transfer

of no more than \$10,000,000 will be made from the DWRF into the WPCRF in 2007. The exact amount of the transfer will be determined after the either the February 1 or July 1 application deadlines and the

WPCRF and DWRF loan demands are determined. The following Tables (Table III & Table IV) provide a comparison of loan capacity impacts if a transfer of \$10, \$7 or \$5 million is made from the DWRF. None of the transferred funds will be used for administrative purposes.

*The transfer amount will include the State Match

TABLE III

**Drinking Water Revolving Fund
Calculation of Loan Capacity for 2007 As of June 30, 2006**

	\$0 Transfer	\$10 million	\$7 million	\$5 million
Capitalization grants for loans through 2005	\$ 88,643,129	\$ 88,643,129	\$ 88,643,129	\$ 88,643,129
Obligated for loans through 6/30/05	\$ 70,536,014	\$ 70,536,014	\$ 70,536,014	\$ 70,536,014
Remainder	\$ 18,107,115	\$ 18,107,115	\$ 18,107,115	\$ 18,107,115
Expected 2006 Capitalization Grant				
1.76% of \$850 million	\$ 14,960,000	\$ 14,960,000	\$ 14,960,000	\$ 14,960,000
Less Set-Asides	\$ 3,848,943	\$ 3,848,943	\$ 3,848,943	\$ 3,848,943
Total 2006 Grant	\$ 11,111,057	\$ 11,111,057	\$ 11,111,057	\$ 11,111,057
Total Grant Funds Available	\$ 29,218,172	\$ 29,218,172	\$ 29,218,172	\$ 29,218,172
Less Transfer to WPCRF in 2006	\$ -	\$ 10,000,000*	\$ 7,000,000*	\$ 5,000,000*
Grant \$ Available	\$ 29,218,172	\$ 19,218,172	\$ 22,218,172	\$ 24,218,172
Re-loan funds as of 07/15/05	\$ 6,322,655	\$ 6,322,655	\$ 6,322,655	\$ 6,322,655
plus: Deallocation on 9/2/05	\$ 3,002,518	\$ 3,002,518	\$ 3,002,518	\$ 3,002,518
plus: Deallocation on 9/2/06	\$ 3,109,583	\$ 3,109,583	\$ 3,109,583	\$ 3,109,583
less: Re-loan funds used for Direct Loans Fall 2005	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total Re-Loan Funds Available	\$ 10,434,756	\$ 10,434,756	\$ 10,434,756	\$ 10,434,756
Loan Capacity for 2006				
Leveraged Loans from Grants X 2.4	\$ 70,123,613	\$ 46,123,613	\$ 53,323,613	\$ 58,123,613
Direct Loans from Re-Loan Funds	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Leveraged Loans from Re-Loan Funds (total less direct loans) X 2.0	\$ 4,869,512	\$ 4,869,512	\$ 4,869,512	\$ 4,869,512
2006 DWRF Loan Capacity	\$ 82,993,125	\$ 58,993,125	\$ 66,193,125	\$ 70,993,125

TABLE IV

Water Pollution Control Revolving Fund

Calculation of Loan Capacity for 2007 as of June 30, 2006

	\$0 Transfer	\$10 Million	\$7 Million	\$5 million
Capitalization grants through 2006		\$203,246,523	\$203,246,523	\$203,246,523
	\$203,246,523			
Obligated for loans and admin through 06/30/06		\$196,640,761	\$196,640,761	\$196,640,761
	\$196,640,761			
Less grant funds used in fall 2006 bond issue	\$6,250,000	\$6,250,000	\$6,250,000	\$6,250,000
Remainder	\$355,762	\$355,762	\$355,762	\$355,762
Expected 2007 Capitalization Grant				
*0.8% of \$688 million	\$5,504,000	\$5,504,000	\$5,504,000	\$5,504,000
Less 5/6 4% Administrative Fee	\$183,467	\$183,467	\$183,467	\$183,467
Total 2007 Grant	\$5,320,533	\$5,320,533	\$5,320,533	\$5,320,533
Plus Transfer from DWRF in 2007	\$ -	\$10,000,000.00	\$7,000,000.00	\$5,000,000.00
Total Grant Funds Available	\$5,676,295	\$15,676,295	\$12,676,295	\$10,676,295
Re-loan funds as of 06/30/06	\$5,458,894	\$5,458,894	\$5,458,894	\$5,458,894
plus: Deallocation on 9/02/06	\$12,748,400	\$12,748,400	\$12,748,400	\$12,748,400
plus: Deallocation on 9/02/07	\$13,575,029	\$13,575,029	\$13,575,029	\$13,575,029
less: Re-loan funds used for direct loans remainder 2006	\$11,967,963	\$11,967,963	\$11,967,963	\$11,967,963
less: Re-loan funds used in fall 2006 bond issue	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Total Re-Loan Funds Available	\$18,064,360	\$18,064,360	\$18,064,360	\$18,064,360
Loan Capacity for 2007 (includes 9/2/07 deallocation)				
Leveraged Loans from Grants X 2.4	\$13,623,109	\$37,623,109	\$30,423,109	\$25,623,109
Direct Loans from Re-Loan Funds	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Leveraged Loans from Re-Loan Funds (total less direct loans) X 2.0	\$20,128,720	\$20,128,720	\$20,128,720	\$20,128,720
2007 WPCRF Loan Capacity	\$41,751,829	\$65,751,829	\$58,551,829	\$53,751,829

*The transfer amount will include the State Match

It is estimated that a transfer of \$5-\$10 million from the DWRF to the WPCRF will reduce the DWRF revolving level \$1-\$2 million/year over the next 20 years. The DWRF set-asides would not be affected and the remainder of the allocation would be deposited into the revolving fund. All identified and eligible drinking water projects that are ready for construction in 2007 will be funded out of the expected 2007 DWRF loan capacity. The transfer of funds from the DWRF to the WPCRF is not expected to cause any eligible drinking water projects to be delayed over the next few years.

This transfer, which is a combination of capitalization grant and state match will be deposited in the WPCRF and will only be available for loans. With the statutory language approved by the Colorado State General Assembly in 2002, any transfers can be made from one account to the other with all of the appropriate approvals.

B. 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.

C. 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 revised 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 federal requirements, in accordance with the revised state statute. EPA has approved the program.

V. LONG TERM GOALS

The State continues to develop long-term goals that will protect public health and ensure the integrity of the DWRF. To achieve these goals, the following objectives were developed for 2007:

1. Provide affordable financial assistance for eligible applicants while maintaining a perpetual, self-sustaining revolving fund program.
2. Provide technical assistance to governmental agencies for facilitating effective planning, design, financing, and construction of facilities to comply with the provisions of the Colorado Primary Drinking Water regulations.
3. Maintain compliance with 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 2007 calendar year:

1. Upon receipt of the EPA allotment formula, the Authority, in conjunction with the WQCD, will submit an application for the 2007 capitalization grant funds.
2. The WQCD will continue to make revisions to the Handbook of Procedures to conform to regulations/guidance and submit it to EPA for approval.
3. The WQCD will initiate the process for identifying projects in the FY 2008 Intended Use Plan by April 2007.
4. Submit the Biennial Report and Annual Audit to EPA by April 30, 2007.
5. The state partnering agencies will work with the funding coordination committee and the State Revolving Fund Committee to implement improvements including:
 - a) Consider adopting an additional Tier for the Disadvantaged Communities Loans that would allow

- a reduction in interest rates (e.g., 70% of Bond Market) for communities with population between 5,000 – 10,000.
- b) Conduct a review of Disadvantaged Communities Loans to determine overall financial impacts of the subsidies upon the continued financial viability of the DWRF.
 - c) Continue coordination with all funding agencies to complete drinking water projects identified in the 2007 IUP.
 - d) Evaluate the impacts of implementing a “Joint Funding Application” through the funding coordination committee, that could be available statewide for water and wastewater entities interested in receiving funding through the State Revolving Fund Programs, Energy Impact Assistance Fund, Community Development Block Grant, and Rural Development Program.
 - e) Continue to review the areas of current flexibility with DWRF loan covenants and identify areas that may provide additional flexibility.
 - f) Improve coordination with the three state agencies to facilitate project approvals and development.
6. Leverage funds in the DWRF to accommodate the estimated demand for eligible projects in 2007 and thereafter.
 7. The WQCD will review and revise as necessary the “Guidance For Preparing Preliminary Engineering Reports” and update the “State Environmental Review Policy” specific to the DWRF.
 8. The DLG will conduct a series of 4 to 8 training workshops in 2007 to help build financial and managerial capacity of small rural public water and wastewater systems.
 9. The WQCD will finalize a 5 year strategic plan for the DWRF activities.
 10. The WQCD, in partnership with the Authority, will continue to utilize the shared access database for tracking project milestones.
 11. The WQCD, DLG and the Authority will attend conferences such as Rural Water, Colorado Municipal League, and the Special District Association’s annual conferences to provide program information to potential borrowers.
 12. The WQCD, DLG and the Authority will host training events throughout the year to provide consulting engineers and others with information about the funding process and program requirements.

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

A. Introduction

The State may set aside portions of each capitalization grant for non-project (set-aside) activities. As described in the introduction, these set-asides are to be used to fund those activities necessary to accomplish the requirements of the SDWA. The WQCD has identified in this plan, the maximum amounts of set-aside funds the WQCD currently believes appropriate to best meet the goals of the safe drinking water act. Since these amounts represent the maximum amount of funding that would be devoted to each of the set-asides for this capitalization grant, no further public notification would be made by the WQCD if lesser amounts than those proposed herein are actually used.

The purpose of the set-asides is to provide the funds needed for the administration of the DWRF (4% administration), as well as to meet overall drinking water program requirements of the 1996 Amendments to the SDWA and to conduct targeted activities specified in the SDWA. The authority will provide the required 20 percent up-front state match to receive the federal capitalization grant, from which the set-asides are drawn. Beginning with the FFY02 grant, the 20 percent match for the set-aside portion has come from the loan administrative fee account. A list of the set-asides and the percentage of allocation is as follows:

- ◆ Administration (4 %)
- ◆ Small System Training and Technical Assistance (2%)
- ◆ State Drinking Water Program Management (10%)
- ◆ Local Assistance and Other State Programs (15%):
 - I. Land/Conservation Easement Acquisition for SWAP
 - II. Assistance to a Community Water System to Implement Voluntary, Incentive-Based Source Water Protection Measures

- III. Provide Assistance to Any Public Water System as Part of a Capacity Development Strategy
- IV. Source Water Assessment and Protection Program (SWAP)
- V. Wellhead Protection Program

A description of each set-aside and the funding earmarked from the FFY07 capitalization grant for each activity are described below. The FFY07 capitalization grant amount is estimated, based on the 2006 award, to be \$14,497,300. It is the responsibility of the WQCD to determine the amount of funds necessary under each set-aside and to meet the obligations of the SDWA. The financial status of the set-asides is summarized in Attachment 3A. The State must develop, and EPA approve, work plans that describe the activities to be accomplished to be able to use those funds.

B. Administration Set-Aside

Set-Aside	Amount	Purpose
Administration	\$579,892 (4%) for FFY07	To cover the cost of (1) administering the DWRF, and (2) providing technical assistance to public water systems (PWSS). Administration is an on-going activity.

FFY07 Request: Colorado is entitled to set aside up to 4 percent (\$579,892) from the capitalization grant for this set-aside. Based on project needs identified by the WQCD, the WQCD intends to set aside the full \$579,892.

Additionally, the State deposited the FFY01 and FFY02 administrative set-aside funds (\$420,000 and \$561,000, respectively) into the DWRF project account and reserved the right to draw these funds from a future capitalization grant. These funds were withdrawn from the 2003 capitalization grant.

Use of Funds in 2007 and Expected Accomplishments: These funds will be used to cover administrative expenses related to projects and activities authorized under the SDWA, including the provision of technical assistance to public water systems.

The outputs/activities and the anticipated outcomes (short-term/long-term) for the DWRF administration are described above in Section III. "Criteria, Methods and Evaluation for DWRF Distribution" under Part F. "DWRF Results."

C. Small System Training and Technical Assistance (SSTTA)

Set-Aside	Amount	Purpose
SSTTA	\$289,946 (2%) for FFY07	To provide (1) training, (2) technical assistance, and (3) provide Planning and Design Grants to small systems. SSTTA is an on-going activity.

FFY07 Request: Colorado is entitled to set aside up to 2 percent (\$289,946) from the capitalization grant for this set-aside. Based on project needs identified by the WQCD, the WQCD intends to set aside the full \$289,946.

Use of Funds in 2007 and Expected Accomplishments: Currently, training programs are being designed for 2007 and the WQCD will use funds from the 2002, 2003 and 2004 SSTTA set asides for technical assistance and Planning and Design grants for water system serving 10,000 or less in population.

Outputs/Activities

- Number of systems receiving technical assistance.
- Number of systems receiving planning and design grants.

Anticipated Outcomes (short-term/long-term)

- Improved operational and/or financial efficiency for participating systems.
- Improved compliance for systems receiving SSTTA.

D. State Drinking Water Program Management

Set-Aside	Amount	Purpose
State Program Management	\$1,449,730 (10%) for FFY07	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, --Develop and implement a capacity development strategy, --Administer and implement operator certification program. PWSS program implementation and the other activities are on-going.

FFY07 Request: Colorado is entitled to set aside up to 10 percent (\$1,449,730) from the capitalization grant for this set-aside. The act requires that this set-aside be matched one-for-one with available State expenditures as described below. Based on the qualifying expenditures, the WQCD intends to set aside the full \$1,449,730.

In addition to the up-front 20 percent match required for the State to qualify for the full capitalization grant, 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 program general funds, drinking water operator certification fees, drinking water related expenditures from the State laboratory, and 1993 Drinking Water Grant matching funds from the WQCD. The laboratory contribution includes analyses of drinking water samples. According to the Act, State program match funds that were expended in 1993 can be used to provide up to 50 percent of the set-aside match. Current year State funds in excess of the minimum required for the PWSS Program grant included in the Department's Performance Partnership grant may also be used. The program funding sources that qualify as match (program general funds in excess of PWSS grant match requirements, operator certification program fees, drinking water related laboratory expenditures, and 1993 Drinking Water Program State expenditures) allows the WQCD to take \$1,449,730.

Currently, a portion of this set-aside is being used to fund numerous staff for implementation of the many new program requirements associated with the 1996 reauthorization of the SDWA. The staffing for the Drinking Water Program is spread among the program core staff, the Engineering Section, and the Compliance Assurance and Data Management Section.

Use of Funds in 2007 and Expected Accomplishments: For 2007, the efforts initiated and accomplished in prior years will be continued. New efforts will include increased focus on compliance assurance through the Systems of Concern process, improved data management and enhanced communication with drinking water systems.

Outputs/Activities

- Number of systems identified for compliance assurance and enhanced communication.
- Data management system upgrades/maintenance.

Anticipated Outcomes (short-term/long-term)

- Improved system communication resulting in drinking water compliance progress and attainment.
- Improved data quality demonstrated through data verification.

E. Local Assistance and Other State Programs

Set-Aside	Amount	Purpose
Local Assistance Set-Asides:	15% total (no more than 10% for any one of the following activities)	Consists of the following five activities:
SWAP Land Acquisition (PWS Loan)	See below for funding requests	See below for set-aside descriptions
SWAP Implementation (PWS Loan)		
Capacity Development		

Source Water...(SWAP)*

Wellhead...*

**The Wellhead Protection Program (for groundwater systems) was created by the Safe Drinking Water Act Amendments of 1986. The Colorado Wellhead Protection Program Plan was issued in 1994. The Source Water Assessment and Protection Program (SWAP) was created by the SDWA Amendments of 1996. The Colorado Source Water Assessment and Protection Program Plan was issued in 2000. Programmatically, SWAP combines both groundwater and surface water activities (although the original Wellhead Protection Program has some features which are somewhat different from SWAP). For budgetary purposes, however, SWAP set-aside funds were required to be dedicated to surface water systems and Wellhead set-aside funds to groundwater systems. Once all the SWAP assessments are complete, the two programs will be integrated into one program plan.*

FFY07 Request: Colorado is entitled to set aside up to 15 percent (\$2,174,595) from the capitalization grant for these five combined activities. However, no more than 10 percent (\$1,449,730) may be used for any one of the individual local assistance set-asides. The specific amounts indicated below are based on project needs identified by the WQCD and total \$1,847,230 (\$1,449,730 Capacity Development plus \$397,500 Wellhead Protection.) The five set-asides are described as follows:

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

Set-Aside	Amount	Purpose
Local Land Acquisition for SWAP	\$0 for FFY07	To provide loans to PWSS to acquire land or conservation easements to protect source water areas

FFY07 Request: None. The WQCD is not setting aside any funds for this purpose from its FFY07 capitalization grant.

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

Set-Aside	Amount	Purpose
Local SWAP Implementation	\$0 for FFY07	To provide loans to PWSS to implement source water protection measures.

FFY07 Request: None. The WQCD is not setting aside any funds for this purpose from its FFY07 capitalization grant.

3. Capacity Development

Set-Aside	Amount	Purpose
Capacity Development	\$1,449,730 (10%) for FFY07	To implement the capacity development strategy to assist new and existing systems to achieve and maintain technical, managerial, and financial capacity. A portion will be used to support the SWAP activities described below.

FFY07 Request: Colorado is entitled to set aside up to 10 percent (\$1,449,730) from the capitalization grant for this activity. Based on the Authority match described below, the WQCD intends to set aside the entire \$1,499,730. A portion of this (\$186,750) will be used to support the SWAP activities described below.

Use of Funds in 2007 and Expected Accomplishments: For 2007, the efforts initiated and accomplished previously will be continued. Additional output activities included in the EPA approved work plan to be expanded or initiated are as follows:

- ◆ Development of a performance enhancement program for surface water systems of Colorado to ensure plants are operating at peak capabilities to ensure continuously safe drinking water.
- ◆ Preparation of a series of informational booklets for public water systems on the applicable drinking water regulations and guidelines.
- ◆ Continued improvements to the CDPHE drinking water web site to include access to new information and operator training.
- ◆ Continued implementation of a “Systems of Concern” program to identify and provide technical assistance to selected water systems in violation of regulations, including those either on the significant non-compliance (SNC) list or soon to be on the SNC list. This effort will utilize WQCD staff and contractors with the goal of both resolving the violation and ensuring the water system has technical, managerial, and financial capacity.
- ◆ Development of TMF Assessments and delivery of unique assistance programs tailored to each system.
- ◆ Continued implementation of the Colorado Strategy for Arsenic Reduction (CO-STAR) project to assist public water systems to comply with the revised arsenic standards.
- ◆ Development and implementation of a program to assist systems with radionuclides in their source waters, to help them comply with existing and anticipated radionuclide regulations.
- ◆ Continuation of operator training to conduct analyses required for compliance with the recently promulgated disinfectants/disinfection by-products (DDBP) and interim enhanced surface water treatment rules.
- ◆ Continuation of operator training for the DDBP (i.e., surface water treatment rule) at various locations throughout Colorado.
- ◆ Implementation of an electronic sanitary survey for the WQCD’s Engineering Section to use with handheld devices. Also extension of these tools to our non-community ground water inspection program.

Anticipated Outcomes (short-term/long-term):

- Improved performance based on implementation of enhancement program for surface water systems.
- Improved compliance associated with the drinking water regulations and guidelines booklets provided to public water systems.
- Improved CDPHE drinking water web site to access new information and operator training schedules.
- Enhanced system compliance for “Systems of Concern” by identifying and providing technical assistance to water systems either on the significant non-compliance (SNC) list or soon to be on the SNC list.
- Enhanced system compliance with revised regulatory requirements for public water systems.
- Enhanced system compliance through operator training with the disinfectants/disinfection by-products (DDBP) and interim enhanced surface water treatment rules.
- Improved DDBP (i.e., surface water treatment rule) compliance at various locations throughout Colorado based on operator training.
- Improved management efficiency and effectiveness through the use of electronic sanitary surveys in the field by WQCD’s Technical Services Unit by using handheld devices and software developed by EPA.

4. Source Water Assessment and Protection Program (SWAP)

Set-Aside	Amount	Purpose
SWAP	\$0 for FFY07	To delineate and assess source water areas for surface and ground water systems. SWAP assessment reports were completed in December 2004.

FFY07 request: 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. The SWAP set-aside was fully expended during the FFY06 period.

5. Wellhead Protection Program (WHP)

Set-Aside	Amount	Purpose
Wellhead Protection	\$397,500 for FFY07	To delineate and assess source water areas for ground water systems. Produce new WHP assessment reports as necessary. Support development and implementation of local ground water protection plans.

FFY07 Request: The WQCD intends to use \$397,500.

Use of Funds in 2007 and Expected Accomplishments: The Wellhead Program will work towards implementation of the following output activities:

- Completion of revised ground water susceptibility assessments.
- Completion of new ground water source water delineations.
- Development and implementation of ground water protection plans.
- Public water system data improvement.
- Public water system community information and education.
- Compilation and reporting of the national source water protection measures to EPA.

Anticipated Outcomes (short-term/long-term)

- Enhanced ground water susceptibility assessments to improve compliance.
- Improved ground water protection plans.
- Enhanced WHP data management.
- Enhance community information and education.
- Improved data compilation and reporting.

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 and EPA.

The proposed payment schedule using FFY 2007 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 DWRP.

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

IX. PUBLIC REVIEW AND COMMENT

The Colorado State Water Quality Control Commission published this information and held a public meeting on October 10, 2006 at which time the State's 2007 IUP including the 2007 DWRP Eligibility List and Project Priority / Fundable List were approved. There were no comments from the public.

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 Water Quality Control Commission for annual approval.

**APPENDIX A
FY 2007
Drinking Water Revolving Fund Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
030001D	5	Academy WSD	Pleasant View Estates	Colorado Springs	El Paso	Distribution / Transmission Lines Construction / Rehabilitation	\$75,000	750
960001D	4	Aguilar, Town of		Aguilar	Las Animas	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,282,100	547
050001D	2	Akron, Town of		Akron	Washington	Improvement / Expansion of Water Treatment Facility	\$1,000,000	1,785
000001D	2	Alamosa, City of		Alamosa	Alamosa	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$16,500,000	8,300
040001D	5	Alma, Town Of		Alma	Park	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	235
070006D	1	Arabian Acres Metropolitan District		Woodland Park	Teller	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$362,000	300
960126D	5	Arapahoe County WWA		Englewood	Arapahoe	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$26,300,000	24,536
030002D	5	Arriba, Town of		Arriba	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$250,000	245
010003D	5	Aspen Springs MD		Pagosa Springs	Archuleta	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$15,000,000	1,800
070017D	5	Aspen Village Metropolitan District		Aspen	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation	\$100,000	300
010002D	5	Aspen, City of		Aspen	Pitkin	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,658,000	6,600
960004D	5	Ault, Town of		Ault	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,500,000	1,450
960005D	3	Baca Grande WSD		Crestone	Saguache	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$500,000	563
050002D	5	Basalt, Town of		Basalt	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$800,000	2,000
050003D	5	Baseline WD		Boulder	Boulder	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	1,000

**APPENDIX A
FY 2007
Drinking Water Revolving Fund Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
990002D	5	Bayfield, Town of		Bayfield	La Plata	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$750,000	1,800
960127D	5	Bear Creek WSD		Lakewood	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$407,561	167
960182D	5	Bellyache Ridge MD		Wolcott	Eagle	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$1,500,000	160
960007D	3	Bennett, Town of		Bennett	Adams	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,030,000	2,085
030004D	5	Berkeley WSD		Denver	Adams	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	2,000
990003D	3	Berthoud, Town of		Berthoud	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,500,000	4,839
050004D	5	Bethune, Town of		Bethune	Kit Carson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Meters	\$619,952	225
960184D	5	Beulah WD		Beulah	Pueblo	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$210,000	960
030005D	3	Black Hawk, City of		Black Hawk	Gilpin	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$4,340,000	3,892
960009D	5	Blanca, Town of		Blanca	Costilla	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$200,000	402
050005D	1	Boone, Town of		Boone	Pueblo	Construction of a New Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities	\$1,054,297	326
960011D	5	Branson, Town of		Branson	Las Animas	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$250,000	125
040003D	4	Brighton, City of		Brighton	Adams	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,900,000	22,312
050006D	5	Bristol WSD		Bristol	Prowers	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$566,000	200

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990008D	5	Buffalo Creek WD		Buffalo Creek	Jefferson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters	\$57,000	250
960189D	4	Burlington, City of		Burlington	Kit Carson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$6,963,175	3,625
070018D	5	Buttermilk Metropolitan District		Aspen	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$118,000	300
000003D	4	Byers WSD		Byers	Adams	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$354,000	1,200
960012D	5	Canon City, City Of		Canon City	Fremont	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$9,868,500	35,010
010006D	4	Carbondale, Town of		Carbondale	Garfield	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$1,500,000	5,196
960130D	3	Carter Lake Filter Plant WD		Berthoud	Larimer	Improvement / Expansion of Water Treatment Facility	\$12,492,568	50,000
050074D	5	Cascade #1 MD		Cascade	El Paso	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	750
050007D	5	Castle Pines MD		Castle Rock	Douglas	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$10,015,000	3,200
000004D	4	Cedaredge, Town of		Cedaredge	Delta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$3,615,326	2,001
050008D	5	Center, Town of		Center	Saguache	Water Storage Facilities	\$55,000	840
050009D	5	Central City, City of		Central City	Gilpin	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	600
060015D	5	Cherokee MD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$5,500,000	16,500
050067D	3	Clear Creek County	Mill Creek Park WIA	Dumont / Mill Creek	Clear Creek	Improvement / Expansion Of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$83,000	62
050010D	5	Clearwater MD		Denver	Elbert	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,500,000	1,000

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050011D	2	Clifton WD		Clifton	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$12,500,000	35,000
050012D	3	Coal Creek, Town of		Coal Creek	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Meters	\$58,000	383
030009D	4	Colorado Centre MD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$350,000	2,498
050013D	3	Colorado City MD		Colorado City	Pueblo	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$7,500,000	2,318
050014D	3	Columbine Lake WD		Grand Lake	Grand	Distribution / Transmission Lines Construction / Rehabilitation	\$1,600,000	1,100
050015D	5	Copper Mountain Consolidated MD		Copper Mountain	Summit	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,400,000	5,000
050016D	5	Cortez, City of		Cortez	Montezuma	Improvement / Expansion of Water Treatment Facility	\$2,858,925	8,081
960017D	5	Costilla County WSD		San Luis	Costilla	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities;	\$741,000	1,000
990013D	5	Cottonwood WSD		Englewood	Douglas	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$8,540,000	2,375
010009D	3	Craig, City of		Craig	Moffat	Improvement / Expansion of Water Treatment Facility	\$6,000,000	9,300
050017D	5	Creede, Town of		Creede	Mineral	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,100,000	422
960163D	5	Crested Butte South MD		Crested Butte South	Gunnison	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,500,000	900
070015D	5	Crestone, Town of		Crestone	Saguache	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Meters	\$100,000	125
990014D	3	Cripple Creek, Town of		Cripple Creek	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$435,000	1,300
060002D	3	Cucharas SWD		Cuchara	Huerfano	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$900,000	145
050018D	3	Dacono, City of		Dacono	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$2,754,869	4,000

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040005D	3	De Beque, Town of		DeBeque	Mesa	Improvement / Expansion of Water Treatment Facility; Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,277,500	500
980253D	1	Deer Trail, Town Of		Deer Trail	Arapahoe	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$866,000	592
960021D	5	Dillon, Town of		Dillon	Summit	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,981,000	4,000
030016D	3	Dinosaur, Town of		Dinosaur	Moffat	Distribution / Transmission Lines Construction / Rehabilitation;	\$500,000	330
050019D	3	Divide MPC MD		Divide	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$116,500	10
960024D	4	Dolores, Town of		Dolores	Montezuma	Improvement / Expansion of Water Treatment Facility	\$410,000	1,000
040006D	4	Dove Creek, Town of		Dove Creek	Dolores	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$128,000	695
960026D	5	Durango West #1 MD		Durango	La Plata	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,640,000	1,000
040007D	4	Durango West #2 MD		Durango	La Plata	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,020,000	900
020019D	4	Eagle River WSD		Vail	Eagle	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$17,700,000	20,500
070004D	3	Eagle, City of	Western Eagle County Recreation District	Eagle	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Connect to Existing Facility	\$25,000	4,400
000007D	2	East Alamosa WSD		Alamosa	Alamosa	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,100,000	1,432
030017D	5	East Boulder County WD		Boulder	Boulder	Water Storage Facilities	\$170,000	250
010011D	4	East Cherry Creek Valley WSD		Aurora	Arapahoe	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$15,000,000	50,000
020021D	5	East Larimer County WD		Fort Collins	Larimer	Distribution / Transmission Lines Construction / Rehabilitation	\$2,112,000	15,000
960027D	5	East Valley Metro WSD		Centennial	Arapahoe	Water Storage Facilities	\$600,000	300
050020D	5	Eaton, Town of		Eaton	Weld	New Drinking Water Treatment Plant	\$2,500,000	4,000

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050021D	4	Eckley, Town of		Eckley	Yuma	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$775,000	278
060016D	4	Edgewater, City of		Edgewater	Jefferson	Improvement / Expansion of Water Treatment Facility	\$100,000	5,445
060004D	2	Elizabeth, Town of		Elizabeth	Elbert	Improvement / Expansion Of Water Treatment Facility; Water Supply Facilities	\$500,000	1,520
020022D	5	Empire, Town of		Empire	Clear Creek	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Meters	\$750,000	450
030019D	5	Erie, Town of		Erie	Weld	Construction of a New Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$26,600,000	10,000
990019D	3	Estes Park, Town of		Estes Park	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,750,000	5,578
960199D	5	Evans, City of		Evans	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	14,700
050022D	5	Fairplay, Town of		Fairplay	Park	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$600,000	600
960032D	5	Firestone, Town of		Firestone	Weld	New Regional Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$10,133,250	7,000
060019D	3	Flagler, Town of		Flagler	Kit Carson	Improvement / Expansion Of Water Treatment Facility; Water Storage Facilities	\$100,000	631
030021D	4	Florissant WSD		Florissant	Teller	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$250,000	43
960201D	3	Forest Lakes MD (La Plata)		Bayfield	La Plata	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$836,000	1,610
030022D	3	Forest View Acres WD		Monument	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$4,800,000	900
050023D	5	Fort Collins, City of		Fort Collins	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$4,527,000	115,000
050024D	5	Fort Lupton, City of		Fort Lupton	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,500,000	8,000
070008D	3	Fort Morgan, City of		Fort Morgan	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,500,000	12,000

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030023D	3	Fountain Valley Authority		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$1,500,000	400,000
040032D	5	Fountain, City of		Fountain	El Paso	New Drinking Water Treatment Plant; Water Supply Facilities	\$30,000,000	15,675
010013D	5	Fowler, Town of	Westcamp	Fowler	Otero	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$100,000	1,700
960038D	4	Fowler, Town of		Fowler	Otero	Improvement / Expansion of Water Treatment Facility; Meters	\$500,000	1,700
980250D	5	Franktown Business Area MD	Douglas County	Franktown	Douglas	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$6,500,000	200
050025D	3	Fraser, Town of		Fraser	Grand	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Meters	\$1,534,500	996
030025D	1	Genesee WSD		Golden	Jefferson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,000,000	4,010
960161D	5	Genoa, Town of		Genoa	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation	\$585,000	211
030026D	5	Georgetown, Town of		Georgetown	Clear Creek	New Drinking Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,500,000	1,125
040009D	4	Glenwood Springs, City of		Glenwood Springs	Garfield	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$9,445,000	8,000
070019D	5	Grace Mar Water District	Grace Mar Water Inc.	Lafayette	Boulder	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$80,000	27
990021D	5	Granada, Town of		Granada	Prowers	Water Storage Facilities	\$146,000	640
960136D	5	Grand Junction, City of		Grand Junction	Mesa	Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	40,000
960174D	4	Grand Lake, Town of		Grand Lake	Grand	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$3,000,000	476
070013D	5	Grover, Town of		Grover	Weld	Water Supply Facilities	\$6,000	154
050027D	5	Gunnison County	Dos Rios Water	Gunnison	Gunnison	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$3,900,000	750

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010015D	2	Gunnison County	Somerset Domestic WD	Somerset	Gunnison	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$465,000	520
990009D	4	Gunnison, City of		Marble	Gunnison	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$515,100	104
990045D	4	Hamilton Creek MD		Silverthorne	Summit	Improvement / Expansion of Water Treatment Facility	\$2,000,000	200
030028D	4	Hartman, Town of		Hartman	Prowers	Construction of a New Water Treatment Facility; Water Storage Facilities	\$450,000	108
010016D	1	Haswell, Town Of		Haswell	Kiowa	Improvement / Expansion of Water Treatment Facility	\$180,000	84
050028D	3	Haxtun, Town of		Haxtun	Phillips	Distribution / Transmission Lines Construction / Rehabilitation	\$50,000	999
960137D	4	Hayden, Town of		Hayden	Routt	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,425,000	1,700
960171D	1	Highland Lakes WD		Divide	Teller	Construction of a New Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,950,000	800
020020D	5	Hi-Land Acres WSD		Brighton	Adams	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$700,000	350
040033D	2	Hillrose, Town of		Hillrose	Morgan	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Connect to Existing Facility; Consolidation of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Meters	\$1,721,952	275
960045D	5	Holly, Town of		Holly	Prowers	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$144,000	1,048
990023D	4	Holyoke, City of		Holyoke	Phillips	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,575,000	2,273
020032D	5	Hoover Hill WSD		Boulder	Boulder	Meters	\$100,000	265
960047D	1	Hot Sulphur Springs, Town of		Hot Sulphur Springs	Grand	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,600,000	534
010017D	2	Hotchkiss, Town of		Hotchkiss	Delta	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility	\$2,000,000	2,000
020023D	4	Hudson, Town of		Hudson	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$522,000	1,565

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010018D	5	Idaho Springs, City of		Idaho Springs	Clear Creek	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$800,000	1,885
020018D	5	Idledale WSD		Lakewood	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$400,000	455
960050D	3	Ignacio, Town of		Ignacio	La Plata	Distribution / Transmission Lines Construction / Rehabilitation; Meters	\$950,000	740
030029D	1	Indian Hills WD		Indian Hills	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$340,344	1,100
960051D	3	Jamestown, Town of		Jamestown	Boulder	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$330,000	250
050029D	2	Julesburg, Town of		Julesburg	Sedgwick	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Well Rehabilitation	\$350,000	1,467
030031D	5	Keenesburg, Town of		Keenesburg	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$503,000	1,200
030032D	2	Ken Caryl West Ranch WD		Morrison	Jefferson	New Regional Water Treatment Facilities; Water Storage Facilities	\$300,000	100
960208D	5	Kersey, Town of		Kersey	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$2,200,000	1,420
030033D	5	Kim, Town of		Kim	Las Animas	Water Meters	\$115,000	76
960055D	5	Kiowa, Town of		Kiowa	Elbert	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,300,000	660
960056D	2	Kit Carson, Town of		Kit Carson	Cheyenne	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Water Supply Facilities; Water Storage Facilities	\$450,000	250
960057D	3	Kremmling, Town of		Kremmling	Grand	Distribution / Transmission Lines Construction / Rehabilitation	\$1,575,600	1,900
040011D	5	La Jara, Town Of		La Jara	Conejos	Distribution / Transmission Lines Construction / Rehabilitation; Meters	\$1,000,000	850
000002D	3	La Junta, City of	Bent's Fort WUA	La Junta	Otero	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$655,000	1,500
030035D	3	La Junta, City of	Eureka Water Co (1)	La Junta	Otero	Improvement / Expansion Of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,649,000	498
000039D	3	La Junta, City of	Homestead Improvement Assoc Inc	La Junta	Otero	Consolidation Of Water Treatment Facilities	\$98,000	65

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990026-2D	5	La Junta, City of		La Junta	Otero	Consolidation of Water Treatment Facilities; Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,400,000	8,400
020024D	3	La Veta, Town of		La Veta	Huerfano	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,050,000	960
050030D	5	Lake City, Town of		Lake City	Hinsdale	Distribution / Transmission Lines Construction / Rehabilitation; Meters	\$500,000	500
070012D	4	Lake County	Mountain View Village	Leadville	Lake	Construction of a new Water Treatment Facility; Connect To Existing Facility; Water Storage Facilities	\$1,800,000	1,000
980252D	5	Lake Creek MD		Edwards	Eagle	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$350,000	230
060013D	5	Lakewood, City of		Lakewood	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$1,500,000	143,500
050031D	5	Lamar, City of		Lamar	Prowers	Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	9,500
070003D	2	Larimer County	Glacier View Meadows WS Assoc	Livermore	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$51,050	400
960061D	2	Larkspur, Town of		Larkspur	Douglas	Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$2,474,500	280
050032D	5	Las Animas, City of		Las Animas	Bent	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	2,758
050033D	5	Limon, Town of		Limon	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,269,130	3,000
060009D	3	Little Thompson WD		Berthoud	Larimer	Improvement / Expansion of Water Treatment Facility	\$6,071,000	7,000
020004D	2	Lochbuie, Town of		Lochbuie	Weld	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$5,500,000	3,200
030040D	1	Log Lane Village, Town of		Log Lane Village	Morgan	New Drinking Water Treatment Plant; Connect To Existing Facility; Improvement / Expansion of Water Treatment Facility; Water Storage Facilities;	\$3,700,000	1,006
030070D	4	Longmont, City of		Longmont	Boulder	New Drinking Water Treatment Plant	\$60,000,000	70,000
060010D	5	Lookout Mountain WD		Golden	Jefferson	Improvement / Expansion Of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Meters	\$140,000	1,300

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060014D	3	Loveland, City of		Loveland	Larimer	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$6,000,000	63,000
960067D	3	Lyons, Town of		Lyons	Boulder	Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$8,000,000	1,617
000011D	4	Mancos, Town Of		Mancos	Montezuma	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$850,000	1,140
050034D	3	Manitou Springs, City of		Manitou Springs	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,440,000	5,000
020005D	5	Meeker, Town Of		Meeker	Rio Blanco	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities	\$125,000	2,300
960214D	4	Mesa Cortina WSD		Silverthorne	Summit	Distribution / Transmission Lines Construction / Rehabilitation	\$250,000	800
070016D	5	Mesa County	Ute WCD - Brunner's Artesian WS	Grand Junction	Mesa	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	251
010024D	5	Mesa WSD		Mesa	Mesa	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$175,000	400
050035D	5	Milliken, Town of		Milliken	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,900,000	3,900
050036D	5	Monte Vista, City of		Monte Vista	Rio Blanco	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,500,000	5,000
960071D	5	Montezuma, Town Of		Montezuma	Summit	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,015,000	42
030042D	5	Monument, Town of		Monument	El Paso	Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,325,000	1,900
960073D	5	Morgan County Quality WD		Fort Morgan	Morgan	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,759,000	6,000
050037D	3	Morrison Creek Metro WSD		Stagecoach	Routt	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Meters	\$1,400,000	700

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Drinking Water Revolving Fund Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
960074D	3	Morrison, Town of		Morrison	Jefferson	Construction of a New Water Treatment Facility; Connect to Existing Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$3,000,000	400
960075D	4	Mount Crested Butte WSD		Mt Crested Butte	Gunnison	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$6,000,000	6,000
040015D	2	Mountain WSD		Conifer	Jefferson	Improvement / Expansion of Water Treatment Facility	\$600,000	900
010025D	5	Munn's Addition WSD		Brush	Morgan	Consolidation Of Water Treatment Facilities; Water Supply Facilities	\$500,000	80
070011D	5	Naturita, Town of	Mustang WA	Naturita	Montrose	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	629
060027D	3	Nederland, Town of		Nederland	Boulder	Improvement / Expansion of Water Treatment Plant	\$2,800,000	1,700
960078D	3	North Shore WSD		Granby	Grand	Distribution / Transmission Lines Construction / Rehabilitation	\$1,800,000	275
040016D	5	Northern Douglas County WSD	Chatfield East Estates Inclusion	Littleton	Douglas	Consolidation Of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$3,100,000	400
030043D	5	Northern Douglas County WSD	McArthur Ranch inclusion	Littleton	Douglas	Consolidation Of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,100,000	230
960080D	3	Norwood, Town of	Norwood Water Commission	Norwood	San Miguel	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,100,000	1,200
960082D	5	Oak Creek, Town of		Oak Creek	Routt	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Meters	\$1,277,804	875
960084D	3	Olde Stage WD		Boulder	Boulder	Water Storage Facilities	\$300,000	213
030044D	3	Ophir, Town of		Ophir	San Miguel	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$400,000	125
960085D	5	Orchard City, Town of		Orchard City	Delta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$950,000	4,500
030045D	5	Ordway, Town of		Ordway	Crowley	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,100,000	1,322
070001D	2	Otero County	South Swink Water Co.	Swink	Otero	New Drinking Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities; Connect To Existing Facility	\$400,000	600
070020D	2	Otero County	Valley Water Co		Otero	Improvement / Expansion Of Water Treatment Facility	\$100,000	270
070007D	2	Otero County	Valley Water Company	Manzanola	Otero	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facility	\$200,000	111

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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
030051D	5	Ouray, City of		Ouray	Ouray	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	813
050038D	5	Ovid, Town of		Ovid	Sedgwick	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities; Water Meters	\$1,500,000	333
960087D	5	Pagosa Area WSD		Pagosa Springs	Archuleta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$13,405,448	10,000
030052D	4	Paint Brush Hills MD		Falcon	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,145,000	1,200
040022D	3	Palisade, Town of		Palisade	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,200,000	2,645
010028D	5	Palmer Lake, Town of		Palmer Lake	El Paso	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	2,300
000015D	5	Paonia, Town of		Paonia	Delta	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,500,000	2,400
030053D	4	Parachute, Town of		Parachute	Garfield	Improvement / Expansion of Water Treatment Facility	\$800,000	1,301
010033D	3	Parkville WD		Leadville	Lake	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$750,000	6,000
960092D	4	Penrose WD		Penrose	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Meters	\$2,000,000	3,280
960219D	5	Perry Park WSD		Larkspur	Douglas	Water Storage Facilities; Water Supply Facilities	\$1,500,000	2,912
010030D	5	Phillips County	Amherst Unincorp Area	Amherst	Phillips	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$250,000	85
070002D	5	Pierce, Town of		Pierce	Weld	New Wastewater Treatment Plant; Improvement / Expansion of Water Treatment Facility;	\$1,630,000	884
990035D	2	Pine Drive WD		Beulah	Pueblo	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$180,000	500

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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
960093D	2	Pinewood Springs WD		Pinewood Springs	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$330,000	800
010031D	5	Pioneer Lookout WD		Monument	El Paso	Distribution / Transmission Lines Construction / Rehabilitation	\$10,500	85
060011D	3	Platte Canyon WSD		Littleton	Jefferson	Distribution/Transmission Lines Construction/Rehabilitation	\$400,000	196
960094D	5	Platteville, Town Of		Platteville	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,200,000	2,500
050039D	3	Poncha Springs, Town of		Poncha Springs	Chaffee	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,350,000	553
050040D	5	Powderhorn MD		Mesa	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,000,000	499
050041D	3	Pritchett, Town of		Pritchett	Baca	Water Storage Facilities	\$533,000	150
990036D	5	Project 7 WA		Montrose	Montrose	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$12,500,000	40,000
020035D	3	Prowers County	May Valley Water Assoc	Wiley	Prowers	Improvement / Expansion Of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$50,000	1,500
010050D	4	Pueblo West MD		Pueblo West	Pueblo	Distribution / Transmission Lines Construction / Rehabilitation	\$3,500,000	4,500
050042D	5	PV Water and Sanitation MD		Adams or Weld Co	Weld	New Regional Water Treatment Facilities; Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,000,000	10,000
960225D	5	Rainbow Valley WD		Woodland Park	Teller	Distribution / Transmission Lines Construction / Rehabilitation	\$62,000	135
060012D	5	Ralston Valley WSD		Arvada	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$1,300,000	1,300
020006D	5	Rangely, Town of		Rangely	Rio Blanco	Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	2,200
050043D	2	Raymer, Town of		Raymer	Weld	Improvement / Expansion of Water Treatment Facility	\$300,000	73
040023D	4	Red Cliff, Town of		Red Cliff	Eagle	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$100,000	350
040024D	4	Red Rock Valley Estates WD		Colorado Springs	El Paso	Distribution / Transmission Lines Construction / Rehabilitation	\$10,000	220
060022D	4	Redstone WSD		Redstone	Pitkin	Improvement / Expansion of Water Treatment Facility	\$100,000	180

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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
050044D	5	Resource Colorado Water and Sanitation MD		Adams or Weld Co	Weld	New Regional Water Treatment Facilities; Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$40,000,000	10,000
960098D	1	Rico, Town of		Rico	Dolores	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$200,000	250
960099D	5	Ridgewood WD		Woodland Park	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,055,000	95
040025D	4	Ridgway, Town of		Ridgway	Ouray	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$750,000	760
020007D	1	Rifle, City of		Rifle	Garfield	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Eliminate Raw Water Taps	\$14,000,000	8,200
960227D	4	Rocky Ford, City of		Rocky Ford	Otero	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,050,000	4,213
050045D	3	Romeo, Town of		Romeo	Conejos	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$234,000	430
020028D	3	Round Mountain WSD		Westcliffe	Custer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,280,000	900
960160D	4	Routt County	Hahn's Peak	Steamboat Springs	Routt	Eliminate Individual Private Wells; Water Supply Facilities	\$1,800,000	150
960164D	5	Roxborough WSD		Littleton	Douglas / Jefferson / Arapahoe	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$12,788,000	8,096
960102D	5	Rye, Town Of		Rye	Pueblo	Improvement / Expansion of Water Treatment Facility	\$100,000	230
960142D	3	Saguache, Town of		Saguache	Saguache	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$150,000	573
990039D	4	Salida, City of		Salida	Chaffee	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,150,000	5,504
040026D	3	San Juan River Village MD		Pagosa Springs	Archuleta	Improvement / Expansion of Water Treatment Facility	\$550,000	500
030059D	4	San Luis WSD		San Luis	Costilla	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities; Meters	\$630,000	739

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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
960104D	5	Sanford, Town of		Sanford	Conejos	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$250,000	783
030060D	5	Sawpit, Town of		Sawpit	San Miguel	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$130,000	45
960105D	5	Sedalia WSD		Sedalia	Douglas	Improvement of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,525,000	220
040027D	3	Sedgwick, Town Of		Sedgwick	Sedgwick	Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Meters	\$769,000	183
000017D	5	Seibert, Town Of		Seibert	Kit Carson	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$300,393	194
030061D	5	Severance, Town of		Severance	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$929,000	1,050
070009D	5	Sheridan, City of	Oxford to Union SID	Sheridan	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation; Connect to Existing Facility	\$1,107,000	5,250
020008D	5	Silt, Town Of		Silt	Garfield	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,600,000	2,400
050075D	5	Silver Heights WSD		Castle Rock	Douglas	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,600,000	350
960107D	1	Silver Plume, Town Of		Silver Plume	Clear Creek	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Meters	\$2,562,388	1,220
990041D	4	Silverton, Town Of		Silverton	San Juan	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Meters	\$3,230,000	550
040028D	1	Simla, Town of		Simla	Elbert	Improvement / Expansion of Water Treatment Facility	\$100,000	550
030062D	5	South Adams County WSD		Commerce City	Adams	Water Storage Facilities	\$2,000,000	35,000
030063D	5	South Fork WSD		South Fork	Rio Grande	New Regional Water Treatment Facilities; Consolidation Of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,000,000	1,000

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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
040029D	4	Southeast La Plata Rural WD		Durango	La Plata	Construction of a New Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$15,048,000	4,900
050046D	1	Springfield, Town of		Springfield	Baca	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$1,000,000	1,500
960145D	5	St Charles Mesa WD		Pueblo	Pueblo	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$3,570,000	11,500
030064D	4	Steamboat Lake WSD		Clark	Routt	Construction of a New Water Treatment Facility; Water Storage Facilities; Water Supply Facilities; Meters	\$650,000	300
960156D	2	Sterling, City of		Sterling	Logan	New Regional Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$12,500,000	13,916
050047D	3	Stonegate Village MD		Parker	Douglas	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,000,000	8,000
980244D	5	Stratmoor Hills WD		Colorado Springs	El Paso	New Regional Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Meters	\$797,374	6,300
050048D	5	Stratton, Town of		Stratton	Kit Carson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$1,000,000	669
960230D	5	Summit Ridge WD		Mancos	Montezuma	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$700,000	1,400
050049D	3	Tabernash Meadows WSD	Pole Creek Subdivision	Tabernash	Grand	New Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Water Supply Facilities	\$2,000,000	100
040030D	5	Teller County #1 WSD		Woodland Park	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$600,000	625
010036D	5	Telluride, Town of		Telluride	San Miguel	Construction of a New Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$9,550,000	5,000
020010D	5	Thunderbird WSD		Sedalia	Douglas	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$720,000	425
070005D	5	Tri-County Water Conservancy District	Ouray Regional Water Treatment Plant	Ridgway	Ouray	New Regional Water Treatment Plant; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,000,000	16,000

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Drinking Water Revolving Fund Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
990046D	4	Trinidad, City of		Trinidad	Las Animas	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$17,800,000	9,254
050050D	5	Turkey Canyon Ranch WD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$300,000	75
040031D	2	Two Buttes, Town of		Two Buttes	Baca	Improvement / Expansion of Water Treatment Facility	\$100,000	100
050051D	5	Upper Eagle Regional WA		Avon, Edwards	Eagle	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$9,180,000	32,500
050052D	1	Vilas, Town of		Vilas	Baca	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$300,000	147
060023D	3	Vona, Town of		Vona	Kit Carson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$100,000	95
960115D	3	Walden, Town of		Walden	Jackson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$1,900,000	734
050053D	5	Walsenburg, City of		Walsenburg	Huerfano	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	4,119
990047D	5	Walsh, Town of		Walsh	Baca	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$425,000	731
050054D	5	Watkins, Town of	Prairie View Subdivision	Watkins	Arapahoe	Water Supply Facilities	\$125,000	5,530
060017D	4	Wellington, Town of		Wellington	Larimer	Construction of a New Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,100,000	4,600
030068D	5	West Fort Collins WD		Fort Collins	Larimer	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,000,000	4,000
960231D	3	Westcreek Lakes WD		Sedalia	Douglas	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$100,000	150
050055D	3	Westminster, City of		Westminster	Adams	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$26,500,000	110,000
990048D	3	Westwood Lakes WD		Woodland Park	Teller	Distribution / Transmission Lines Construction / Rehabilitation	\$650,000	378
060025D	3	Widefield WSD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$100,000	25,000
050056D	5	Wiggins, Town of		Wiggins	Morgan	Water Storage Facilities; Water Supply Facilities; Pipeline	\$500,000	900
960233D	4	Wiley, Town of		Wiley	Prowers	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$900,000	500
020015D	5	Williamsburg, Town Of		Williamsburg	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$650,000	336

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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
050057D	5	Will-O-Wisp MD		Bailey	Park	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Meters	\$48,000	320
990049D	5	Wilson Mesa MD	Wilson Mesa Ranch	Telluride	San Miguel	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$155,000	150
020030D	4	Winter Park WSD		Winter Park	Grand	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,499,000	36,000
060026D	4	Woodlin School District 104		Woodrow	Washington	Improvement / Expansion of Water Treatment Facility	\$100,000	200
020038D	5	Woodmoor #1 WSD		Monument	El Paso	Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities; Meters	\$2,100,000	7,500
050058D	5	Wray, City of		Wray	Yuma	New Regional Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$4,000,000	2,087
960238D	5	Yampa, Town of		Yampa	Routt	Water Storage Facilities	\$1,000,000	459
030069D	3	Yuma, City of		Yuma	Yuma	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,620,000	3,300

Total: \$888,297,606

APPENDIX B
FY 2007
Drinking Water Revolving Fund Project Priority / Fundable List

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	2007 Loan Amount	^DC	Expected Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description
050005D	1	87	Boone, Town of	Pueblo	151150	326	\$514,297	Y	10/2006	30	D	0	Exceeding MCL for nitrate / nitrite.	Improvements to water supply; installation of new treatment plant; rehabilitate existing storage tanks; and distribution system upgrades.
960107D	1	80	Silver Plume, Town of	Clear Creek	110035	1,220	\$450,000	Y	5/2007	30	D	1.75	Replace aged infrastructure to eliminate natural disaster potential and maintain SDWA compliance.	Construct new treatment plant outside natural disaster area; upgrade water tank; and distribution system replacement and improvements.
040033D	2	97	Hillrose, Town of	Morgan	144010	275	\$1,095,158	Y	10/2006	30	D	0	Replace aged infrastructure to comply with primary and secondary drinking water standards; improve storage facilities to prevent contamination.	Connection to Morgan Co. Quality WD including well rehabilitation; piping; new treatment facility; storage tank; distribution system with meters and hydrants.
000001D	2	95	Alamosa, City of	Alamosa	102100	8,300	\$12,000,000	N	5/2007	20	L	3.5	Exceeding MCL for arsenic	Construct new 5.04 MGD treatment plant; install transmission lines between 6 wells and new plant and install irrigation lines to large users to reduce treated water demand.
000007D	2	90	East Alamosa WSD	Alamosa	102200	1,432	\$2,000,000	Y	5/2007	30	D	0	Exceeding MCL for arsenic	Connection to the City of Alamosa proposed treatment plant including cost sharing of capital costs; a new water supply pipeline for district system; new water tank; pumps; control system and meters.
960061D	2	80	Larkspur, Town of	Douglas	118030	280	\$1,730,000	N	5/2007	20	D	3.75	Exceeding MCL for radium.	Construct WTP, upgrade distribution lines.
040022D	3	50	Palisade, Town of	Mesa	139600	2,645	\$6,500,000	Y	5/2006 and 10/2006*	30/20*	D/L*	0/3.5*	Aged water treatment plant and inadequate treated water storage.	Construct new 2 MGD treatment plant and 2.5 MG storage tank.
960115D	3	47	Walden, Town of	Jackson	129834	734	\$900,000	Y	9/2006	30	D	1.75	The 24 year old plant must be replaced to reduce chemical usage and enhance filtration.	Improvement to drinking water treatment plant; water storage facilities.
060002D	3	35	Cucharas SWD	Huerfano	128100	145	\$269,000	N	1/2007	20	D	3.75	Inadequate looping, flushing and circulation as well as winter freezing of distribution lines.	Distribution system improvements.
050025D	3	25	Fraser, Town of	Grand	125288	996	\$384,200	N	5/2007	20	D	3.75	The system is not metered. This creates problems in effectively managing water usage and promoting water conservation.	Installation of approximately 350 water meters, installation and replacement of transmitting units and installation of back-flow prevention devices.

*The \$6M loan for Palisade will be comprised of a \$4.5M leveraged loan and a \$2M DC loan.

**APPENDIX B
FY 2007
Drinking Water Revolving Fund Project Priority / Fundable List**

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	2007 Loan Amount	^DC	Expected Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description
050021D	4	36	Eckley, Town of	Yuma	163001	278	\$775,000	Y	10/2007	30	D	0	Exceeding MCL for arsenic	Treatment plant improvements to remove arsenic.
960161D	5	60	Genoa, Town of	Lincoln	137005	211	\$175,000	Y	1/2007	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Install new distribution lines
960105D	5	55	Sedalia WSD	Douglas	118060	220	\$2,000,000	Y	5/2007	30	D	1.75	Replace aged infrastructure for compliance with Total Coliform Rule and upcoming Groundwater Rule.	New chemical feed system, well redevelopment; pump upgrades; new storage tanks; transmission line installation and distribution system improvements including hydrants.
990013D	5	45	Cottonwood WSD	Douglas	118020	2,375	\$10,000,000	N	10/2006	20	L	3.75	Iron, maganese and hydrogen sulfide contamination.	Construct water treatment plant; new water supply wells; pipelines serving plant and property acquisition.
960126D	5	45	Arapahoe County WWA	Arapahoe	203002	24,536	\$15,800,000	N	10/2006	20	L	3.75	Replace aged infrastructure to ensure compliance with Enhanced Surface Water Treatment Rules.	Construct water treatment plant; new water supply wells; install pipelines serving new plant; and property acquisition for new plant.
960055D	5	42	Kiowa, Town of	Elbert	122015	660	\$1,900,000	N	5/2007	20	L	3.75	Inadequate pressure in water lines.	Construct new storage tank, transmission mains and booster pump stations.
060012D	5	35	Ralston Valley WSD	Jefferson	130667	1,300	\$1,300,000	N	5/2007	20	D	3.75	Aged transmission and distribution system that may cause contamination if not replaced. Compliance with Total Coliform Rule.	Install pressure reducing stations, new distribution lines; control valves and fire hydrants.
030045D	5	20	Ordway, Town of	Crowley	113700	1,322	\$200,000	Y	1/2007	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Install new distribution lines

Total: \$57,992,655

^DC - Disadvantaged Communities
Y-Yes, N-No

*The \$6M loan for Palisade will be comprised of a \$4.5M leveraged loan and a \$2M DC loan.

APPENDIX C
Drinking Water Revolving Fund
Additions to the 2006 Project Eligibility List

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
070006D	1	Arabian Acres Metropolitan District		Woodland Park	Teller	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$362,000	300
070017D	5	Aspen Village Metropolitan District		Aspen	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation	\$100,000	300
070018D	5	Buttermilk Metropolitan District		Aspen	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$118,000	300
050067D	3	Clear Creek County	Mill Creek Park Water & Improvement Assoc.	Dumont	Clear Creek	Construction of a new Water Treatment Facility; Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$325,000	38
070015D	5	Crestone, Town of		Crestone	Saguache	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Meters	\$100,000	125
070004D	3	Eagle, City of	Western Eagle County Recreation District	Eagle	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Connect to Existing Facility	\$25,000	4,400
070008D	3	Fort Morgan, City of		Fort Morgan	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,500,000	12,000
070019D	5	Grace Mar Water District	Grace Mar Water Inc.	Lafayette	Boulder	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$80,000	27
070013D	5	Grover, Town of		Grover	Weld	Water Supply Facilities	\$6,000	154
000002D	3	La Junta, City of	Bent's Fort WUA	La Junta	Otero	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$655,000	1,500
030035D	3	La Junta, City of	Eureka Water Co (1)	La Junta	Otero	Improvement / Expansion Of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,649,000	498
000039D	3	La Junta, City of	Homestead Improvement Assoc Inc	La Junta	Otero	Consolidation Of Water Treatment Facilities	\$98,000	65
070012D	4	Lake County	Mountain View Village	Leadville	Lake	Construction of a new Water Treatment Facility; Connect To Existing Facility; Water Storage Facilities	\$1,800,000	1,000
070003D	2	Larimer County	Glacier View Meadows WS Assoc	Livermore	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$51,050	400
070016D	5	Mesa County	Ute WCD - Brunner's Artesian WS	Grand Junction	Mesa	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	251
070011D	5	Naturita, Town of		Naturita	Montrose	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	629
070001D	2	Otero County	South Swink Water Co.	Swink	Otero	New Drinking Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities; Connect To Existing Facility	\$400,000	600
070020D	2	Otero County	Valley Water Co		Otero	Improvement / Expansion Of Water Treatment Facility	\$100,000	270
070007D	2	Otero County	Valley Water Company	Manzanola	Otero	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facility	\$200,000	111
010030D	5	Phillips County	Amherst Unincorp Area	Amherst	Phillips	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$250,000	85
070002D	5	Pierce, Town of		Pierce	Weld	New Wastewater Treatment Plant; Improvement / Expansion of Water Treatment Facility;	\$1,630,000	884
020035D	3	Prowers County	May Valley Water Assoc	Wiley	Prowers	Improvement / Expansion Of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$50,000	1,500

APPENDIX C
Drinking Water Revolving Fund
Additions to the 2006 Project Eligibility List

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
070009D	5	Sheridan, City of	Oxford to Union SID	Sheridan	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation; Connect to Existing Facility	\$1,107,000	5,250
070005D	5	Tri-County Water Conservancy District	Ouray Regional Water Treatment Plant / Town of Ridgeway	Ridgeway	Ouray	New Regional Water Treatment Plant; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,000,000	16,000

APPENDIX C
Drinking Water Revolving Fund
Deletions from the 2006 Project Eligibility List

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
010037D	4	Victor, City of		Victor	Teller	Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities	\$1,000,000	600
960033D	3	Florence, City of		Florence	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$13,800,000	5,000
000009D	5	Fort Garland WSD		Fort Garland	Costilla	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Meters	\$300,000	350
960151D	3	Mesa County	Artesian Water Services	Grand Junction	Mesa	Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,000,000	300
020027D	3	Nucla, Town of	Mustang WA	Nucla	Montrose	Improvement / Expansion of Water Treatment Facility; Consolidation Of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$2,400,000	635
060021D	3	Otis, Town of		Otis	Washington	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$100,000	532

ATTACHMENT 1

Drinking Water Revolving Fund Rules



**Colorado Department
of Public Health
and Environment**

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Water Quality Control Division

5 CCR 1003-3

**STATE BOARD OF HEALTH
DRINKING WATER REVOLVING FUND RULES**

(Last Amended September 15, 2004, effective November 30, 2004)

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Water Quality Control Division

5 CCR 1003-3

**STATE BOARD OF HEALTH
DRINKING WATER REVOLVING FUND RULES**

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DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Water Quality Control Division

5 CCR 1003-3

STATE BOARD OF HEALTH DRINKING WATER REVOLVING FUND RULES

A. 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 (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, which is part of the annual Intended Use Plan. Codified at sections 37-95-103 and 37-95-107.8, C.R.S., the statutes direct the State 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 complies with 40 CFR part 35, subpart I, and provides for the Board of Health's approval of the Intended Use Plan including additions and modifications to the Project Eligibility List and the Priority / Fundable List.

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 25-1.5-203, C.R.S., also provides authority for this regulation.

B. Definitions

Section 1.2.2 of the Colorado Primary Drinking Water Regulations 5 CCR 1003-1, contains 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" - 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" - A situation where the Division has identified a maximum contaminant level (MCL) violation or a treatment technique violation. Funding for these projects must 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 MCLs (other than those listed as acute) and treatment technique requirements. Chronic contaminant health effects occur after years of exposure.

- (6) "Other Future Needs" - Those needs in situations where a 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" - Temporary managerial or technical steps to protect public health during the time period when the public water system 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" – A situation where a public water system has periodically exceeded an MCL, has levels greater than 50 percent 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 (DWRF), as

adopted and from time to time modified in accordance with Section 37-95-107.8(4), C.R.S. The list shall consist of projects that 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) "Public water system" - (PWS) A system for the provision to the public of water for human consumption through pipes or other constructed conveyances, if such system has at least fifteen service connections or regularly serves an average of at least twenty-five individuals daily at least 60 days out of the year. Such term includes:
 - (a) Any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system.
 - (b) Any collection or pretreatment storage facilities not under such control, which are used primarily in connection with such system.
- (12) "Source Water Protection" - Structural or nonstructural source water protection activities done in addition to area delineation and contaminant assessment.
- (13) "Treatment Facilities" - Any devices or systems used in the collection, storage, treatment, transmission, diversion, or distribution of water intended for drinking water purposes.
- (14) "Wastewater Treatment Plant Sludge" - The accumulated solids resulting from treatment of domestic wastewater.
- (15) "Water Conservation" - Any structural or nonstructural water conservation measure that achieves a reduction in water consumption for a PWS or 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 that 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.
- (16) "Water Treatment Plant Sludge" - The accumulated solids resulting from treatment of water for domestic use.

C. Purpose

- (1) 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.
- (2) An annual Intended Use Plan (IUP) is required by the SDWA to provide information about how the state will assist communities with their drinking water needs. Included in the IUP is the Project Eligibility List, which is a comprehensive list identifying governmental agencies with drinking water project needs, and the Priority / Fundable List, identifying prioritized PWS projects that are eligible for financial assistance from the DWRF. The project priority system is intended to establish priorities for the DWRF 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.
- (3) It is also the policy of the Board of Health to encourage consolidation of drinking water systems and to promote water conservation where practicable.
- (4) It is the policy of the Board of Health and the Water Quality Control Commission to promote beneficial use of sludge created by treatment processes of a PWS.
- (5) Any applicant for financial assistance from the DWRF must comply with policies and procedures and other requirements of the Authority.

D. Intended Use Plan Procedures

The Division, in cooperation with the Division of Local Government and the Authority, shall develop an annual IUP. The Division shall recommend the IUP to the Board of Health each year for final agency action at a public hearing, and shall also provide for public notice and an opportunity to comment to comply with the SDWA.

The IUP shall include:

- (1) The Project Eligibility List and Priority / Fundable List of projects.
- (2) Descriptions of:
 - (a) Criteria and method used for distribution of funds
 - (b) Financial status of the DWRF program
 - (c) Short and long term goals of the DWRF program
 - (d) Amounts transferred between the DWRF and the Water Pollution Control Revolving Fund

- (e) Set-aside activities and the percentage of the capitalization grant to be used
 - (f) How a state disadvantaged community program will be defined and utilized, if applicable; and
- (3) Any other material that may be required by the SDWA.

E. Project Eligibility List and Priority / Fundable List Procedures

- (1) The Project Eligibility List is the comprehensive list of projects showing current and future needs of PWS improvements. 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 at a public hearing. The list shall be forwarded to the General Assembly each year on or before January 15; once approved by the General Assembly, the Authority is able to provide assistance to the governmental agencies with projects on the Project Eligibility List.
- (2) As required by federal regulations, all projects, except projects funded on an emergency basis, shall be prioritized before receiving assistance from the DWRP. The Priority / Fundable List includes projects from the Project Eligibility List that are ready for funding and have been prioritized by the Division based on information provided by the PWS. The Priority / Fundable List shall include:
- (a) The name of the public water system;
 - (b) Priority points and rank assigned to the project;
 - (c) A description of the project;
 - (d) The expected terms of the financial assistance; and
 - (e) Population of the PWSs service area
- (3) Projects on the Priority / Fundable List will be financed in priority order; however, exceptions for funding out of priority order shall be allowed due to one or more of the following reasons:
- (a) Certain governmental agencies are not ready to proceed with the project;
 - (b) Certain governmental agencies do not wish to participate in the DWRP, or they have received funding from other sources;
 - (c) Certain governmental agencies (on the list) had an emergency situation occur during the funding year; or
 - (d) Certain governmental agencies are 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.)

F. Priority System

- (1) All PWSs with identified water quality problems related to health and compliance issues may be included in one of the categories listed below.
- (2) All PWS projects that fall into one of the categories listed below and have a pre-planning, planning, or pre-design document that describes a project to correct the water quality problem, shall be prioritized as ready for funding on the Priority / Fundable List.
- (3) Funding for the projects under each category shall result in the PWSs complying with existing regulatory requirements.
- (4) Eligible Project Criteria

Categories were developed to emphasize the most immediate public health and compliance issues. Projects on the Project 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 have violations caused by poor operation and maintenance procedures or are under an administrative order for violating reporting requirements.

- (5) Categories By Priority Ranking
 - (a) 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.
 - (b) 2 - Chronic (long term) Health Hazard. The Division has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant.
 - (c) 3 - Potential Acute Health Hazard. The PWS has periodically exceeded an acute MCL, has levels greater than 50 percent 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.
 - (d) 4 - Potential Chronic Health Hazard. The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short term problems meeting other treatment technique requirements.
 - (e) 5 - Other Future Needs. The PWS 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.

(6) Priority Point Assignments Within Each Category

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

- (a) Population. Points shall be assigned to PWSs 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

- (b) Financial Need. Points shall be assigned to PWSs in accordance with the following “financial need criteria:”

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

over 3 percent	20 points
over 2 percent; up to 3 percent	15 points
over 1 percent; up to 2 percent	10 points

- (ii) Local burden (total project cost per equivalent residential tap):

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

- (c) Consolidation. Fifteen points shall be assigned to a PWS if the project includes consolidating two or more PWSs.

- (d) Water Conservation. Five points shall be assigned to a PWS if the PWS implements a water conservation measure.

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

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

- (g) Health Risk. To further clarify the ranking of PWS projects, the Division shall assign up to twenty points for a PWSs health risks. Determination of the health risk will be made based upon the type and level of contaminant present within categories.

G. Disadvantaged Communities Procedures

Under the SDWA, states are authorized to establish Disadvantaged Communities Programs. The following procedures describe the approval and amendment process for Colorado's annual IUP as it relates to the administration of its Disadvantaged Communities Program. The Division, Authority and the Division of Local Government may recommend Program changes based on actual program implementation and the results of periodic reviews conducted hereunder. Approval of any and all changes in the IUP is subject to final agency action by the Board of Health.

- (1) The DWRF may provide additional loan subsidies for governmental entities that are determined to be "disadvantaged." The definition/criteria of a disadvantaged community and the nature of the loan subsidies to be made available thereto shall be recommended for inclusion in the IUP by the Division and the Authority in consultation with the Division of Local Government. Subsidies, such as extended loan repayment terms and reduced interest rates at or above zero percent, are not subject to the thirty percent cap of the federal capitalization grant.
- (2) While compiling projects on the Priority / Fundable List (utilizing the procedures listed in Section E above), the Division will identify the community projects that qualify for assistance under the Disadvantaged Communities Program in accordance with program definition/criteria.
- (3) The Division, the Authority and the Division of Local Government will conduct periodic reviews, as appropriate, of the Disadvantaged Communities Program. The reviews may result in recommended program changes relative to the nature of available subsidies to be incorporated into the IUP. In conducting such reviews and preparing recommendations, the following factors may be examined:
 - (a) The overall financial condition of the communities participating in the program, including but not limited to:
 - o The total drinking water utility system fee and tax burden upon rate payers;
 - o Post project drinking water utility charges;
 - o Drinking water utility indebtedness;
 - o Median household income.
 - (b) The impact of the subsidy upon the continued financial viability of the DWRF.

- (c) The merit of utilizing all financial assistance options allowed under the SDWA to ensure a safe drinking water supply for all citizens.
- (4) Upon receipt of comment from the Division, Authority and/or Division of Local Government, the Board of Health shall render final agency action upon the Disadvantaged Communities Program provisions of the IUP.

H. Emergency Procedures

- (1) The Board of Health may amend the project eligibility and Priority/Fundable Lists at any time throughout the year to include PWS projects that it determines and declares to be emergency projects needed to prevent or address threats to public health.
- (2) In cases where the board determines the amendments will result in substantial changes to the project eligibility or Priority / Fundable Lists, public notice and opportunity for comment on the proposed inclusions shall be provided.

ATTACHMENT 2
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
 - Install meters
- ◆ 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 2
Eligible and Ineligible Projects and Project-Related Costs
Under the Drinking Water State Revolving Loan Fund (DWRf) Program
(continued)

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

2007 INTENDED USE PLAN
ATTACHMENT 3a
DWSRF SET-ASIDE AND FEE ACTIVITY **

SET -ASIDE ACTIVITY									
Set-Aside	Set Aside Allocation from Grants Through June 30, 2006	Set Aside Funds Transferred To DWSRF Loan Fund or other Set Asides	Set Aside Funds Expended Through June 30, 2006	Balance available	Set Aside Allocations from the 2007 grant	Total Funds Available for State Fiscal Year 2007	Set Aside Reserved Through 2006	Set Aside Reserved FFY06 Allotment	Total Set-Aside Reserved
Grant Administration	\$5,033,424		(\$2,642,660)	\$2,390,764	\$598,400	\$2,989,164	\$0	\$0	\$0
State Program:									
> PWS Supervision	5,567,928		(3,369,289)	2,198,639	1,496,000	3,694,639	0	0	0
> Source Water Protection				0			0	0	0
> Capacity Development				0					
> Operator Certification				0					
Small System Tech. Asst.	2,516,712	(281,532)	(982,057)	1,253,123	299,200	1,552,323	0	0	0
Local Assistance:									
> Loan Assistance for SWP				0					
> Capacity Development	8,928,941	(970,860)	(3,438,005)	4,520,076	1,496,000	6,016,076	0	0	0
> Source Water Assessment	1,678,410	(18,345)	(1,660,065)	0	0		0	0	0
> Wellhead Protection	4,252,667		(2,629,913)	1,622,754	486,200	2,108,954	0	0	0
TOTALS	\$27,978,082	(\$1,270,737)	(\$14,721,989)	\$11,985,356	\$4,375,800	\$16,361,156	\$0	\$0	\$0

* Based on loans issued as of 06/30/06

** Cash basis

ADMINISTRATIVE FEES COLLECTED AND EXPENDED									
DWSRF Administrative Fee Account Activity through June 30, 2006									
Transfers to State Match Holding Account	Loan Fees Collected	Grant Funds Drawn	Investment Income plus Other Transfers In	Admin Fees Expended	Balance Available	Anticipated Collection for 07/01/06 - 06/30/07*	Anticipated Administrative Fee Funds Available		
(419,119)	9,142,818	2,642,660	741,949	(7,973,613)	4,134,694	1,749,740	5,884,434		

Attachment 3b
Drinking Water Revolving Fund
2007 Intended Use Plan (IUP)
Funds Available to the DWRP Program

SOURCES	Cumulative Total from Inception through June 30, 2006	Projected For Time Period July 1, 2006 - December 31, 2006	Projected For Time Period January 1, 2007 - December 31, 2007	Cumulative Total Through December 31, 2007
Federal Capitalization Grants	\$ 126,956,337	\$ -	\$ 14,960,000	\$ 141,916,337
less: Set-asides	(24,046,383)	-	(3,740,000)	(27,786,383)
State Match:				
Appropriation/Agency Cash - Committed	25,167,120	-	2,992,000	28,159,120
Agency Cash for CWSRF transfer	-	-	-	-
Leveraging Bonds Proceeds	182,390,000	39,838,625	36,705,250	258,933,875
Plus /(Less) Additional Principal from DW Refundings	(230,000)	-	-	(230,000)
Leveraged Loans Repayments:				
Principal (1)	36,792,500	6,625,000	7,290,000	50,707,500
Interest	21,030,184	1,962,982	3,783,679	26,776,845
Principal (2) (State Match)	3,290,696	327,117	663,765	4,281,578
Direct Loans Repayments:				
Principal	2,815,497	325,750	819,844	3,961,091
Interest	1,157,803	146,266	297,199	1,601,268
Federal Funds Deallocation (from DSRF)	11,510,937	2,361,080	3,142,979	17,014,996
Fees Deposited to the DWRP	-	-	-	-
Interest Income on Investments	25,863,824	1,633,318	3,416,995	30,914,137
Transfer to/from Clean Water SRF Grant program	-	-	-	-
TOTAL SOURCES	412,698,515	53,220,138	70,331,711	536,250,364
USES				
Loans Executed:				
Direct	21,344,915	6,202,394	10,000,000	37,547,309
Leveraged	199,298,115	44,500,000	41,000,000	284,798,115
Grant Funds Committed to Loans	75,452,269	18,645,500	17,179,000	111,276,769
Leveraging Bond Debt Service				
Principal	32,480,000	6,630,000	7,675,000	46,785,000
Interest	43,536,352	3,403,649	6,681,031	53,621,033
Funds Available for New Loans	(a) 40,586,864	(26,161,405)	(12,203,321)	2,222,138
TOTAL USES	\$ 412,698,515	\$ 53,220,138	\$ 70,331,711	\$ 536,250,364

(a) A majority of these funds represents accumulated investment income in the DSRF that is not needed for current or future debt service and can and will be deallocated to the DWSRF Reloan Account beginning in 2006. These amounts are not included in the Loan Capacity Calculation.

* Cash basis.

ATTACHMENT 4. - LOAN SUMMARY REPORT AS OF JUNE 30, 2006
 DRINKING WATER REVOLVING FUND (DWRF) LOAN PROGRAM
 2007 INTENDED USE PLAN (IUP)

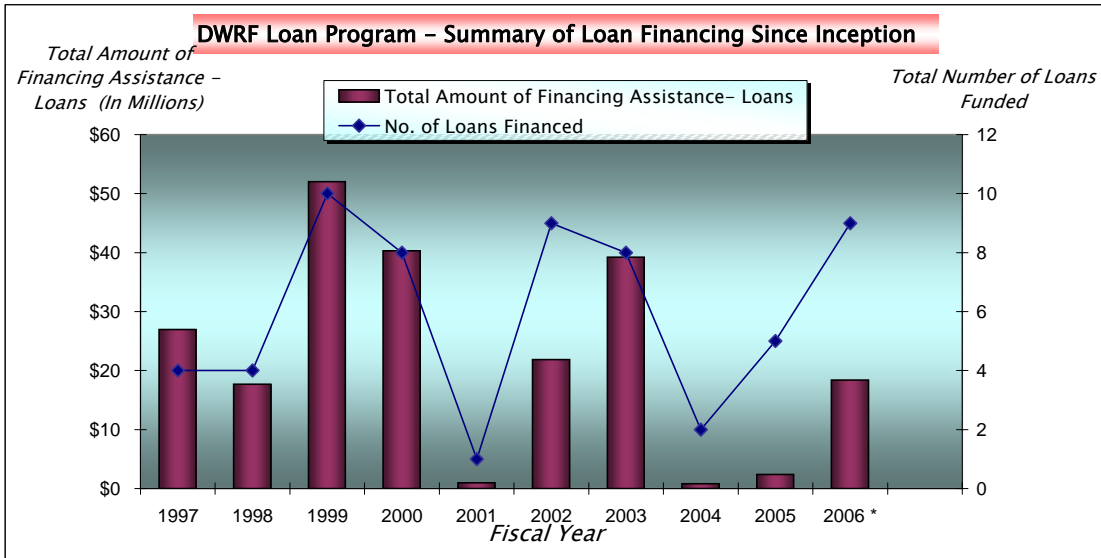
DETAIL OF LOANS FINANCED UNDER THE DWRF PROGRAM									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest Rate	DW SRF Funds Obligated to Loan (a)	State Match Provided for Loan (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	Percent of State Match Provided to DW SRF Funds	Loan Type
Grand Lake, Town of	10/29/97	\$ 495,000.00	20	4.500%	\$ 394,988.00	\$ 100,012.00		25.3%	DL
Arapahoe Estates WD	10/01/97	1,048,332.75	20	4.150%	388,359.00	98,332.75		25.3%	LL
Englewood, City of	10/01/97	15,292,635.61	21	4.140%	5,361,910.00	1,357,635.61		25.3%	LL
Fort Collins, City of	10/01/97	10,125,299.77	20	4.120%	3,614,928.00	915,299.77		25.3%	LL
Chatfield South WD	07/13/98	728,500.00	20	4.500%	581,310.00	147,190.00		25.3%	DL
Left Hand W&SD	09/11/98	188,700.00	20	4.500%	150,574.00	38,126.00		25.3%	DL
Buena Vista, Town of	06/01/98	1,324,119.65	20	4.010%	490,204.00	124,119.65		25.3%	LL
Fort Morgan, City of	06/01/98	15,433,355.38	21	4.020%	5,641,214.00	1,428,355.38		25.3%	LL
Julesburg, Town of	05/01/99	693,000.00	1	4.500%	543,757.00	149,243.00		27.4%	DL
La Junta, City of	10/15/99	490,000.00	20	4.500%	384,475.00	105,525.00		27.4%	DL
Thunderbird W&SD (#1)	06/01/99	285,000.00	20	4.500%	223,623.00	61,377.00		27.4%	DL
Aurora, City of	05/01/99	14,999,898.55	15	3.633%	4,751,500.00	1,024,898.55		21.6%	LL
Fort Collins, City of	05/01/99	4,998,394.59	20	3.808%	1,870,165.00	403,394.59		21.6%	LL
Glenwood Springs, City of	05/01/99	4,999,017.40	19	3.773%	1,710,790.00	369,017.40		21.6%	LL
Grand County W&SD	05/01/99	2,998,566.15	19	3.783%	1,036,468.00	223,566.15		21.6%	LL
Greeley, City of	05/01/99	14,999,038.36	20	3.802%	5,280,660.00	1,139,038.36		21.6%	LL
Julesburg, Town of	05/01/99	994,599.70	20	3.809%	392,210.00	84,599.70		21.6%	LL
Left Hand WD	05/01/99	6,571,538.04	20	3.802%	2,139,722.00	461,538.04		21.6%	LL
Craig, City of	12/15/00	450,000.00	5	4.000%	353,089.00	96,911.00		27.4%	DL
Sedalia W&SD	03/09/00	326,000.00	20	4.500%	255,794.00	70,206.00		27.4%	DL
Springfield, Town of	07/28/00	349,470.76	20	4.500%	274,209.00	75,261.76		27.4%	DL
Evergreen MD	04/15/00	5,577,981.71	21	4.390%	1,786,069.00	452,981.71		25.4%	LL
Fountain Valley Auth	04/15/00	7,607,966.23	21	4.400%	2,633,735.00	667,966.23		25.4%	LL
Limon, Town of	04/15/00	1,440,808.84	21	4.410%	436,910.00	110,808.84		25.4%	LL
Pueblo Board of WW	04/15/00	9,558,794.83	23	4.600%	2,499,000.00	633,794.83		25.4%	LL
Westminster, City of	04/15/00	14,998,357.36	21	4.400%	4,764,452.00	1,208,357.36		25.4%	LL
Wellington, City of	11/01/01	1,000,000.00	20	4.000%	716,007.00	283,993.00		39.7%	DL
Basalt, Town of	12/19/02	948,245.63	20	4.000%			1,000,000.00	n/a	DL
Dillon, Town of	10/18/02	1,000,000.00	10	4.000%			1,000,000.00	n/a	DL
Hayden, Town of	04/30/02	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Thunderbird W&SD (#2)	08/27/02	343,684.15	20	4.000%			343,684.15	n/a	DL
Woodland Park, City of	03/13/02	800,000.00	20	4.000%	597,200.00	202,800.00		34.0%	DL
Evergreen MD	04/01/02	2,036,129.62	21	4.000%	764,260.00	181,129.62		23.7%	LL
Grand Junction, City of	04/01/02	3,566,521.69	21	4.020%	1,082,370.00	256,521.69		23.7%	LL
Idaho Springs, City of	04/01/02	2,339,796.89	21	3.990%	906,316.00	214,796.89		23.7%	LL
La Junta, City of	04/01/02	9,812,211.15	21	4.000%	3,300,469.00	782,211.15		23.7%	LL
Mustang WA	12/08/03	700,000.00	20	4.000%			700,000.00	n/a	DL
Oak Creek, Town of	11/18/03	900,688.96	20	4.000%			900,688.96	n/a	DL
Ouray, City of	12/19/03	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Westwood Lakes WD	05/15/03	500,000.00	20	4.000%			500,000.00	n/a	DL
Florence, City of	11/01/03	12,999,092.97	22	3.510%	5,502,502.00	1,304,092.97		23.7%	LL
Fountain Valley Auth	06/01/03	3,221,861.82	22	3.030%	1,463,552.00	346,861.82		23.7%	LL
Longmont, City of	06/01/03	14,998,044.44	21	3.110%	6,046,601.00	1,433,044.44		23.7%	LL
Lyons, Town of	06/01/03	4,915,599.18	22	3.030%	2,196,621.00	520,599.18		23.7%	LL
Pinewood Springs WD	07/26/04	123,200.00	20	3.500%			123,200.00	n/a	DL
Swink, Town of	04/20/04	669,000.00	20	3.500%			669,000.00	n/a	DL
Florence, City of	01/25/05	800,000.00	20	3.500%			800,000.00	n/a	DL
Olde Stage WD	06/01/05	100,000.00	20	3.500%			100,000.00	n/a	DL
La Jara, Town of	04/20/05	200,000.00	20	0.000%			200,000.00	n/a	DC
Victor, City of	06/17/05	283,000.00	10	0.000%			283,000.00	n/a	DC
Log Lane Village, Town of	10/14/05	1,000,000.00	30	1.750%			1,000,000.00	n/a	DC
Bristol W&SD	02/08/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Pinewood Springs WD #2	04/03/06	752,425.00	20	3.500%			752,425.00	n/a	DL
Pritchett, Town of	03/31/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Craig, City of	04/27/06	6,056,378.40	21	3.650%	2,263,200.00	536,378.40		23.7%	LL
Little Thompson WD	04/27/06	6,383,774.04	21	3.650%	2,653,055.00	628,774.04		23.7%	LL
Sedgwick, Town of	05/15/06	419,000.00	30	0.000%			419,000.00	n/a	DC
Castle Pines MD	05/25/06	2,000,000.00	20	3.750%			2,000,000.00	n/a	DL
Palisade, Town of	05/26/06	2,000,000.00	30	0.000%	1,526,000.00	474,000.00		31.1%	DC
Platte Canyon W&SD	06/30/06	400,000.00	20	3.750%			400,000.00	n/a	DL

ATTACHMENT 4. - LOAN SUMMARY REPORT AS OF JUNE 30, 2006
 DRINKING WATER REVOLVING FUND (DWRf) LOAN PROGRAM
 2007 INTENDED USE PLAN (IUP)

SUMMARY OF DW SRF LOANS MADE BY TYPE OF LOAN									
Loan Type	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	No. of Loans Financed with Reloan Monies (c)	Percent of Loans Funded With Reloan Monies (c)
DIRECT LOANS (DC)	7	\$4,302,000	25.7	0.00%	\$1,526,000	\$474,000	\$2,302,000	7	100.00%
DIRECT LOANS (DL)	26	17,042,915	18.3	3.91%	4,475,026	1,330,645	11,288,998	14	53.85%
LEVERAGED LOANS (LL)	27	199,298,115	20.6	3.88%	70,977,242	16,908,115	0	0	0.00%
TOTAL FOR PROGRAM	60	220,643,030	21.5	3.82%	76,978,268	18,712,760	13,590,998	21	35.00%

SUMMARY OF DW SRF LOANS MADE EACH FISCAL YEAR									
FISCAL YEAR (Jan 01 - Dec 31)	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	No. of Loans Financed with Reloan Monies (c)	Percent of Loans Funded With Reloan Monies (c)
1997	4	\$26,961,268	20.3	4.14%	\$9,760,185	\$2,471,280	\$0	0	0.0%
1998	4	17,674,675	20.3	4.04%	6,863,302	1,737,791	0	0	0.0%
1999	10	52,029,053	17.4	3.77%	18,333,370	4,022,198	0	0	0.0%
2000	8	40,309,380	19.0	4.44%	13,003,258	3,316,288	0	0	0.0%
2001	1	1,000,000	20.0	4.00%	716,007	283,993	0	0	0.0%
2002	9	21,846,589	19.3	4.00%	6,650,615	1,637,459	3,343,684	4	44.4%
2003	8	39,235,287	20.9	3.30%	15,209,276	3,604,598	3,100,689	4	50.0%
2004	2	792,200	20.0	3.50%	0	0	792,200	2	100.0%
2005	5	2,383,000	20.0	2.06%	0	0	2,383,000	5	100.0%
2006 *	9	18,411,577	24.7	3.10%	6,442,255	1,639,152	3,971,425	6	66.7%
TOTAL	60	220,643,030	20.2	3.63%	76,978,268	18,712,760	13,590,998	21	35.0%

* Throught report date.



Borrower Abbreviations Clarification:

W&SD = Water and Sanitation District
 MD= Metropolitan District
 WW = Water Works
 WD = Water District

Type of Loan:

LL = Leveraged Loan - Funded from bond proceeds
 DL = Direct Loan - Funded from available sources: (1) Authority state funds, (2) Grant Funds or (3) Drinking Water SRF Reloan funds.
 In 2002, the DWRf program began funding all direct loans with DW SRF Reloan Monies>
 DC = Disadvantage Communities Direct Loan - Beginning in 2005, the Authority began funding zero-interest or low-interest loans to municipalities meeting certain minimum qualifications (see IUP narrative for more information about this program).

Explanation of DW SRF Loan Funding and/or Subsidization

- (a) DW SRF Funds = Drinking Water State Revolving Fund - Received from EPA Capitalization Grant Awards
- (b) State Match Funds = (Required 20% match for Each Dollar Received From EPA Grants from State Funds) - Provided Mainly from Authority Funds
- (c) Reloan Monies = Recycled DW SRF funds - No State Match Required

Attachment 2

2008 Intended Use Plan

STATE OF COLORADO

2008

DRINKING WATER REVOLVING FUND

INTENDED USE PLAN

WQCC Approved: November 2007

Effective Date: January 1, 2008

**DWRF IUP
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APPENDIX

- A. 2008 DWRF Project Eligibility List
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**STATE OF COLORADO
DWRF INTENDED USE PLAN
JANUARY 1 - DECEMBER 31, 2008**

I. INTRODUCTION

As required by Section 1452(b) of the Safe Drinking Water Act (SDWA) and by Interim Final Regulations 40 CFR 35.3555 published August 7, 2000, an Intended Use Plan (IUP) is to be filed annually with the U.S. Environmental Protection Agency (EPA). The IUP describes how the State intends to use the Capitalization Grant and Drinking Water Revolving Fund (DWRF) to meet the objectives of the SDWA and further the goals of protecting public health. The IUP is made available to the public for review and comment prior to submitting it to the EPA as required by the capitalization grant agreement.

The purpose of the DWRF program is to provide financial assistance to governmental agencies for the construction of water projects for public health and compliance purposes as described in the DWRF Rules (Attachment 1), and 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 serves as the planning document to describe how the funds allotted for Federal Fiscal Year (FFY) 2008 and the funds remaining from all prior federal fiscal years' capitalization grant appropriations will be used for the DWRF and non-project program set-asides. The DWRF fiscal year is January 1, 2008 to December 31, 2008. 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 (Authority), the Water Quality Control Division (WQCD) at the Department of Public Health and Environment, 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 helps to evaluate the financial and managerial capacity of loan applicants, identifies 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 2008;
- ◆ 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 (WPCRF); and
- ◆ A description of the non-project activities to be funded from the DWRF Capitalization Grant including the percentage of such funds allocated to these activities.

The State will prepare and submit a capitalization grant application for FFY 2008 based on this IUP.

II. DRINKING WATER REVOLVING FUND PROJECT LISTS

States are required to develop a comprehensive priority list of eligible projects for funding and to identify projects that will receive funding. 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 with the greatest financial need, on a per household basis. Projects that are primarily intended to serve future growth are not eligible. Examples of eligible and ineligible projects and project related costs are found in Attachment 2.

Appendix A to this IUP is the 2008 DWRF Project Eligibility List illustrating the various projects and their associated estimated costs as required by Colorado's authorizing statute. The DWRF Project Eligibility List includes, for each individual entry: the name of the public water system, a description of the project, population, the estimated cost of the project and a categorical ranking by priority as described in the DWRF Rules (included in Attachment 1).

Appendix B (DWRF Project Priority / Fundable List) is a list of the 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 or have recently received 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. Projects that receive funding during the year that are not included on the currently DWRF Project Priority/Fundable List will be added to the list in the following year.

Projects are added and deleted from the DWRF Project Priority / Fundable List during the annual IUP approval process (Appendix C.). Deletions to the list are made for those entities that received a DWRF loan and completed the project. In other cases, projects are deleted from the list when the entity is able to secure project funding from sources other than the DWRF.

III. CRITERIA, METHODS AND EVALUATION FOR DWRF DISTRIBUTION

Federal 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 that are forwarded to the Authority Board for funding.

Regarding the non-project activities, the WQCD prepares the capitalization grant application including the amount of funds to be set aside for activities documented in the IUP. The application is forwarded to the Authority for signature and submission to EPA. Section VII (Non-Project Activities) outlines the WQCD's proposed use of funds from the DWRF capitalization grant to meet various SDWA requirements.

A. Project Priority System

Colorado's project priority system is set forth in the DWRF Rules (Attachment 1). The Rules include the following categories by priority ranking:

Priority 1 Acute Health Hazard:

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

Priority 2 Chronic (Long Term) Health Hazard:

The WQCD has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant.

Priority 3 Potential Acute Health Hazard:

The public water system (PWS) has periodically exceeded an acute MCL, has levels greater than 50 percent 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.

Priority 4 Potential Chronic Health Hazard:

The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short-term problems meeting other treatment technique requirements.

Priority 5 Other Future Needs:

The PWS 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.

B. Priority Point Assignments Within Each Category

As provided in the DWRP Rules, once a pre-planning, planning, or pre-design document is received, projects within each category will be prioritized by the assignment of points based upon the review of the following factors:

- (1) Population
- (2) Financial Need
- (3) Consolidation
- (4) Water Conservation
- (5) Source Water Protection
- (6) Beneficial Use of Sludge
- (7) Health Risk

Projects on the DWRP 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:

- Governmental agencies are not ready to proceed with the project.
- Governmental agencies do not wish to participate in the DWRP or they have received funding from other sources.
- Governmental agencies (on the DWRP Project Eligibility or DWRP Priority / Fundable List) had an emergency situation during the funding year.
- Certain governmental agencies are not approved for funding because of technical, managerial or financial (TMF) deficiencies. Note: It is important that all PWS be managed and operated in an efficient and effective manner to ensure continued service of high quality, affordable water to their customers, now and in the future. The DWRP has established an EPA approved TMF capacity review and evaluation process to help systems understand this role and build the capacity where needed to properly serve their customers. Meeting these requirements for a loan will help the system ensure it will operate into the future with fewer difficulties, be financially secure, and be managed in the best interest of the water users. This will result in a PWS being considered an asset to its community rather than a future liability. The WQCD will attempt to work with the governmental entity to resolve any deficiencies through the capacity development program.
- Projects that have an existing DWRP loan and need additional funding to complete the original project as approved by the WQCD.

Eligibility List Categories are determined based on information provided by the applicant during the Annual Eligibility List Survey process. Based upon receipt and review of a Preliminary Engineering Report, Eligibility Assessment and/or loan application the assigned Eligibility List Category may be revised, during the prioritization process, to more accurately reflect the proposed project.

C. Application Deadlines

Two application deadlines of **January 15th** and **June 15th** have been implemented in order to prioritize projects in the event that there are more applications than funds available. Applications will be accepted throughout the year based on the following Authority Board Meeting schedule. If sufficient funds are not available to cover all requests, those projects not funded will be included in the next prioritization of applications. Authority Board meetings and application submittal dates are as follows:

- November 15 for consideration at the Authority's January Board meeting.
- January 15 for consideration at the Authority's March Board meeting. **This is also the last application deadline for inclusion into project prioritization, funding for the spring bond issue and for all direct loan consideration.**
- February 15 for consideration at the Authority's April Board meeting.
- April 15 for consideration at the Authority's June Board meeting.
- June 15 for consideration at the Authority's August Board meeting. **This is also the last application deadline for inclusion into project prioritization, funding for the fall bond issue and for all direct loan consideration.**
- August 15 for consideration at the Authority's October Board meeting.
- October 15 for consideration at the Authority's December Board meeting.

All loan approvals are valid for 18 months. However, leveraged loans that have been prioritized and that have received Authority Board approval after January 1, 2008, but do not execute their loan will be reprioritized upon the next application deadline. An exception will be made if a leveraged loan project prioritizes but is unable to execute its loan due to technical difficulties (as determined by WQCD), then that project will have one calendar year to execute the loan prior to being reprioritized.

Applicants should coordinate with a Project Manager from the WQCD to determine the appropriate application submittal schedule to ensure Board action and loan execution in a timely manner.

D. Allocation of Loan Proceeds

In addition to the DWRF Rules, the following policies will be applied to the allocation of loan proceeds and administrative fee revenue:

1. Planning and Design Grants

The intent of the planning and design grants is to assist DWRF applicants with costs associated with complying with program requirements. To be eligible for a planning and/or design grant, a governmental agency must meet the following criteria:

- Project is on the current year DWRF Eligibility List, and
- Population is 10,000 or less and
- Median household income (MHI) is less than the statewide median household income (the 2000 MHI for the state is \$47,203), or
- Current or post project monthly water rates are equal to or greater than the state average as calculated by DLG.

Upon approval by the Authority Board, \$100,000 will be made available on January 1 for planning and/or design grants. One grant in the amount of \$10,000 will be awarded per community. However, if planning and design grant funds are available on September 1 of each year, an additional grant of up to \$10,000 (maximum of \$20,000 total per community) may be made to communities that have met criteria in demonstrating progress towards receiving funding through the program.

Grants will be awarded on a first come, first served basis. If the entity does not seek funding through the DWRF, they may be requested to repay the grant or seek a waiver of the repayment requirement from the Authority Board.

Grant funds may be used to support a variety of project development activities including, but not limited to: preliminary engineering reports; technical, managerial and financial reviews; environmental assessments; engineering design documents and legal fees (including costs associated with the formation of a legal entity capable of receiving DWRf assistance.)

These funds are provided from the administrative fee account from income received from DWRf loans.

2. Disadvantaged Communities Loans

In accordance with federal statutes states are authorized to provide “loans at or below market interest rates, including interest free loans, and terms up to 30 years.” A disadvantaged community is defined as a governmental agency that has a population of 5,000 or less with a median household income that is 80 percent or less of the statewide median household income.

DWRf re-loan funds will be the primary source of capital used to fund Disadvantaged Communities Loans. These funds are paid back by borrowers in the form of debt service payments on outstanding debt obligations. EPA capitalization grant funds in an amount not to exceed 30 percent of the annual capitalization grant may also be considered to underwrite loans in the event re-loan funds are not sufficient to meet demand. To the maximum extent practical and based on available data, projects eligible to receive the reduced interest rate will be identified on the Project Priority/Fundable List (Appendix B).

Median household income as a percentage of the statewide median household income will be used to distribute funding to governmental agencies that are disadvantaged in accordance with two categorical affordability tiers:

Category 1 - Disadvantaged communities with median household income levels that range from 61 to 80 percent of the statewide median household income qualifies for loans up to \$2 million per project. Loan terms up to 30 years, but not to exceed the project’s design life, are permitted. The loan interest rate is established at 50 percent of the direct loan rate as set annually by the Authority Board for qualifying governmental agencies.

Category 2 - Disadvantaged communities with median household income levels that are less than 61 percent of the statewide median household income qualify for loans up to \$2 million per project. Loan terms up to 30 years, but not to exceed the project’s design life, are permitted. The loan interest rate is established at 0 percent for qualifying governmental agencies.

Note: All loan requests exceeding the \$2 million direct loan limit will not be eligible for a Disadvantaged Communities Loan.

3. Miscellaneous Information

Communities receiving assistance from federal capitalization grant funds shall comply with all applicable federal requirements.

Re-loan funds will be provided in the following priority order:

- i. Disadvantaged Communities Loans
- ii. Direct Loans
- iii. Leveraged loans

Governmental agencies distributing or supplying 2,000 acre feet or more of water per year must have an approved (by the Colorado Water Conservation Board) and updated water conservation plan as defined by Section 37-60-126, CRS.

E. Emergency Procedures

The Water Quality Control Commission (WQCC) may amend the DWRf Project Eligibility and DWRf Priority / Fundable Lists at any time throughout the year to include PWS projects that it determines and declares to be emergency projects needed to prevent or address threats to public health. In cases where the WQCC determines the amendments will result in substantial changes to the DWRf Project

Eligibility or DWRP Priority / Fundable Lists, public notice and opportunity for comment on the proposed inclusions shall be provided.

F. 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 DWRP account on an annual basis to provide loan assistance to systems serving 10,000 persons or fewer. It is anticipated that at least nine (9) small systems (population less than 10,000) will be funded between October 1, 2007 and December 31, 2008 for a total of \$7.4 million in DWRP loans.

To further the small system-funding goal in 2008, planning and/or design grants will be made available to assist small systems in meeting some of the requirements of the DWRP. In addition, DLG is planning to conduct a series of training workshops in 2008 to help build financial and managerial capacity of small rural public water and wastewater systems. For 2008, the focus of the workshops will be topics of current importance to rural drinking water systems. DWRP set-aside funds may be requested to partially support this effort.

All funding agencies meet periodically to review current projects and coordinate the financial support for communities that are planning water quality improvement projects. This funding coordination committee includes staff from the WQCD, Authority, DLG, Colorado Water Conservation Board, USDA Rural Development and the Rural Community Assistance Corporation. The committee uses a web page on the DLG website to keep the public aware of the projects it is assisting with arranging funding and to raise awareness of funding opportunities. Surveys are conducted to identify and update the needs of all public water systems including small systems.

G. DWRP Results

The following activities will occur in 2008 to ensure Colorado achieves the national goals:

1. It is the goal to execute at least nine (9) DWRP loans between October 1, 2007 and December 31, 2008. The anticipated loans will all be funded through the state's Disadvantaged Communities Loan Program.
2. In calendar year 2006, the Colorado DWRP fund utilization rate was 88%. The 2008 Region 8 target for the DWRP fund utilization rate has been established at 86%; it is the goal of the State to maintain the current fund utilization rate.
3. In calendar year 2006, the rate at which the Colorado DWRP projects progressed as measured in fund disbursements as a percent of assistance provided was 78%. It is the goal of the State to meet or exceed the national DWRP average of 77%.

Anticipated 2008 Outcomes:

1. Nine (9) projects are anticipated to initiate construction between October 1, 2007 and December 31, 2008. (six (6) projects will be Disadvantaged Communities Loans.)
2. Fifteen (15) projects are anticipated to initiate operations/complete construction between October 1, 2007 and December 31, 2008.

IV. FINANCIAL STATUS OF THE DWRP

The DWRP 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 \$7,253,915 to the DWRP. The final transfer occurred in March 1998. The State has made seventeen (17) direct loans for \$5,818,692 with State funds, which are kept separate from the federal portion of the DWRP. This segregation allows repayments from these loans to be made available for State match in the future.

A federally capitalized DWRP 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. As of June 30, 2006, **\$2,195,374.50** is available for future State match.

The DWRF provides both direct loans and leveraged loans to finance projects. Direct loans are generally made for smaller projects. This allows the program to provide low interest loans to small public water systems without going to the bond market and incurring associated closing costs. Direct loans (up to \$2 million) are generally funded from re-loan funds. If necessary, direct loans may be funded from capitalization grant funds. Based on an effort to keep the rates for direct loans at or below the leveraged loan rate, the interest rate will be set by the Authority's Board of Directors annually in December for the following year.

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) 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 percent 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 sold by the Authority.

Currently 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. The administrative fee supplements the 4 percent administrative set-aside from the capitalization grant. The administrative fee income 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 fee income will continue to be used to fund a planning and/or design grant program in 2008. Additionally, administrative fee income, as available, will be used beginning with the FFY2008 DWRF capitalization grant to reimburse the Authority for state match funds (state match loan) deposited to the DWRF. The program reserves the right to charge up to 1.5% administrative fee on all DWRF loans if it is determined that additional funds are needed to fund administrative costs and/or repay the state match provided by the Authority. Beginning in 2008, up to \$1,000,000 of WPCRF administrative fees collected from loans may be transferred to the DWRF to pay for administrative costs of the DWRF.

Administrative fees received from DWRF loans for 2008 are estimated to be \$2,166,550. 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 \$2,000,000 a portion of which will be paid from DWRF set aside grant monies available. Following is a table showing the administrative fee account activity since inception:

TABLE I
Administrative Fee Account

For Year ending	Loan Admin Fee Revenue	Cap. Grant Draw for Admin Expenses	Investment Income	Other Income / (Expenses)	(Admin Expenses)	(PWSS Set Aside Payouts)	Planning & Design Grants Paid	Annual Net Income / (Loss)
12/31/1997	23,408	84,411	24		(214,301)			(106,458)
12/31/1998	251,210	205,130	1,817	178,808	(559,680)			77,285
12/31/1999	609,066	287,502	5,852	90,900	(735,077)			258,243
12/31/2000	931,797	302,679	23,115		(769,629)			487,962
12/31/2001	1,029,413	260,092	29,145		(898,512)			420,138
12/31/2002	1,172,059	321,794	17,119		(980,321)		(7,457)	523,194
12/31/2003	1,494,366	351,245	14,794		(1,041,963)	(120,913)	(66,860)	630,669
12/31/2004	1,632,181	320,302	32,436		(953,920)	(112,743)	(101,027)	817,229
12/31/2005	1,656,165	392,028	107,670	(3,259)	(1,015,887)	0	(95,250)	1,041,467
12/31/2006	1,796,592	439,779	209,958	0	(1,046,962)	0	(88,000)	1,311,367
Totals	\$ 10,596,257	\$ 2,964,962	\$ 441,930	\$ 266,449	\$ (8,216,252)	\$ (233,656)	\$ (358,594)	\$ 5,461,096

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 DWRF

Eligibility List needs (currently over \$1.033 billion) are compared against the loan capacity of the DWRF. Even though demand for loans (DWRF Priority / Fundable List) in the year 2008 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. By continuing to leverage, the program will be able to assist more communities currently on the DWRF Project Eligibility List and help those communities achieve compliance with the SDWA. To date, the leveraged loan rates have been in the range of 3.03 to 4.60 percent. 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.

Through August 31, 2007, the State has received a total of \$140,332,600 in federal capitalization grants (includes the \$6,666,667 transfer back to the WPCRF in 2003). Of this amount, \$31,351,415 has been set aside for non-loan activities. The State anticipates receiving a FFY08 capitalization grant of \$14,497,000 with \$4,494,070 set aside for non-project activities. This amount may change based on final federal appropriations. (See Attachments 3A and 3B.)

Under the federal portion of the DWRF, forty-two (42) direct loans (which includes thirteen Disadvantaged Communities loans totaling \$7,504,394) for \$26,336,208 and thirty-one(31) leveraged loans for \$241,185,203 have been made to-date from the DWRF utilizing the federal capitalization grants (See Attachment 4).

The Priority / Fundable List (Appendix B) documents nine (9) projects that have had an Eligibility Assessment completed and eligible projects costs of \$14.8 were identified. In addition to these nine (9) projects it is anticipated that following projects may apply for DWRF funding during 2008: Cities of Rifle (\$14 million), and Sterling (\$12.5 million) and the Towns of Arriba (\$1.2 million Disadvantaged Communities Loan), Bennett (\$2 million), Berthoud (\$8.5 million), DeBeque (\$270,000 Disadvantaged Communities Loan), Estes Park (\$4.7 million), Fairplay (\$6.7 million) Florissant (\$250,000), Georgetown (\$1.5 million), Hayden (\$2.4 million), Holly (\$355,000 Disadvantaged Communities Loan), Hudson (\$800,000 Disadvantaged Communities Loan), Kim (\$815,000 Disadvantaged Communities Loan), Kit Carson (\$930,000 Disadvantaged Communities Loan), Paonia (\$4.5 million Disadvantaged Communities Loan), Platteville (\$2.2 million), Turkey Canon Ranch (\$300,000), Wiggins (\$4 million Disadvantaged Communities Loan) and Williamsburg (\$1 million Disadvantaged Communities Loan.) These projects are not included on the Priority /Fundable List because an Eligibility Assessment has not yet been completed. Projects receiving an Eligibility Assessment during the calendar year will be added to the following years Priority / Fundable List for approval by the WQCC. It is anticipated that an additional \$68.9 million in DWRF loans could be executed during 2008 if all of the above mentioned projects apply for funding.

It is anticipated that a transfer of an amount up to \$10 million (as discussed below) from the DWRF to the WPCRF will be made in 2008 reducing the 2008 DWRF loan capacity from \$94 million to \$69 million.

A. Transfer Activities

As authorized by Congress, up to 33 percent of the cumulative drinking water capitalization grants for FFY 1997 through FFY 2007 (total drinking water grants at \$140.3 million) may be reserved from the DWRF and transferred to the WPCRF. The following table itemizes (\$ in millions) the amount of net SRF funds available for transfer between the two programs:

TABLE II
Net Funds Available for Transfer

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	-----	-----	12.1	12.1
1999	Transfer	12.1	\$6.7**	-----	5.4	18.8
2000	CG Award	15.6	-----	-----	8.9	22.3
2001	CG Award	19.1	-----	-----	12.4	25.8
2002	CG Award	23.6	-----	-----	16.9	30.3

2003	CG Award	28.0	-----	-----	21.3	34.7
2003	Transfer	28.0	-----	\$6.7**	28	28
2004	CG Award	32.2	-----	-----	32.2	32.2
2005	CG Award	36.7	-----	-----	36.7	36.7
2006	CG Award	41.5	-----	-----	41.5	41.5
2007	CG Award	46.3	-----	-----	46.3	46.3

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

** \$6.7 million capitalization grant funds.

The authorization to transfer funds for FY 2006 and thereafter, has been approved in the 2007 EPA Appropriations Bill. Since a number of water pollution control projects are expected to request funds in 2008, the WPCRF loan demand is expected to exceed available loan capacity. If a transfer is pursued, a stakeholders group will be notified of the State's intent to transfer capitalization funds from the DWRF to the WPCRF. Based on the Water Quality Control Commission and the Governor's approvals, a transfer of no more than \$10,000,000 will be made from the DWRF into the WPCRF in 2008. The exact amount of the transfer will be determined after either the January 15 or June 15 application deadlines, and the WPCRF and DWRF loan demands are determined. The following Tables (Table III & Table IV) provide a comparison of loan capacity impacts if a transfer of \$10, \$7 or \$5 million is made from the DWRF. None of the transferred funds will be used for administrative purposes.

Table III

Calculation of Drinking Water Revolving Fund Loan Capacity for 2008 as of June 30, 2007
Assuming Various Transfer to WPCRF

	<u>\$0 Transfer</u>	<u>\$10 Million</u>	<u>\$7 Million</u>	<u>\$5 Million</u>
Capitalization grants for loans through 2007	\$ 108,981,185	\$ 108,981,185	\$ 108,981,185	\$ 108,981,185
Obligated for loans through 6/30/07	\$ 93,189,611	\$ 93,189,611	\$ 93,189,611	\$ 93,189,611
Remainder	\$ 15,791,574	\$ 15,791,574	\$ 15,791,574	\$ 15,791,574
Expected 2008 Capitalization Grant				
1.76% of \$850 million	\$ 14,960,000	\$ 14,960,000	\$ 14,960,000	\$ 14,960,000
Less Set-Asides	\$ 3,848,943	\$ 3,848,943	\$ 3,848,943	\$ 3,848,943
Total 2008 Grant	\$ 11,111,057	\$ 11,111,057	\$ 11,111,057	\$ 11,111,057
Total Grant Funds Available	\$ 26,902,631	\$ 26,902,631	\$ 26,902,631	\$ 26,902,631
Less Grant Funds used remainder of 2007	\$ 583,695	\$ 583,695	\$ 583,695	\$ 583,695
Less Transfer to WPCRF in 2008	\$ -	\$ 10,000,000	\$ 7,000,000	\$ 5,000,000
Grant \$ Available	\$ 26,902,631	\$ 16,318,936	\$ 19,318,936	\$ 21,318,936
Re-loan funds as of 06/30/07	\$ 6,029,823	\$ 6,029,823	\$ 6,029,823	\$ 6,029,823
plus: Deallocation on 9/2/07	\$ 4,621,788	\$ 4,621,788	\$ 4,621,788	\$ 4,621,788
plus: Deallocation on 9/2/08	\$ 4,418,205	\$ 4,418,205	\$ 4,418,205	\$ 4,418,205
less: Re-loan funds used Remainder of 2007	\$ -	\$ -	\$ -	\$ -
Total Re-Loan Funds Available	\$ 15,069,817	\$ 15,069,817	\$ 15,069,817	\$ 15,069,817
Loan Capacity for 2008				
Leveraged Loans from Grants X 2.4	\$ 64,566,314	\$ 39,165,446	\$ 46,365,446	\$ 51,165,446
Leveraged Loans from Re-Loan Funds X 2.0	\$ 30,139,633	\$ 30,139,633	\$ 30,139,633	\$ 30,139,633
2008 DWRF Loan Capacity	\$ 94,705,947	\$ 69,305,079	\$ 76,505,079	\$ 81,305,079

TABLE IV

Calculation of Water Pollution Control Revolving Fund Loan Capacity for 2008 as of June 30, 2007

Assuming Various Transfer to WPCRF

	<u>\$0 Transfer</u>	<u>\$10 million</u>	<u>\$7 million</u>	<u>\$5 million</u>
Capitalization grants through 2007	\$ 211,794,423	\$ 211,794,423	\$211,794,423	\$ 211,794,423
Obligated for loans and admin through 06/30/07	\$ 211,248,151	\$ 211,248,151	\$ 211,248,151	\$ 211,248,151
Remainder	\$ 546,272	\$ 546,272	\$ 546,272	\$ 546,272
Expected 2008 Capitalization Grant				
*0.8% of \$1.068 billion	\$ 8,547,900	\$ 8,547,900	\$ 8,547,900	\$ 8,547,900
Less 4% Administrative Fee	\$ 410,299	\$ 410,299	\$ 410,299	\$ 410,299
Total 2008 Grant	\$ 8,137,601	\$ 8,137,601	\$ 8,137,601	\$ 8,137,601
Plus Transfer from DWRF in 2008	\$ -	\$ 10,000,000	\$ 7,000,000	\$ 5,000,000
Total Grant Funds Available	\$ 8,683,873	\$ 18,683,873	\$ 15,683,873	\$ 13,683,873
Re-loan funds as of 06/30/07	\$ 3,873,861	\$ 3,873,861	\$ 3,873,861	\$ 3,873,861
plus: Deallocation on 9/02/07	\$ 14,326,427	\$ 14,326,427	\$ 14,326,427	\$ 14,326,427
plus: Deallocation on 9/02/08	\$ 15,028,825	\$ 15,028,825	\$ 15,028,825	\$ 15,028,825
less: Re-loan funds used for direct loans remainder 2007	\$ 5,023,880	\$ 5,023,880	\$ 5,023,880	\$ 5,023,880
Total Re-Loan Funds Available	\$ 28,205,233	\$ 28,205,233	\$ 28,205,233	\$ 28,205,233
Loan Capacity for 2008 (includes 9/2/08 deallocation)				
Leveraged Loans from Grants X 2.4	\$ 20,841,295	\$ 44,841,295	\$ 37,641,295	\$ 32,841,295
Leveraged Loans from Re-Loan Funds X 2.0	\$ 56,410,466	\$ 56,410,466	\$ 56,410,466	\$ 56,410,466
2008 WPCRF Loan Capacity	\$ 77,251,761	\$ 101,251,761	\$ 94,051,761	\$ 89,251,761

It is estimated that a transfer of \$5-\$10 million from the DWRF to the WPCRF will reduce the DWRF revolving level \$1-\$2.5 million/year over the next 20 years. The DWRF set-asides would not be affected and the remainder of the allocation would be deposited into the revolving fund. All identified and eligible drinking water projects that are ready for construction in 2008 will be funded out of the expected 2008 DWRF loan capacity. The transfer of capitalization funds from the DWRF to the WPCRF is not expected to cause any eligible drinking water projects to be delayed over the next few years.

This transfer of capitalization grant funds will be deposited in the WPCRF and will only be available for loans. With the statutory language approved by the Colorado State General Assembly in 2002, any transfers can be made from one account to the other with all of the appropriate approvals.

B. 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.

C. 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 revised 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 federal requirements, in accordance with the revised state statute. EPA has approved the program.

V. LONG TERM GOALS

The State continues to develop long-term goals that will protect public health and ensure the integrity of the DWRF. To achieve these goals, the following objectives were developed for 2008:

1. Provide affordable financial assistance for eligible applicants while maintaining a perpetual, self-sustaining revolving fund program.
2. Provide technical assistance to governmental agencies for facilitating effective planning, design, financing, and construction of facilities to comply with the provisions of the Colorado Primary Drinking Water regulations.
3. Maintain compliance with 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 2008 calendar year:

1. Within 90 days of the EPA allotment of capitalization grant funds, the Authority, in conjunction with the WQCD, will submit an application for the 2008 capitalization grant funds.
2. Conduct an availability analysis of Disadvantaged Business Enterprise firms in order to establish the 2009-2011 Disadvantaged Business Enterprise goals.
3. The WQCD will continue to make revisions to the Handbook of Procedures to conform to regulations/guidance and submit it to EPA for approval.
4. The WQCD will initiate the process for identifying projects in the FY 2009 Intended Use Plan by May 2008.
5. Submit the Annual Audit to EPA by April 30, 2008.
6. The State Revolving Fund Committee, consisting of staff from WQCD, DLG, and Authority will work toward implementing the following program improvements:

- a. Continue to meet periodically with the Funding Coordination Committee, to coordinate the financial needs of communities that are planning improvement projects identified in the 2008 IUP. The Funding Coordination Committee includes staff from the WQCD, Authority, DLG, Colorado Water Conservation Board, USDA Rural Development and the Rural Community Assistance Corporation.
 - b. Evaluate the impacts of implementing a "Joint Funding Application", through the Funding Coordination Committee, that could be available statewide for water and wastewater entities interested in receiving funding through the State Revolving Fund, Energy Impact Assistance Fund, Community Development Block Grant, and the Rural Development Programs.
 - c. Improve coordination between state and federal agencies to facilitate the use of multiple sources of capital financing when appropriate.
7. Leverage funds in the DWRF to accommodate the estimated demand for eligible projects in 2008 and thereafter.
 8. The following projects will be funded to address specific Safe Drinking Water Act and Colorado State Drinking Water Regulations
 - a. Aging/Failing Infrastructure: City of Las Animas and the Towns of Arriba, De Beque, Holly, Kim, Williamsburg and La Veta
 - b. Surface Water Treatment Rule: Towns of Fairplay, Hotchkiss, La Veta, and Paonia
 - c. Filtration/Disinfection Rule: Town of Stratton
 - d. Chemical Contaminants and Radionuclide Rule: Towns of Kit Carson and Larkspur, Mountain Water and Sanitation District and the East Alamosa Water District
 - e. Microbiological Contaminant Rule (Total Coliform): Sedalia Water and Sanitation District
 - f. Water Conservation: Towns of Eckley and Fraser
 9. The WQCD will review and revise as necessary the "Guidance For Preparing Preliminary Engineering Reports" and update the "State Environmental Review Policy" specific to the DWRF.
 10. The DLG will conduct a series of 4 to 8 training workshops in 2008 to help build financial and managerial capacity of small rural public water and wastewater systems.
 11. The WQCD, in partnership with the Authority, will continue to utilize the shared access database for tracking project milestones.
 12. The WQCD, DLG and the Authority will attend conferences such as Rural Water, Colorado Municipal League, and the Special District Association's annual conferences to provide program information to potential borrowers.
 13. The WQCD, DLG and the Authority will host training events throughout the year to provide consulting engineers and others with information about the funding process and program requirements.

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

A. Introduction

The State may set aside portions of each capitalization grant for non-project (set-aside) activities. As described in the introduction, these set-asides are to be used to fund those activities necessary to accomplish the requirements of the SDWA. The WQCD has identified in this plan, the maximum amounts of set-aside funds the WQCD currently believes appropriate to best meet the goals of the safe drinking water act. Since these amounts represent the maximum amount of funding that would be devoted to each of the set-asides for this capitalization grant, no further public notification would be made by the WQCD if lesser amounts than those proposed herein are actually used.

The purpose of the set-asides is to provide the funds needed for the administration of the DWRF (4% administration), as well as to meet overall drinking water program requirements of the 1996 Amendments to the SDWA and to conduct targeted activities specified in the SDWA. The authority will provide the required 20 percent up-front state match to receive the federal capitalization grant, from which the set-asides are drawn. Beginning with the FFY02 grant, the 20 percent match for the set-aside portion has come from the loan administrative fee account. A list of the set-asides and the percentage of allocation is as follows:

- ◆ Administration (4 %)

- ◆ Small System Training and Technical Assistance (2%)
- ◆ State Drinking Water Program Management (10%)
- ◆ Local Assistance and Other State Programs (15%):
 - I. Land/Conservation Easement Acquisition for SWAP
 - II. Assistance to a Community Water System to Implement Voluntary, Incentive-Based Source Water Protection Measures
 - III. Provide Assistance to Any Public Water System as Part of a Capacity Development Strategy
 - IV. Source Water Assessment and Protection Program (SWAP)
 - V. Wellhead Protection Program

A description of each set-aside and the funding earmarked from the FFY07 capitalization grant for each activity are described below. The FFY07 capitalization grant amount is estimated based on the 2007 award, to be \$14,497,000. It is the responsibility of the WQCD to determine the amount of funds necessary under each set-aside and to meet the obligations of the SDWA. The financial status of the set-asides is summarized in Attachment 3A. The State must develop, and EPA approve, work plans that describe the activities to be accomplished to be able to use those funds.

B. Administration Set-Aside

Set-Aside	Amount	Purpose
Administration	\$579,880 (4%) for FFY08	To cover the cost of (1) administering the DWRF, and (2) providing technical assistance to public water systems (PWSS). Administration is an on-going activity.

FFY08 Request: Colorado is entitled to set aside up to 4 percent (\$579,880) from the capitalization grant for this set-aside. Based on project needs identified by the WQCD, the WQCD intends to set aside the full \$579,880.

Use of Funds in 2008 and Expected Accomplishments: These funds will be used to cover administrative expenses related to projects and activities authorized under the SDWA, including the provision of technical assistance to public water systems.

The outputs/activities and the anticipated outcomes (short-term/long-term) for the DWRF administration are described above in Section III. “Criteria, Methods and Evaluation for DWRF Distribution” under Part F. “DWRF Results.”

C. Small System Training and Technical Assistance (SSTTA)

Set-Aside	Amount	Purpose
SSTTA	\$289,946 (2%) for FFY08	To provide (1) training, (2) technical assistance, and (3) provide Planning and Design Grants to small systems. SSTTA is an on-going activity.

FFY08 Request: Colorado is entitled to set aside up to 2 percent (\$289,946) from the capitalization grant for this set-aside. Based on project needs identified by the WQCD, the WQCD intends to set aside the full \$289,946.

Use of Funds in 2008 and Expected Accomplishments: Currently, training programs are being designed for 2008 and the WQCD will use funds from the 2002, 2003 and 2004 SSTTA set asides for technical assistance and Planning and Design grants for water system serving 10,000 or less in population. The Drinking Water Program is developing a comprehensive training curriculum that will be designed to cover all the topics required by competent operators. This will increase the use of these SSTTA funds in 2008.

Outputs/Activities

- Number of systems receiving technical assistance.
- Number of systems receiving planning and design grants.

- Anticipated Outcomes (short-term/long-term)
- Improved operational and/or financial efficiency for participating systems.
- Improved compliance for systems receiving SSTA.

D. State Drinking Water Program Management

Set-Aside	Amount	Purpose
State Program Management	\$1,449,700 (10%) for FFY08	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, --Develop and implement a capacity development strategy, --Administer and implement operator certification program. PWSS program implementation and the other activities are on-going.

FFY08 Request: Colorado is entitled to set aside up to 10 percent (\$1,449,700) from the capitalization grant for this set-aside. The act requires that this set-aside be matched one-for-one with available State expenditures as described below. Based on the qualifying expenditures, the WQCD intends to set aside the full \$1,449,700.

In addition to the up-front 20 percent match required for the State to qualify for the full capitalization grant, 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 program general funds, drinking water operator certification fees, drinking water related expenditures from the State laboratory, and 1993 Drinking Water Grant matching funds from the WQCD. The laboratory contribution includes analyses of drinking water samples. According to the Act, State program match funds that were expended in 1993 can be used to provide up to 50 percent of the set-aside match. Current year State funds in excess of the minimum required for the PWSS Program grant included in the Department's Performance Partnership grant may also be used. The program funding sources that qualify as match (program general funds in excess of PWSS grant match requirements, operator certification program fees, drinking water related laboratory expenditures, and 1993 Drinking Water Program State expenditures) allows the WQCD to take \$1,449,700.

Currently, a portion of this set-aside is being used to fund numerous staff for implementation of the many new program requirements associated with the 1996 reauthorization of the SDWA. The staffing for the Drinking Water Program is spread among the program core staff, the Engineering Section, and the Compliance Assurance and Data Management Section.

Use of Funds in 2008 and Expected Accomplishments: For 2008, the efforts initiated and accomplished in prior years will be continued. New efforts will include increased focus on compliance assurance through the Systems of Concern process, improved data management and enhanced communication with drinking water systems.

Outputs/Activities

- Number of systems identified for compliance assurance and enhanced communication.
- Data management system upgrades/maintenance.

Anticipated Outcomes (short-term/long-term)

- Improved system communication resulting in drinking water compliance progress and attainment.
- Improved data quality demonstrated through data verification.

E. Local Assistance and Other State Programs

Set-Aside	Amount	Purpose
Local Assistance Set-Asides:	\$2,174,550 15% of total (no	Consists of the following five

	more than 10% for any one of the following activities)	activities:
SWAP Land Acquisition (PWS Loan)	See below for funding requests	See below for set-aside descriptions
SWAP Implementation (PWS Loan)		
Capacity Development		
Source Water...(SWAP)*		
Wellhead...*		

*The Wellhead Protection Program (for groundwater systems) was created by the Safe Drinking Water Act Amendments of 1986. The Colorado Wellhead Protection Program Plan was issued in 1994. The Source Water Assessment and Protection Program (SWAP) was created by the SDWA Amendments of 1996. The Colorado Source Water Assessment and Protection Program Plan was issued in 2000. Programmatically, SWAP combines both groundwater and surface water activities (although the original Wellhead Protection Program has some features which are somewhat different from SWAP). For budgetary purposes, however, SWAP set-aside funds were required to be dedicated to surface water systems and Wellhead set-aside funds to groundwater systems. Once all the SWAP assessments are complete, the two programs will be integrated into one program plan.

FFY08 Request: Colorado is entitled to set aside up to 15 percent (\$2,174,550) from the capitalization grant for these five combined activities. However, no more than 10 percent (\$1,449,700) may be used for any one of the individual local assistance set-asides. The specific amounts indicated below are based on project needs identified by the WQCD and total \$2,174,550 (\$1,449,700 Capacity Development plus \$724,850 Wellhead Protection.) The five set-asides are described as follows:

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

Set-Aside	Amount	Purpose
Local Land Acquisition for SWAP	\$0 for FFY08	To provide loans to PWSS to acquire land or conservation easements to protect source water areas

FFY08 Request: None. The WQCD is not setting aside any funds for this purpose from its FFY08 capitalization grant.

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

Set-Aside	Amount	Purpose
Local SWAP Implementation	\$0 for FFY08	To provide loans to PWSS to implement source water protection measures.

FFY08 Request: None. The WQCD is not setting aside any funds for this purpose from its FFY08 capitalization grant.

3. Capacity Development

Set-Aside	Amount	Purpose
Capacity Development	\$1,449,700 (10%) for FFY08	To implement the capacity development strategy to assist new and existing systems to achieve and maintain technical, managerial, and financial capacity. A portion will be used to support the SWAP activities described below.

FFY08 Request: Colorado is entitled to set aside up to 10 percent (\$1,449,700) from the capitalization grant for this activity. Based on the Authority match described below, the WQCD intends to set aside the entire \$1,499,700. A portion of this (\$182,864) will be used to support the SWAP activities described below.

Use of Funds in 2008 and Expected Accomplishments: For 2008, the efforts initiated and accomplished previously will be continued. Additional output activities included in the EPA approved work plan to be expanded or initiated are as follows:

- ◆ Development of a performance enhancement program for surface water systems of Colorado to ensure plants are operating at peak capabilities to ensure continuously safe drinking water.
- ◆ Preparation of a series of informational booklets for public water systems on the applicable drinking water regulations and guidelines.
- ◆ Continued improvements to the CDPHE drinking water web site to include access to new information and operator training.
- ◆ Continued implementation of a “Systems of Concern” program to identify and provide technical assistance to selected water systems in violation of regulations, including those either on the significant non-compliance (SNC) list or soon to be on the SNC list. This effort will utilize WQCD staff and contractors with the goal of both resolving the violation and ensuring the water system has technical, managerial, and financial capacity.
- ◆ Development of TMF Assessments and delivery of unique assistance programs tailored to each system.
- ◆ Continued implementation of the Colorado Strategy for Arsenic Reduction (CO-STAR) project to assist public water systems to comply with the revised arsenic standards.
- ◆ Development and implementation of a program to assist systems with radionuclides in their source waters, to help them comply with existing and anticipated radionuclide regulations.
- ◆ Continuation of operator training to conduct analyses required for compliance with the recently promulgated disinfectants/disinfection by-products (DDBP) and interim enhanced surface water treatment rules.
- ◆ Continuation of operator training for the DDBP (i.e., surface water treatment rule) at various locations throughout Colorado.
- ◆ Implementation of an electronic sanitary survey for the WQCD’s Engineering Section to use with handheld devices. Also extension of these tools to our non-community ground water inspection program.

Anticipated Outcomes (short-term/long-term):

- Improved performance based on implementation of enhancement program for surface water systems.
- Improved compliance associated with the drinking water regulations and guidelines booklets provided to public water systems.
- Improved CDPHE drinking water web site to access new information and operator training schedules.
- Enhanced system compliance for “Systems of Concern” by identifying and providing technical assistance to water systems either on the significant non-compliance (SNC) list or soon to be on the SNC list.
- Enhanced system compliance with revised regulatory requirements for public water systems.
- Enhanced system compliance through operator training with the disinfectants/disinfection by-products (DDBP) and interim enhanced surface water treatment rules.
- Improved DDBP (i.e., surface water treatment rule) compliance at various locations throughout Colorado based on operator training.
- Improved management efficiency and effectiveness through the use of electronic sanitary surveys in the field by WQCD’s Technical Services Unit by using handheld devices and software developed by EPA.

4. Source Water Assessment and Protection Program (SWAP)

Set-Aside	Amount	Purpose
SWAP	\$0 for FFY08	To delineate and assess source water areas for surface and ground water systems. SWAP assessment reports were completed in December 2004.

FFY08 request: 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. The SWAP set-aside was fully expended during the FFY06 period.

5. Wellhead Protection Program (WHP)

Set-Aside	Amount	Purpose
Wellhead Protection	\$724,850 for FFY08	To delineate and assess source water areas for ground water systems. Produce new WHP assessment reports as necessary. Support development and implementation of local ground water protection plans.

FFY08 Request: The WQCD intends to use \$724,850.

Use of Funds in 2008 and Expected Accomplishments: The Wellhead Program will work towards implementation of the following output activities:

- Completion of revised ground water susceptibility assessments.
- Completion of new ground water source water delineations.
- Development and implementation of ground water protection plans.
- Public water system data improvement.
- Public water system community information and education.
- Compilation and reporting of the national source water protection measures to EPA.

Anticipated Outcomes (short-term/long-term)

- Enhanced ground water susceptibility assessments to improve compliance.
- Improved ground water protection plans.
- Enhanced WHP data management.
- Enhance community information and education.
- Improved data compilation and reporting.

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 and EPA.

The proposed payment schedule using FFY 2008 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.

IX. PUBLIC REVIEW AND COMMENT

The Colorado State Water Quality Control Commission published this information and held an Administrative Action Hearing on November 13, 2007 at which time the State's 2008 IUP including the 2008 DWRF Eligibility List and Project Priority / Fundable List were approved.

Each year, the IUP will be amended to include additional DWRF 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 Water Quality Control Commission for annual approval.

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2008 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
030001D	5	Academy WSD	Pleasant View Estates	Colorado Springs	El Paso	Distribution / Transmission Lines Construction / Rehabilitation	\$75,000	750
050001D	2	Akron, Town of		Akron	Washington	Improvement / Expansion of Water Treatment Facility	\$1,000,000	1,785
000001D	2	Alamosa, City of		Alamosa	Alamosa	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$16,500,000	8,300
040001D	5	Alma, Town of		Alma	Park	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	235
070006D	3	Arabian Acres Metropolitan District		Woodland Park	Teller	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$362,000	300
960126D	5	Arapahoe County WWA		Englewood	Arapahoe	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$26,300,000	20,000
030002D	5	Arriba, Town of		Arriba	Lincoln	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$1,200,000	245
010003D	5	Aspen Springs MD		Pagosa Springs	Archuleta	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$15,000,000	1,800
070017D	5	Aspen Village MD		Aspen	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation	\$100,000	300
010002D	5	Aspen, City of		Aspen	Pitkin	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,658,000	6,600
960004D	5	Ault, Town of		Ault	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,500,000	1,450
960005D	3	Baca Grande WSD		Crestone	Saguache	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$500,000	563
050002D	5	Basalt, Town of		Basalt	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,235,000	2,000
050003D	5	Baseline WD		Boulder	Boulder	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	1,000
990002D	5	Bayfield, Town of		Bayfield	La Plata	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$750,000	1,800
960127D	5	Bear Creek WSD		Lakewood	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$407,561	167
960182D	3	Bellyache Ridge MD		Edwards	Eagle	Distribution / Transmission Lines Construction / Rehabilitation	\$250,000	180
960007D	3	Bennett, Town of		Bennett	Adams	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,030,000	2,085
030004D	5	Berkeley WSD		Denver	Adams	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	2,000

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990003D	5	Berthoud, Town of		Berthoud	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,500,000	4,839
050004D	5	Bethune, Town of		Bethune	Kit Carson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$619,952	225
960184D	5	Beulah WD		Beulah	Pueblo	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$210,000	960
030005D	3	Black Hawk, City of		Black Hawk	Gilpin	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$10,250,000	108
960009D	3	Blanca, Town of		Blanca	Costilla	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities; Water Meters	\$600,000	402
040003D	1	Brighton, City of		Brighton	Adams	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,900,000	29,000
050006D	5	Bristol WSD		Bristol	Prowers	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$566,000	200
990008D	5	Buffalo Creek WD		Buffalo Creek	Jefferson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters	\$57,000	250
960189D	5	Burlington, City of		Burlington	Kit Carson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$7,600,000	3,675
070018D	5	Buttermilk MD		Aspen	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$118,000	215
000003D	5	Byers WSD		Byers	Adams	Distribution / Transmission Lines Construction / Rehabilitation	\$40,000	1,250
960012D	5	Canon City, City of		Canon City	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,200,000	35,010
010006D	4	Carbondale, Town of		Carbondale	Garfield	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$1,500,000	5,196
960130D	3	Carter Lake Filter Plant WD		Berthoud	Larimer	Improvement / Expansion of Water Treatment Facility	\$12,492,568	50,000
050074D	3	Cascade #1 MD		Cascade	El Paso	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$980,000	1,500
050007D 050007D-2	5	Castle Pines MD		Castle Rock	Douglas	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$10,015,000	3,200

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000004D	4	Cedaredge, Town of		Cedaredge	Delta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$3,615,326	2,001
050008D	5	Center, Town of		Center	Saguache	Water Storage Facilities	\$55,000	840
050009D	5	Central City, City of		Central City	Gilpin	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,700,000	700
060015D	3	Cherokee MD		Colorado Springs	El Paso	Distribution / Transmission Lines Construction / Rehabilitation	\$300,000	17,500
080006D	3	Cheyenne Wells, Town of		Cheyenne Wells	Cheyenne	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$870,000	985
050067D	1	Clear Creek County	Mill Creek Park WIA	Dumont, Mill Creek	Clear Creek	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$83,000	62
050010D	5	Clearwater MD		Denver	Elbert	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,500,000	1,000
050011D	2	Clifton WD		Clifton	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$12,500,000	35,000
050012D	5	Coal Creek, Town of		Coal Creek	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$58,000	383
030009D	4	Colorado Centre MD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$350,000	2,500
050013D	3	Colorado City MD		Colorado City	Pueblo	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$7,500,000	2,318
080007D	5	Colorado Springs Utilities		Colorado Springs	El Paso	Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities	\$59,000,000	362,000
050014D	5	Columbine Lake WD		Grand Lake	Grand	Distribution / Transmission Lines Construction / Rehabilitation	\$1,600,000	1,100
050015D	5	Copper Mountain Consolidated MD		Copper Mountain	Summit	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,400,000	5,000
050016D	5	Cortez, City of		Cortez	Montezuma	Improvement / Expansion of Water Treatment Facility	\$2,858,925	8,081
960017D	5	Costilla County WSD		San Luis	Costilla	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$741,000	1,000
990013D	5	Cottonwood WSD		Englewood	Douglas	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$8,540,000	2,375
010009D 010009D-2	3	Craig, City of		Craig	Moffat	Improvement / Expansion of Water Treatment Facility	\$9,000,000	9,400
050017D	5	Creede, Town of		Creede	Mineral	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,100,000	417
960163D	5	Crested Butte South MD		Crested Butte South	Gunnison	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,600,000	1,200

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080009D	5	Crested Butte, Town of		Crested Butte	Gunnison	Improvement / Expansion of Existing Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facility	\$1,750,000	1,600
070015D	3	Crestone, Town of		Crestone	Saguache	Connect to Existing Facility; Construction of a New Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters; Land Acquisition	\$1,500,394	130
990014D	3	Cripple Creek, Town of		Cripple Creek	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$435,000	1,300
060002D	3	Cucharas WSD		Cucharas	Huerfano	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$350,000	200
080012D	3	Cucharas WSD		Cucharas	Huerfano	Improvement / Expansion of Existing Water Treatment Facility	\$480,000	200
050018D	3	Dacono, City of		Dacono	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$2,754,869	3,800
040005D	3	De Beque, Town of		DeBeque	Mesa	Construction of a New Water Treatment Facility; Improvement / Expansion of Existing Water Treatment Plant	\$270,000	500
080003D	5	Del Norte, Town of		Del Norte	Rio Grande	Water Meters	\$1,413,341	1,800
080011D	5	Delta County	Upper Surface Creek Domestic WUA	Cedaredge	Delta	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	2,700
960021D	5	Dillon, Town of		Dillon	Summit	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$2,441,000	803
030016D	3	Dinosaur, Town of		Dinosaur	Moffat	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	330
050019D	3	Divide MPC MD		Divide	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$116,500	10
960024D	4	Dolores, Town of		Dolores	Montezuma	Improvement / Expansion of Water Treatment Facility	\$410,000	1,000
040006D	4	Dove Creek, Town of		Dove Creek	Dolores	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$128,000	695
960026D	5	Durango West #1 MD		Durango	La Plata	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,640,000	1,000
040007D	4	Durango West #2 MD		Durango	La Plata	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,020,000	900
020019D	4	Eagle River WSD		Vail	Eagle	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$17,700,000	20,500
070004D	3	Eagle, Town of	Western Eagle County Recreation District	Eagle	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Connect to Existing Facility	\$25,000	4,400
000007D	2	East Alamosa WSD		Alamosa	Alamosa	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,100,000	1,432
010011D	4	East Cherry Creek Valley WSD		Aurora	Arapahoe	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$15,000,000	50,000
960027D	5	East Valley Metro WSD		Centennial	Arapahoe	Water Storage Facilities	\$300,000	300

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050021D	2	Eckley, Town of		Eckley	Yuma	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,025,000	278
060016D	4	Edgewater, City of		Edgewater	Jefferson	Improvement / Expansion of Water Treatment Facility	\$100,000	5,445
060004D	2	Elizabeth, Town of		Elizabeth	Elbert	Construction of a New Water Treatment Facility; Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities	\$1,800,000	1,500
020022D	5	Empire, Town of		Empire	Clear Creek	Improvement / Expansion of Existing Water Treatment Plant; Connection to a New or Existing Water Treatment Plant; Water Meters	\$870,000	400
030019D	5	Erie, Town of		Erie	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,000,000	15,000
990019D	3	Estes Park, Town of		Estes Park	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,750,000	5,578
960199D	5	Evans, City of		Evans	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	21,000
050022D	3	Fairplay, Town of		Fairplay	Park	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$6,750,000	715
960032D	5	Firestone, Town of		Firestone	Weld	New Regional Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$10,133,250	8,900
060019D	3	Flagler, Town of		Flagler	Kit Carson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$100,000	631
080014D	3	Florence, City of		Florence	Fremont	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,300,000	3,795
030021D	4	Florissant WSD		Florissant	Teller	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$250,000	43
960201D	3	Forest Lakes MD (La Plata)		Forest Lakes	La Plata	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,500,000	1,883
030022D	3	Forest View Acres WD		Monument	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$4,800,000	900
050023D	5	Fort Collins, City of		Fort Collins	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$5,600,000	129,000
050024D	5	Fort Lupton, City of		Fort Lupton	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,500,000	8,000
070008D	3	Fort Morgan, City of		Fort Morgan	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,500,000	12,000
030023D	3	Fountain Valley Authority		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$1,500,000	65,000

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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
040032D	5	Fountain, City of		Fountain	El Paso	New Drinking Water Treatment Plant; Water Supply Facilities	\$30,000,000	15,675
010013D	5	Fowler, Town of	Westcamp	Fowler	Otero	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$100,000	1,700
960038D	4	Fowler, Town of		Fowler	Otero	Improvement / Expansion of Water Treatment Facility; Water Meters	\$500,000	1,700
980250D	5	Franktown Business Area MD	Douglas County	Franktown	Douglas	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$6,500,000	200
050025D	2	Fraser, Town of		Fraser	Grand	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters	\$1,534,500	1,000
080008D	5	Gateway Metropolitan District		Basalt	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,899,014	418
030025D	1	Genesee WSD		Golden	Jefferson	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$4,150,000	4,010
080018D	3	Genoa, Town of		Genoa	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$500,000	203
960161D	3	Genoa, Town of		Genoa	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation	\$585,000	203
030026D	5	Georgetown, Town of		Georgetown	Clear Creek	New Drinking Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,500,000	1,125
080010D	5	Gilcrest, Town of		Gilcrest	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$8,000,000	1,200
070019D	5	Grace Mar Water District		Lafayette	Boulder	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$80,000	27
990021D	5	Granada, Town of		Granada	Prowers	Water Storage Facilities	\$146,000	640
960136D	5	Grand Junction, City of		Grand Junction	Mesa	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$785,000	40,000
960174D	4	Grand Lake, Town of		Grand Lake	Grand	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$3,000,000	476
070013D	5	Grover, Town of		Grover	Weld	Water Supply Facilities	\$6,000	154
010015D	2	Gunnison County	Somerset Domestic WD	Somerset	Gunnison	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$465,000	520
050027D	5	Gunnison County	Dos Rios Water	Gunnison	Gunnison	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$3,900,000	750
990009D	4	Gunnison, City of		Marble	Gunnison	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$515,100	104
990045D	4	Hamilton Creek MD		Silverthorne	Summit	Improvement / Expansion of Water Treatment Facility	\$2,000,000	200
030028D	4	Hartman, Town of		Hartman	Prowers	Construction of a New Water Treatment Facility; Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities	\$700,000	108

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010016D	1	Haswell, Town of		Haswell	Kiowa	Improvement / Expansion of Water Treatment Facility	\$180,000	84
050028D	3	Haxtun, Town of		Haxtun	Phillips	Distribution / Transmission Lines Construction / Rehabilitation	\$50,000	984
960137D	4	Hayden, Town of		Hayden	Routt	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,425,000	1,700
960171D	1	Highland Lakes WD		Divide	Teller	Construction of a New Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,950,000	1,100
020020D	5	Hi-Land Acres WSD		Brighton	Adams	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$700,000	350
040033D	2	Hillrose, Town of		Hillrose	Morgan	New Water Treatment Facility; Improvement/Expansion of Treatment Facility; Connect to Existing Facility; Consolidation of Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Supply Facilities; Water Meters	\$1,721,952	275
960045D	5	Holly, Town of		Holly	Prowers	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$355,201	1,015
990023D	5	Holyoke, City of		Holyoke	Phillips	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,575,000	2,261
080005D	4	Hooper, Town of		Alamosa		New Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$2,000,000	125
020032D	5	Hoover Hill WSD		Boulder	Boulder	Water Meters	\$100,000	265
960047D	1	Hot Sulphur Springs, Town of		Hot Sulphur Springs	Grand	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,600,000	534
010017D	4	Hotchkiss, Town of		Hotchkiss	Delta	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility	\$2,000,000	2,000
020023D	5	Hudson, Town of		Hudson	Weld	Improvement / Expansion of Water Treatment Facility	\$800,000	1,600
010018D	5	Idaho Springs, City of		Idaho Springs	Clear Creek	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$3,200,000	1,885
020018D	3	Idledale WSD		Morrison	Jefferson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,296,570	350
960050D	3	Ignacio, Town of		Ignacio	La Plata	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	740
030029D	1	Indian Hills WD		Indian Hills	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$340,344	1,100
960051D	1	Jamestown, Town of		Jamestown	Boulder	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$933,500	260
050029D	3	Julesburg, Town of		Julesburg	Sedgwick	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$350,000	1,467

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030031D	5	Keenesburg, Town of		Keenesburg	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	1,150
030032D	2	Ken Caryl West Ranch WD		Morrison	Jefferson	New Regional Water Treatment Facilities; Water Storage Facilities	\$300,000	100
960208D	5	Kersey, Town of		Kersey	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$2,200,000	1,420
030033D	5	Kim, Town of		Kim	Las Animas	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$815,000	76
080013D	5	Kiowa, Town of		Kiowa	Elbert	Improvement / Expansion of Existing Water Treatment Facility; Connect To Existing Facility; Water Storage Facility	\$2,000,000	618
960056D	1	Kit Carson, Town of		Kit Carson	Cheyenne	Construction of a New Water Treatment Facility; Water Storage Facilities; Land Acquisition	\$930,000	250
960057D	3	Kremmling, Town of		Kremmling	Grand	Improvement / Expansion of Existing Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$6,000,000	1,600
040011D	5	La Jara, Town of		La Jara	Conejos	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$1,000,000	850
030035D	2	La Junta, City of	Eureka Water Co (1)	La Junta	Otero	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,649,000	498
020024D	3	La Veta, Town of		La Veta	Huerfano	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,524,000	950
050030D	5	Lake City, Town of		Lake City	Hinsdale	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$2,000,000	404
060013D	3	Lakewood, City of		Lakewood	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$1,500,000	5,500
050031D	5	Lamar, City of		Lamar	Prowers	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,675,000	8,420
070003D	3	Larimer County	Glacier View Meadows Water and Sewer Assoc	Livermore	Larimer	Distribution / Transmission Lines Construction / Rehabilitation	\$310,000	400
960061D	2	Larkspur, Town of		Larkspur	Douglas	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$2,474,500	250
050032D	5	Las Animas, City of		Las Animas	Bent	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$5,020,000	4,301
050033D	5	Limon, Town of		Limon	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply	\$375,000	2,250
060009D	5	Little Thompson WD		Berthoud	Larimer	Improvement / Expansion of Water Treatment plant; Distribution / Transmission Lines Construction / Rehabilitation.	\$15,000,000	20,000
020004D	5	Lochbuie, Town of		Lochbuie	Weld	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$5,500,000	6,500

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030040D	1	Log Lane Village, Town of		Log Lane Village	Morgan	New Drinking Water Treatment Plant; Connect To Existing Facility; Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$3,700,000	1,006
030070D	4	Longmont, City of		Longmont	Boulder	New Drinking Water Treatment Plant	\$60,000,000	70,000
060010D	5	Lookout Mountain WD		Golden	Jefferson	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$920,000	1,300
060014D	5	Loveland, City of		Loveland	Larimer	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$16,500,000	63,000
960067D	3	Lyons, Town of		Lyons	Boulder	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$8,000,000	1,617
000011D	4	Mancos, Town of		Mancos	Montezuma	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$850,000	1,250
050034D	3	Manitou Springs, City of		Manitou Springs	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,440,000	5,000
020005D	5	Meeker, Town of		Meeker	Rio Blanco	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities	\$125,000	2,500
960214D	4	Mesa Cortina WSD		Silverthorne	Summit	Distribution / Transmission Lines Construction / Rehabilitation	\$250,000	800
070016D	5	Mesa County	Ute WCD - Brunner's Artesian WS	Grand Junction	Mesa	Construction of a New Water Treatment Facility; Connect To Existing Facility	\$1,000,000	100
070016D	5	Mesa County	Gateway -	Grand Junction	Mesa	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	251
010024D	5	Mesa WSD		Mesa	Mesa	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$175,000	400
050035D	5	Milliken, Town of		Milliken	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$4,180,000	6,000
080019D	5	Moffat, Town of		Moffat	Saguache	New Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,500,000	113
050036D	5	Monte Vista, City of		Monte Vista	Rio Grande	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,500,000	4,700
960071D	5	Montezuma, Town of		Montezuma	Summit	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,015,000	42
030042D	5	Monument, Town of		Monument	El Paso	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,325,000	1,900
960073D	5	Morgan County Quality WD		Fort Morgan	Morgan	Construction of a New Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$15,450,000	2,500
050037D	3	Morrison Creek Metro WSD		Stagecoach	Routt	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,400,000	700

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960074D	3	Morrison, Town of		Morrison	Jefferson	Construction of a New Water Treatment Facility; Connect to Existing Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$3,000,000	400
960075D	4	Mount Crested Butte WSD		Mt Crested Butte	Gunnison	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$6,000,000	6,000
080015D	3	Mountain View Villages WSD		Leadville	Lake	New Water Treatment Facility; Connect To Existing Facility; Water Storage Facilities	\$1,800,000	1,000
040015D	2	Mountain WSD		Conifer	Jefferson	Improvement / Expansion of Water Treatment Facility	\$600,000	900
010025D	5	Munn's Addition WSD		Brush	Morgan	Consolidation of Water Treatment Facilities; Water Supply Facilities	\$500,000	80
070011D	5	Naturita, Town of		Naturita	Montrose	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	635
060027D	3	Nederland, Town of		Nederland	Boulder	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Plant	\$2,800,000	1,500
960078D	3	North Shore WSD		Granby	Grand	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facility	\$1,800,000	280
030043D	5	Northern Douglas County WSD	McArthur Ranch Inclusion	Littleton	Douglas	Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,100,000	230
040016D	5	Northern Douglas County WSD	Chatfield East Estates Inclusion	Littleton	Douglas	Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$3,100,000	400
960080D	3	Norwood, Town of	Norwood Water Commission	Norwood	San Miguel	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,101,100	1,500
960082D	5	Oak Creek, Town of		Oak Creek	Routt	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$2,900,000	900
080016D	5	Oak Meadows WA		Glenwood Springs	Garfield	Improvement / Expansion of Existing Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,300,000	70
960084D	3	Olde Stage WD		Boulder	Boulder	Water Storage Facilities	\$250,000	250
030044D	3	Ophir, Town of		Ophir	San Miguel	New Regional Water Treatment Facilities; Consolidation of Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities; Water Meters	\$526,085	175
960085D	5	Orchard City, Town of		Orchard City	Delta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$10,000,000	3,100
030045D	5	Ordway, Town of		Ordway	Crowley	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,100,000	1,322
070001D	2	Otero County	South Swink Water Co.	Swink	Otero	New Drinking Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Connect To Existing Facility	\$400,000	600
070007D	2	Otero County	Valley Water Company	Manzanola	Otero	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facility	\$200,000	270
030051D	5	Ouray, City of		Ouray	Ouray	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	813

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050038D	5	Ovid, Town of		Ovid	Sedgwick	Distribution / Transmission Lines Construction / Rehabilitation	\$1,278,550	333
960087D	5	Pagosa Area WSD		Pagosa Springs	Archuleta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$23,542,330	10,000
030052D	4	Paint Brush Hills MD		Falcon	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,145,000	1,200
040022D 040022D-2	3	Palisade, Town of		Palisade	Mesa	Distribution / Transmission Lines Construction / Rehabilitation	\$1,200,000	3,000
010028D	3	Palmer Lake, Town of		Palmer Lake	El Paso	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	2,300
000015D	3	Paonia, Town of		Paonia	Delta	New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$4,540,000	2,200
030053D	5	Parachute, Town of		Parachute	Garfield	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$512,000	1,360
010033D	5	Parkville WD		Leadville	Lake	Water Supply Facilities	\$750,000	8,000
960092D	4	Penrose WD		Penrose	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$2,000,000	3,280
960219D	5	Perry Park WSD		Larkspur	Douglas	Water Storage Facilities; Water Supply Facilities	\$1,500,000	3,100
010030D	3	Phillips County	Amherst Unincorp Area	Amherst	Phillips	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities	\$250,000	200
070002D	5	Pierce, Town of		Pierce	Weld	New Water Treatment Plant; Improvement / Expansion of Water Treatment Facility	\$1,630,000	884
990035D	1	Pine Drive WD		Beulah	Pueblo	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$208,000	350
960093D	2	Pinewood Springs WD		Pinewood Springs	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities;	\$2,405,000	750
010031D	5	Pioneer Lookout WD		Monument	El Paso	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$45,000	100
060011D	3	Platte Canyon WSD		Littleton	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$400,000	19,366
960094D	5	Platteville, Town of		Platteville	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,200,000	2,500
050039D	3	Poncha Springs, Town of		Poncha Springs	Chaffee	Construction of a New Water Treatment Facility; Connection to a New or Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,400,000	570
050040D	3	Powderhorn #1 MD		Mesa	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,000,000	1800

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050041D	3	Pritchett, Town of		Pritchett	Baca	Water Storage Facilities	\$533,000	150
990036D	5	Project 7 WA		Montrose	Montrose	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$10,000,000	44,500
020035D	3	Prowers County	May Valley Water Assoc	Wiley	Prowers	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$50,000	1,500
010050D	4	Pueblo West MD		Pueblo West	Pueblo	Distribution / Transmission Lines Construction / Rehabilitation	\$3,500,000	4,500
050042D	5	PV Water and Sanitation MD		Adams or Weld Co	Weld	New Regional Water Treatment Facilities; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,000,000	10,000
960225D	3	Rainbow Valley WD		Woodland Park	Teller	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$62,000	185
060012D	5	Ralston Valley WSD		Arvada	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$1,200,000	1,300
020006D	5	Rangely, Town of		Rangely	Rio Blanco	Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	2,200
050043D	2	Raymer, Town of		Raymer	Weld	Improvement / Expansion of Water Treatment Facility	\$300,000	73
040023D	4	Red Cliff, Town of		Red Cliff	Eagle	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$100,000	350
040024D	3	Red Rock Valley Estates WD		Colorado Springs	El Paso	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters; Land Acquisition	\$2,345,000	220
060022D	4	Redstone WSD		Redstone	Pitkin	Improvement / Expansion of Water Treatment Facility	\$100,000	300
050044D	5	Resource Colorado Water and Sanitation MD		Adams or Weld Co	Weld	New Regional Water Treatment Facilities; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$40,000,000	10,000
960098D	1	Rico, Town of		Rico	Dolores	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$200,000	250
960099D	5	Ridgewood WD		Woodland Park	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,055,000	95
040025D	4	Ridgway, Town of		Ridgway	Ouray	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$750,000	500
020007D	1	Rifle, City of		Rifle	Garfield	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Eliminate Raw Water Taps	\$14,000,000	8,600
960227D	4	Rocky Ford, City of		Rocky Ford	Otero	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,050,000	4,213

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020028D	3	Round Mountain WSD		Westcliffe	Custer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,080,000	1,056
960160D	4	Routt County	Hahn's Peak	Steamboat Springs	Routt	Eliminate Individual Private Wells; Water Supply Facilities	\$1,800,000	150
960164D	5	Roxborough WSD		Littleton	Douglas / Jefferson / Arapahoe	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$16,046,000	8,900
960102D	5	Rye, Town of		Rye	Pueblo	Improvement / Expansion of Water Treatment Facility; Water Meters	\$100,000	202
960142D	3	Saguache, Town of		Saguache	Saguache	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$150,000	578
990039D	4	Salida, City of		Salida	Chaffee	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,150,000	5,504
040026D	3	San Juan River Village MD		Pagosa Springs	Archuleta	Improvement / Expansion of Water Treatment Facility	\$550,000	500
030059D	4	San Luis WSD		San Luis	Costilla	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities; Water Meters	\$630,000	739
960104D	5	Sanford, Town of		Sanford	Conejos	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$250,000	783
030060D	5	Sawpit, Town of		Sawpit	San Miguel	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$130,000	45
960105D	5	Sedalia WSD		Sedalia	Douglas	Improvement of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,525,000	220
040027D	3	Sedgwick, Town of		Sedgwick	Sedgwick	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$769,000	183
000017D	5	Seibert, Town of		Seibert	Kit Carson	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$3,000,000	194
030061D	5	Severance, Town of		Severance	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$929,000	1,050
070009D	5	Sheridan, City of	Oxford to Union SID	Sheridan	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation; Connect to Existing Facility	\$1,107,000	5,250
020008D	5	Silt, Town of		Silt	Garfield	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,600,000	2,200
050075D	5	Silver Heights WSD		Castle Rock	Douglas	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,600,000	350
960107D	1	Silver Plume, Town of		Silver Plume	Clear Creek	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$2,562,388	1,220
990041D	3	Silverton, Town of		Silverton	San Juan	Construction of a New Water Treatment Plant	\$3,000,000	550
040028D	1	Simla, Town of		Simla	Elbert	Improvement / Expansion of Water Treatment Facility	\$100,000	550
030062D	5	South Adams County WSD		Commerce City	Adams	Water Storage Facilities	\$2,000,000	47,000

**Appendix A
Drinking Water Revolving Fund
2008 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
030063D	5	South Fork WSD		South Fork	Rio Grande	New Regional Water Treatment Facilities; Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,000,000	1,000
040029D	4	Southeast La Plata Rural WD		Durango	La Plata	Construction of a New Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$15,048,000	4,900
050046D	1	Springfield, Town of		Springfield	Baca	Water Supply Facilities	\$300,000	1,600
960145D	3	St Charles Mesa WD	Blende, Vineland, Avondale, Pueblo	Pueblo	Pueblo	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,250,000	10,418
030064D	4	Steamboat Lake WSD		Clark	Routt	Construction of a New Water Treatment Facility; Water Storage Facilities; Water Supply Facilities; Water Meters	\$650,000	300
960156D	2	Sterling, City of		Sterling	Logan	New Regional Water Treatment Facilities; Connection to a New or Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$12,500,000	13,800
050047D	3	Stonegate Village MD		Parker	Douglas	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,000,000	8,000
980244D	5	Stratmoor Hills WD		Colorado Springs	El Paso	New Regional Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters	\$797,374	6,300
050048D	5	Stratton, Town of		Stratton	Kit Carson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,000,000	669
960230D	5	Summit Ridge WD		Mancos	Montezuma	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$700,000	1,400
050049D	3	Tabernash Meadows WSD	Pole Creek Subdivision	Tabernash	Grand	New Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Water Supply Facilities	\$2,000,000	100
040030D	5	Teller County #1 WSD		Woodland Park	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$600,000	625
010036D	5	Telluride, Town of		Telluride	San Miguel	Construction of a New Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$9,550,000	5,000
080017D	3	Thornton, City of		Thornton	Adams	Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities	\$10,800,000	132,000
020010D	5	Thunderbird WSD		Sedalia	Douglas	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$720,000	425
080001D	2	Timbers Water & Sanitation District		Steamboat Springs	Routt	Improvement / Expansion of Existing Water Treatment Plant	\$150,000	100
070005D	5	Tri-County WCD	Ouray Regional Water Treatment Plant / Town of Ridgeway	Ridgeway	Ouray	New Regional Water Treatment Plant; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,000,000	17,000
990046D	4	Trinidad, City of		Trinidad	Las Animas	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$17,800,000	9,254

**Appendix A
Drinking Water Revolving Fund
2008 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
050050D	5	Turkey Canon Ranch WD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$300,000	75
040031D	2	Two Buttes, Town of		Two Buttes	Baca	Improvement / Expansion of Water Treatment Facility	\$100,000	100
050051D	5	Upper Eagle Regional WA		Avon, Edwards	Eagle	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$9,180,000	32,500
050052D	1	Vilas, Town of		Vilas	Baca	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$300,000	147
060023D	3	Vona, Town of		Vona	Kit Carson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$100,000	95
960115D	3	Walden, Town of		Walden	Jackson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$1,900,000	734
050053D	5	Walsenburg, City of		Walsenburg	Huerfano	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	4,119
050054D	5	Watkins, Town of	Prairie View Subdivision	Watkins	Arapahoe	Water Supply Facilities	\$125,000	5,530
060017D	3	Wellington, Town of		Wellington	Larimer	Improvement / Expansion of Existing Water Treatment Plant	\$2,500,000	6,450
030068D	5	West Fort Collins WD		Fort Collins	Larimer	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,000,000	4,000
960231D	3	Westcreek Lakes WD		Sedalia	Douglas	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$100,000	150
050055D	3	Westminster, City of		Westminster	Adams	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$26,500,000	110,000
990048D	3	Westwood Lakes WD		Woodland Park	Teller	Distribution / Transmission Lines Construction / Rehabilitation	\$650,000	378
060025D	3	Widefield WSD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$100,000	25,000
050056D	5	Wiggins, Town of		Wiggins	Morgan	Improvement / Expansion of Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Land Acquisition	\$4,000,000	900
020015D	5	Williamsburg, Town of		Williamsburg	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,000,000	714
050057D	5	Will-O-Wisp MD		Bailey	Park	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$48,000	320
990049D	5	Wilson Mesa MD	Wilson Mesa Ranch	Telluride	San Miguel	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$155,000	150
020030D	4	Winter Park WSD		Winter Park	Grand	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,499,000	6,000
060026D	4	Woodlin School District 104		Woodrow	Washington	Improvement / Expansion of Water Treatment Facility	\$100,000	200
020038D	5	Woodmoor #1 WSD		Monument	El Paso	Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities; Water Meters	\$2,100,000	7,500
050058D	5	Wray, City of		Wray	Yuma	Connect To Existing Facility; Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$4,000,000	2,287
960238D	5	Yampa, Town of		Yampa	Routt	Water Storage Facilities	\$1,000,000	475
030069D	3	Yuma, City of		Yuma	Yuma	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,620,000	3,315

Total: \$1,033,794,194

APPENDIX B
Drinking Water Revolving Fund
2008 Project Priority / Fundable List

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	Estimated Project Cost	*Approved Loan Amount	^DC	Expected/Actual Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description
050005D	1	87	Boone, Town of	Pueblo	151150	326		\$514,297	Y	8/15/06	30	D	0	Exceeding MCL for nitrate / nitrite.	Improvements to water supply; installation of new treatment plant; rehabilitate existing storage tanks; and distribution system upgrades.
040033D	2	97	Hillrose, Town of	Morgan	144010	275		\$995,097	Y	5/13/07	30	D	0	Replace aged infrastructure to comply with primary and secondary drinking water standards; improve storage facilities to prevent contamination.	Connection to Morgan Co. Quality WD including well rehabilitation; piping; new treatment facility; storage tank; distribution system with meters and hydrants.
000001D	2	95	Alamosa, City of	Alamosa	102100	8,300		\$11,865,062	N	11/2/06	20	L	3.42	Exceeding MCL for arsenic	Construct new 5.04 MGD treatment plant; install transmission lines between 6 wells and new plant and install irrigation lines to large users to reduce treated water demand.
000007D	2	90	East Alamosa WSD	Alamosa	102200	1,432	\$2,100,000		Y	12/07	30	D	0	Exceeding MCL for arsenic	Connection to the City of Alamosa proposed treatment plant including cost sharing of capital costs; a new water supply pipeline for district system; new water tank; pumps; control system and meters.
960061D	2	80	Larkspur, Town of	Douglas	118030	280	\$2,474,500		N	5/2008	20	D	3.75	Exceeding MCL for radium.	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters
010017D	2	30	Hotchkiss, Town of	Delta	0115352	2,000		\$925,000	Y	11/2007	20	D	0	Inadequate treatment capacity due to more stringent turbidity regulations.	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility
040005D	3	55	De Beque, Town of	Mesa	0139205	500	\$270,000		Y	5/2008	20	D	1.875	System requires minor rehabilitation of aging facilities and infrastructure and replacement of existing filtration technology	Improvement / Expansion of Water Treatment Facility; Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities
060011D	3	55	Platte Canyon WSD	Jefferson	103614	196	\$400,000		N	5/2008	20	D	3.5	Distribution system deficiencies and Total Coliform Rule compliance challenges.	Replace distribution system serving Columbine Townhouses IV, loop lines, add water meters, service lines, taps and fire hydrants.
010009D	3	50	Craig, City of	Moffat	141188	9,189		\$6,056,378	N	4/27/06	21	L	3.65	Aged water treatment plant and inadequate chlorine contact time.	Water treatment plant conversion to dissolved air flotation; addition of multi-media filters; ultraviolet disinfection and mechanical system upgrades.

*Projects with an approved loan remain on the Priority / Fundable List until the project is complete.

APPENDIX B
Drinking Water Revolving Fund
2008 Project Priority / Fundable List

960115D	3	47	Walden, Town of	Jackson	129834	734		\$900,000	Y	9/6/06	25	D	1.75	The 24 year old plant must be replaced to reduce chemical usage and enhance filtration.	Improvement to drinking water treatment plant; water storage facilities.
020024D	3	45	La Veta, Town of	Huerfano	0128500	960	\$3,524,000		N	5/2008	30	D	3.75	Aging infrastructure and system fails to meet SWTR treatment requirements for minimum contact time.	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities
060002D	3	35	Cucharas SWD	Huerfano	128100	145		\$269,000	N	11/29/06	20	D	3.75	Inadequate looping, flushing and circulation as well as winter freezing of distribution lines.	Distribution system improvements.
050025D	3	25	Fraser, Town of	Grand	125288	996	\$1,534,500		N	5/2008	20	D	3.75	The system is not metered. This creates problems in effectively managing water usage and promoting water conservation.	Installation of approximately 350 water meters, installation and replacement of transmitting units and installation of back-flow prevention devices.
050021D	4	36	Eckley, Town of	Yuma	163001	278	\$1,025,000		Y	10/2007	30	D	0	Exceeding MCL for arsenic	Treatment plant improvements to remove arsenic.
960161D	5	60	Genoa, Town of	Lincoln	137005	211		\$175,000	Y	12/20/06	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Install new distribution lines
960105D	5	55	Sedalia WSD	Douglas	118060	220	\$2,525,000		N	5/2008	30	D	3.75	Replace aged infrastructure for compliance with Total Coliform Rule and upcoming Groundwater Rule.	New chemical feed system, well redevelopment; pump upgrades; new storage tanks; transmission line installation and distribution system improvements including hydrants.
050048D	5	55	Stratton, Town of	Kit Carson	132020	669	\$1,000,000		Y	11/2007	30	D	1.875	Ensure compliance with ground water rule, install disinfection to meet MCLs on coliform, aging distribution system	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities;
960126D	5	45	Arapahoe County WWA	Arapahoe	203002	24,536		\$16,049,975	N	11/2/06	15	L	3.31	Replace aged infrastructure to ensure compliance with Enhanced Surface Water Treatment Rules.	Construct water treatment plant; new water supply wells; install pipelines serving new plant; and property acquisition for new plant.
990013D	5	45	Cottonwood WSD	Douglas	118020	2,375		\$9,996,005	N	11/2/06	20	L	3.42	Iron, maganese and hydrogen sulfide contamination.	Construct water treatment plant; new water supply wells; pipelines serving plant and property acquisition.

*Projects with an approved loan remain on the Priority / Fundable List until the project is complete.

**APPENDIX B
Drinking Water Revolving Fund
2008 Project Priority / Fundable List**

050032D	5	40	Las Animas, City of	Bent	0106300	2,758		\$812,000	Y	11/2007	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters
060012D	5	35	Ralston Valley WSD	Jefferson	130667	1,300		\$1,300,000	N	8/9/06	20	D	3.75	Aged transmission and distribution system that may cause contamination if not replaced. Compliance with Total Coliform Rule.	Install pressure reducing stations, new distribution lines; control valves and fire hydrants.
030045D	5	20	Ordway, Town of	Crowley	113700	1,322		\$114,300	Y	12/2/06	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Install new distribution lines

Total: \$14,853,000 \$49,972,114

^DC - Disadvantaged Communities

Y-Yes, N-No

*Projects with an approved loan remain on the Priority / Fundable List until the project is complete.

**Appendix C1
Drinking Water Revolving Fund
Additions to the 2007 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
080006D	3	Cheyenne Wells, Town of		Cheyenne Wells	Cheyenne	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$870,000	985
080007D	5	Colorado Springs Utilities		Colorado Springs	El Paso	Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities	\$59,000,000	362,000
080009D	5	Crested Butte, Town of		Crested Butte	Gunnison	Improvement / Expansion of Existing Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facility	\$1,750,000	1,600
080012D	3	Cucharas WSD		Cucharas	Huerfano	Improvement / Expansion of Existing Water Treatment Facility	\$480,000	200
080003D	5	Del Norte, Town of		Del Norte	Rio Grande	Water Meters	\$1,413,341	1,800
080011D	5	Delta County	Upper Surface Creek Domestic WUA	Cedaredge	Delta	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	2,700
080014D	3	Florence, City of		Florence	Fremont	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,300,000	3,795
080008D	5	Gateway Metropolitan District		Basalt	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,899,014	418
080018D	3	Genoa, Town of		Genoa	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$500,000	203
080010D	5	Gilcrest, Town of		Gilcrest	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$8,000,000	1,200
080005D	4	Hooper, Town of		Alamosa		New Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$2,000,000	125
080013D	5	Kiowa, Town of		Kiowa	Elbert	Improvement / Expansion of Existing Water Treatment Facility; Connect To Existing Facility; Water Storage Facility	\$2,000,000	618
070016D	5	Mesa County	Gateway	Grand Junction	Mesa	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	251
080019D	5	Moffat, Town of		Moffat	Saguache	New Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,500,000	113
080015D	3	Mountain View Villages WSD		Leadville	Lake	New Water Treatment Facility; Connect To Existing Facility; Water Storage Facilities	\$1,800,000	1,000
080016D	5	Oak Meadows WA		Glenwood Springs	Garfield	Improvement / Expansion of Existing Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,300,000	70
080017D	3	Thornton, City of		Thornton	Adams	Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities	\$10,800,000	132,000
080001D	2	Timbers Water & Sanitation District		Steamboat Springs	Routt	Improvement / Expansion of Existing Water Treatment Plant	\$150,000	100

Total: \$103,762,355

Appendix C2
Drinking Water Revolving Fund
Deletions from the 2007 Project Eligibility List

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
960001D	4	Aguilar, Town of		Aguilar	Las Animas	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,282,100	547
050005D	1	Boone, Town of		Boone	Pueblo	Construction of a New Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities	\$1,054,297	326
960011D	5	Branson, Town of		Branson	Las Animas	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$250,000	125
980253D	1	Deer Trail, Town of		Deer Trail	Arapahoe	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$866,000	592
030017D	5	East Boulder County WD		Boulder	Boulder	Water Storage Facilities	\$170,000	250
020021D	5	East Larimer County WD		Fort Collins	Larimer	Distribution / Transmission Lines Construction / Rehabilitation	\$2,112,000	15,000
050020D	5	Eaton, Town of		Eaton	Weld	New Drinking Water Treatment Plant	\$2,500,000	4,000
040009D	4	Glenwood Springs, City of		Glenwood Springs	Garfield	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$9,445,000	8,000
960055D	5	Kiowa, Town of		Kiowa	Elbert	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,300,000	660
000002D	2	La Junta, City of	Bent's Fort WUA	La Junta	Otero	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$655,000	1,500
000039D	2	La Junta, City of	Homestead Improvement Assoc Inc	La Junta	Otero	Consolidation of Water Treatment Facilities	\$98,000	65
990026-2D	2	La Junta, City of		La Junta	Otero	Consolidation of Water Treatment Facilities; Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,400,000	8,400
070012D	4	Lake County	Mountain View Village	Leadville	Lake	Construction of a new Water Treatment Facility; Connect To Existing Facility; Water Storage Facilities	\$1,800,000	1,000
980252D	5	Lake Creek MD		Edwards	Eagle	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$350,000	230
070020D	2	Otero County	Valley Water Co		Otero	Improvement / Expansion of Water Treatment Facility	\$100,000	270
050045D	3	Romeo, Town of		Romeo	Conejos	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$234,000	345
990047D	5	Walsh, Town of		Walsh	Baca	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$425,000	731
960233D	4	Wiley, Town of		Wiley	Prowers	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$900,000	500

Total: \$27,941,397

ATTACHMENT 1

Drinking Water Revolving Fund Rules



**Colorado Department
of Public Health
and Environment**

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Water Quality Control Division

5 CCR 1003-3

**STATE BOARD OF HEALTH
DRINKING WATER REVOLVING FUND RULES**

(Last Amended September 15, 2004, effective November 30, 2004)

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Water Quality Control Division

5 CCR 1003-3

**STATE BOARD OF HEALTH
DRINKING WATER REVOLVING FUND RULES**

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DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

Water Quality Control Division

5 CCR 1003-3

STATE BOARD OF HEALTH DRINKING WATER REVOLVING FUND RULES

A. 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 (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, which is part of the annual Intended Use Plan. Codified at sections 37-95-103 and 37-95-107.8, C.R.S., the statutes direct the State 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 complies with 40 CFR part 35, subpart I, and provides for the Board of Health's approval of the Intended Use Plan including additions and modifications to the Project Eligibility List and the Priority / Fundable List.

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 25-1.5-203, C.R.S., also provides authority for this regulation.

B. Definitions

Section 1.2.2 of the Colorado Primary Drinking Water Regulations 5 CCR 1003-1, contains 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" - 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" - A situation where the Division has identified a maximum contaminant level (MCL) violation or a treatment technique violation. Funding for these projects must 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 MCLs (other than those listed as acute) and treatment technique requirements. Chronic contaminant health effects occur after years of exposure.

- (6) "Other Future Needs" - Those needs in situations where a 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" - Temporary managerial or technical steps to protect public health during the time period when the public water system 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" – A situation where a public water system has periodically exceeded an MCL, has levels greater than 50 percent 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 (DWRF), as

adopted and from time to time modified in accordance with Section 37-95-107.8(4), C.R.S. The list shall consist of projects that 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) "Public water system" - (PWS) A system for the provision to the public of water for human consumption through pipes or other constructed conveyances, if such system has at least fifteen service connections or regularly serves an average of at least twenty-five individuals daily at least 60 days out of the year. Such term includes:
 - (a) Any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system.
 - (b) Any collection or pretreatment storage facilities not under such control, which are used primarily in connection with such system.
- (12) "Source Water Protection" - Structural or nonstructural source water protection activities done in addition to area delineation and contaminant assessment.
- (13) "Treatment Facilities" - Any devices or systems used in the collection, storage, treatment, transmission, diversion, or distribution of water intended for drinking water purposes.
- (14) "Wastewater Treatment Plant Sludge" - The accumulated solids resulting from treatment of domestic wastewater.
- (15) "Water Conservation" - Any structural or nonstructural water conservation measure that achieves a reduction in water consumption for a PWS or 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 that 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.
- (16) "Water Treatment Plant Sludge" - The accumulated solids resulting from treatment of water for domestic use.

C. Purpose

- (1) 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.
- (2) An annual Intended Use Plan (IUP) is required by the SDWA to provide information about how the state will assist communities with their drinking water needs. Included in the IUP is the Project Eligibility List, which is a comprehensive list identifying governmental agencies with drinking water project needs, and the Priority / Fundable List, identifying prioritized PWS projects that are eligible for financial assistance from the DWRF. The project priority system is intended to establish priorities for the DWRF 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.
- (3) It is also the policy of the Board of Health to encourage consolidation of drinking water systems and to promote water conservation where practicable.
- (4) It is the policy of the Board of Health and the Water Quality Control Commission to promote beneficial use of sludge created by treatment processes of a PWS.
- (5) Any applicant for financial assistance from the DWRF must comply with policies and procedures and other requirements of the Authority.

D. Intended Use Plan Procedures

The Division, in cooperation with the Division of Local Government and the Authority, shall develop an annual IUP. The Division shall recommend the IUP to the Board of Health each year for final agency action at a public hearing, and shall also provide for public notice and an opportunity to comment to comply with the SDWA.

The IUP shall include:

- (1) The Project Eligibility List and Priority / Fundable List of projects.
- (2) Descriptions of:
 - (a) Criteria and method used for distribution of funds
 - (b) Financial status of the DWRF program
 - (c) Short and long term goals of the DWRF program
 - (d) Amounts transferred between the DWRF and the Water Pollution Control Revolving Fund

- (e) Set-aside activities and the percentage of the capitalization grant to be used
 - (f) How a state disadvantaged community program will be defined and utilized, if applicable; and
- (3) Any other material that may be required by the SDWA.

E. Project Eligibility List and Priority / Fundable List Procedures

- (1) The Project Eligibility List is the comprehensive list of projects showing current and future needs of PWS improvements. 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 at a public hearing. The list shall be forwarded to the General Assembly each year on or before January 15; once approved by the General Assembly, the Authority is able to provide assistance to the governmental agencies with projects on the Project Eligibility List.
- (2) As required by federal regulations, all projects, except projects funded on an emergency basis, shall be prioritized before receiving assistance from the DWRP. The Priority / Fundable List includes projects from the Project Eligibility List that are ready for funding and have been prioritized by the Division based on information provided by the PWS. The Priority / Fundable List shall include:
- (a) The name of the public water system;
 - (b) Priority points and rank assigned to the project;
 - (c) A description of the project;
 - (d) The expected terms of the financial assistance; and
 - (e) Population of the PWSs service area
- (3) Projects on the Priority / Fundable List will be financed in priority order; however, exceptions for funding out of priority order shall be allowed due to one or more of the following reasons:
- (a) Certain governmental agencies are not ready to proceed with the project;
 - (b) Certain governmental agencies do not wish to participate in the DWRP, or they have received funding from other sources;
 - (c) Certain governmental agencies (on the list) had an emergency situation occur during the funding year; or
 - (d) Certain governmental agencies are 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.)

F. Priority System

- (1) All PWSs with identified water quality problems related to health and compliance issues may be included in one of the categories listed below.
- (2) All PWS projects that fall into one of the categories listed below and have a pre-planning, planning, or pre-design document that describes a project to correct the water quality problem, shall be prioritized as ready for funding on the Priority / Fundable List.
- (3) Funding for the projects under each category shall result in the PWSs complying with existing regulatory requirements.
- (4) Eligible Project Criteria

Categories were developed to emphasize the most immediate public health and compliance issues. Projects on the Project 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 have violations caused by poor operation and maintenance procedures or are under an administrative order for violating reporting requirements.

- (5) Categories By Priority Ranking
 - (a) 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.
 - (b) 2 - Chronic (long term) Health Hazard. The Division has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant.
 - (c) 3 - Potential Acute Health Hazard. The PWS has periodically exceeded an acute MCL, has levels greater than 50 percent 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.
 - (d) 4 - Potential Chronic Health Hazard. The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short term problems meeting other treatment technique requirements.
 - (e) 5 - Other Future Needs. The PWS 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.

(6) Priority Point Assignments Within Each Category

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

- (a) Population. Points shall be assigned to PWSs 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

- (b) Financial Need. Points shall be assigned to PWSs in accordance with the following “financial need criteria:”

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

over 3 percent	20 points
over 2 percent; up to 3 percent	15 points
over 1 percent; up to 2 percent	10 points

- (ii) Local burden (total project cost per equivalent residential tap):

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

- (c) Consolidation. Fifteen points shall be assigned to a PWS if the project includes consolidating two or more PWSs.

- (d) Water Conservation. Five points shall be assigned to a PWS if the PWS implements a water conservation measure.

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

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

- (g) Health Risk. To further clarify the ranking of PWS projects, the Division shall assign up to twenty points for a PWSs health risks. Determination of the health risk will be made based upon the type and level of contaminant present within categories.

G. Disadvantaged Communities Procedures

Under the SDWA, states are authorized to establish Disadvantaged Communities Programs. The following procedures describe the approval and amendment process for Colorado's annual IUP as it relates to the administration of its Disadvantaged Communities Program. The Division, Authority and the Division of Local Government may recommend Program changes based on actual program implementation and the results of periodic reviews conducted hereunder. Approval of any and all changes in the IUP is subject to final agency action by the Board of Health.

- (1) The DWRF may provide additional loan subsidies for governmental entities that are determined to be "disadvantaged." The definition/criteria of a disadvantaged community and the nature of the loan subsidies to be made available thereto shall be recommended for inclusion in the IUP by the Division and the Authority in consultation with the Division of Local Government. Subsidies, such as extended loan repayment terms and reduced interest rates at or above zero percent, are not subject to the thirty percent cap of the federal capitalization grant.
- (2) While compiling projects on the Priority / Fundable List (utilizing the procedures listed in Section E above), the Division will identify the community projects that qualify for assistance under the Disadvantaged Communities Program in accordance with program definition/criteria.
- (3) The Division, the Authority and the Division of Local Government will conduct periodic reviews, as appropriate, of the Disadvantaged Communities Program. The reviews may result in recommended program changes relative to the nature of available subsidies to be incorporated into the IUP. In conducting such reviews and preparing recommendations, the following factors may be examined:
 - (a) The overall financial condition of the communities participating in the program, including but not limited to:
 - o The total drinking water utility system fee and tax burden upon rate payers;
 - o Post project drinking water utility charges;
 - o Drinking water utility indebtedness;
 - o Median household income.
 - (b) The impact of the subsidy upon the continued financial viability of the DWRF.

- (c) The merit of utilizing all financial assistance options allowed under the SDWA to ensure a safe drinking water supply for all citizens.
- (4) Upon receipt of comment from the Division, Authority and/or Division of Local Government, the Board of Health shall render final agency action upon the Disadvantaged Communities Program provisions of the IUP.

H. Emergency Procedures

- (1) The Board of Health may amend the project eligibility and Priority/Fundable Lists at any time throughout the year to include PWS projects that it determines and declares to be emergency projects needed to prevent or address threats to public health.
- (2) In cases where the board determines the amendments will result in substantial changes to the project eligibility or Priority / Fundable Lists, public notice and opportunity for comment on the proposed inclusions shall be provided.

ATTACHMENT 2
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
 - Install meters
- ◆ 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 2
Eligible and Ineligible Projects and Project-Related Costs
Under the Drinking Water State Revolving Loan Fund (DWRFL) Program
(continued)

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

DRINKING WATER REVOLVING FUND
2008 INTENDED USE PLAN
ATTACHMENT 3A - DWSRF SET-ASIDE AND PROGRAM ADMINISTRATION ACCOUNT ACTIVITY
From Inception through June 30, 2007

SET -ASIDE ACTIVITY

Set-Aside	Set Aside Allocation from Grants Through June 30, 2007	Set Aside Funds Transferred (To)/From Loan Fund or Other Set Asides	Set Aside Funds Expended Through June 30, 2007	Balance available	Set Aside Allocations from the 2007 and 2008 Grants (a)	Total Funds Available for State Fiscal Year 2008	Set Aside Reserved Through 2007	Set Aside Reserved FFY07 Allotment	Total Set-Aside Reserved
Grant Administration	\$5,033,424		(\$2,964,962)	\$2,068,462	\$1,159,760	\$3,228,222	\$0	\$0	\$0
State Program:									
> PWS Supervision	5,567,928		(4,022,345)	1,545,583	2,899,400	4,444,983	0	0	0
> Source Water Protection	0		0	0	0	0	0	0	0
> Capacity Development	0		0	0	0	0	0	0	0
> Operator Certification	0		0	0	0	0	0	0	0
Small System Tech. Asst.	2,516,712	(281,532)	(1,046,802)	1,188,379	579,880	1,768,259	0	0	0
Local Assistance:									
> Loan Assistance for SWP	0		0	0	0	0	0	0	0
> Capacity Development	8,928,941	(970,860)	(4,280,036)	3,678,045	2,899,400	6,577,445	0	0	0
> Source Water Assessment	1,678,410	(18,345)	(1,660,065)	0	0	0	0	0	0
> Wellhead Protection	4,252,667		(2,825,202)	1,427,465	1,449,700	2,877,165	0	0	0
In-kind Services		150,000	(150,000)	0		0			
TOTALS	\$27,978,082	(\$1,120,737)	(\$16,949,411)	\$9,907,934	\$8,988,140	\$18,896,074	\$0	\$0	\$0

PROGRAM ADMINISTRATION ACCOUNT ACTIVITY

Transfers to State Match Holding Account	Loan Fees Collected	Grant Funds Received	Investment Income plus Other Transfers In	Program Expenses Paid from Account	Balance Available	Anticipated Collection for 07/01/07 - 06/30/08*	Anticipated Program Administration Funds Available
(419,119)	10,994,336	2,964,962	987,563	(8,805,006)	5,722,735	2,116,457	7,839,192

Note: All amounts for this report are cash basis.

* Based on loans issued as of 06/30/07

(a) The 2007 DWRG Grant was awarded after the date of this report.

DRINKING WATER REVOLVING FUND (DWRP) LOAN PROGRAM
2008 INTENDED USE PLAN
ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007

DETAIL OF LOANS FINANCED UNDER THE DWRP PROGRAM									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest Rate	DW SRF Funds Obligated to Loan (a)	State Match Provided for Loan (b)	Funded or Subsidized with DW SRF Reloan Monies (c)	State Match Provided to DW SRF Funds	Loan Type
Arapahoe Estates WD	10/01/97	\$ 1,048,332.75	20	4.150%	\$ 388,359.00	\$ 98,332.75	\$ -	0.253	LL
Englewood, City of	10/01/97	15,292,635.61	21	4.140%	5,361,910.00	1,357,635.61		0.253	LL
Fort Collins, City of	10/01/97	10,125,299.77	20	4.120%	3,614,928.00	915,299.77		0.253	LL
Grand Lake, Town of	10/29/97	495,000.00	20	4.500%	394,988.00	100,012.00		0.253	DL
Buena Vista, Town of	06/01/98	1,324,119.65	20	4.010%	490,204.00	124,119.65		0.253	LL
Fort Morgan, City of	06/01/98	15,433,355.38	21	4.020%	5,641,214.00	1,428,355.38		0.253	LL
Chatfield South WD	07/13/98	728,500.00	20	4.500%	581,310.00	147,190.00		0.253	DL
Left Hand W&SD	09/11/98	188,700.00	20	4.500%	150,574.00	38,126.00		0.253	DL
Julesburg, Town of	05/01/99	693,000.00	1	4.500%	543,757.00	149,243.00		0.274	DL
Aurora, City of	05/01/99	14,999,898.55	15	3.633%	4,751,500.00	1,024,898.55		0.216	LL
Fort Collins, City of	05/01/99	4,998,394.59	20	3.808%	1,870,165.00	403,394.59		0.216	LL
Glenwood Springs, City of	05/01/99	4,999,017.40	19	3.773%	1,710,790.00	369,017.40		0.216	LL
Grand County W&SD	05/01/99	2,998,566.15	19	3.783%	1,036,468.00	223,566.15		0.216	LL
Greeley, City of	05/01/99	14,999,038.36	20	3.802%	5,280,660.00	1,139,038.36		0.216	LL
Julesburg, Town of	05/01/99	994,599.70	20	3.809%	392,210.00	84,599.70		0.216	LL
Left Hand WD	05/01/99	6,571,538.04	20	3.802%	2,139,722.00	461,538.04		0.216	LL
Thunderbird W&SD	06/01/99	285,000.00	20	4.500%	223,623.00	61,377.00		0.274	DL
La Junta, City of	10/15/99	490,000.00	20	4.500%	384,475.00	105,525.00		0.274	DL
Sedalia W&SD	03/09/00	326,000.00	20	4.500%	255,794.00	70,206.00		0.274	DL
Evergreen MD	04/15/00	5,577,981.71	21	4.390%	1,786,069.00	452,981.71		0.254	LL
Fountain Valley Auth	04/15/00	7,607,966.23	21	4.400%	2,633,735.00	667,966.23		0.254	LL
Limon, Town of	04/15/00	1,440,808.84	21	4.410%	436,910.00	110,808.84		0.254	LL
Pueblo Board of WW	04/15/00	9,558,794.83	23	4.600%	2,499,000.00	633,794.83		0.254	LL
Westminster, City of	04/15/00	14,998,357.36	21	4.400%	4,764,452.00	1,208,357.36		0.254	LL
Springfield, Town of	07/28/00	349,470.76	20	4.500%	274,209.00	75,261.76		0.274	DL
Craig, City of	12/15/00	450,000.00	5	4.000%	353,089.00	96,911.00		0.274	DL
Wellington, City of	11/01/01	1,000,000.00	20	4.000%	716,007.00	283,993.00		0.397	DL
Woodland Park, City of	03/13/02	800,000.00	20	4.000%	597,200.00	202,800.00		0.340	DL
Evergreen MD	04/01/02	2,036,129.62	21	4.000%	764,260.00	181,129.62		0.237	LL
Grand Junction, City of	04/01/02	3,566,521.69	21	4.020%	1,082,370.00	256,521.69		0.237	LL
Idaho Springs, City of	04/01/02	2,339,796.89	21	3.990%	906,316.00	214,796.89		0.237	LL
La Junta, City of	04/01/02	9,812,211.15	21	4.000%	3,300,469.00	782,211.15		0.237	LL
Hayden, Town of	04/30/02	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Thunderbird W&SD	08/27/02	343,684.15	20	4.000%			343,684.15	n/a	DL
Dillon, Town of	10/18/02	1,000,000.00	10	4.000%			1,000,000.00	n/a	DL
Basalt, Town of	12/19/02	948,245.63	20	4.000%			1,000,000.00	n/a	DL
Westwood Lakes WD	05/15/03	500,000.00	20	4.000%			500,000.00	n/a	DL
Fountain Valley Auth	06/01/03	3,221,861.82	22	3.030%	1,463,552.00	346,861.82		0.237	LL

DRINKING WATER REVOLVING FUND (DWRP) LOAN PROGRAM
2008 INTENDED USE PLAN
ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007

DETAIL OF LOANS FINANCED UNDER THE DWRP PROGRAM (CONTINUED)									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest Rate	DW SRF Funds Obligated to Loan (a)	State Match Provided for Loan (b)	New Loans Funded or Subsidized with DW SRF Reloan	Percent of State Match Provided to DW SRF	Loan Type
Longmont, City of	06/01/03	\$ 14,998,044.44	21	3.110%	\$ 6,046,601.00	\$ 1,433,044.44	\$ -	0.237	LL
Lyons, Town of	06/01/03	4,915,599.18	22	3.030%	2,196,621.00	520,599.18		0.237	LL
Florence, City of	11/01/03	12,999,092.97	22	3.510%	5,502,502.00	1,304,092.97		0.237	LL
Oak Creek, Town of	11/18/03	900,688.96	20	4.000%			900,688.96	n/a	DL
Mustang WA	12/08/03	700,000.00	20	4.000%			700,000.00	n/a	DL
Ouray, City of	12/19/03	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Swink, Town of	04/20/04	669,000.00	20	3.500%			669,000.00	n/a	DL
Pinewood Springs WD	07/26/04	123,200.00	20	3.500%			123,200.00	n/a	DL
Florence, City of	01/25/05	769,899.33	20	3.500%			769,899.33	n/a	DL
La Jara, Town of	04/20/05	200,000.00	20	0.000%			200,000.00	n/a	DC
Olde Stage WD	06/01/05	100,000.00	20	3.500%			100,000.00	n/a	DL
Victor, City of	06/17/05	283,000.00	10	0.000%			283,000.00	n/a	DC
Log Lane Village, Town of	10/14/05	1,000,000.00	30	1.750%			1,000,000.00	n/a	DC
Bristol W&SD	02/08/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Pritchett, Town of	03/31/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Pinewood Springs WD	04/03/06	752,425.00	20	3.500%			752,425.00	n/a	DL
Craig, City of	04/27/06	6,056,378.40	21	3.650%	2,263,200.00	536,378.40		0.237	LL
Little Thompson WD	04/27/06	6,383,774.04	21	3.650%	2,653,055.00	628,774.04		0.237	LL
Sedgwick, Town of	05/15/06	419,000.00	30	0.000%			419,000.00	n/a	DC
Castle Pines MD	05/25/06	2,000,000.00	20	3.750%			2,000,000.00	n/a	DL
Palisade, Town of	05/26/06	2,000,000.00	30	0.000%	1,526,000.00	474,000.00		0.311	DC
Platte Canyon W&SD	06/30/06	400,000.00	20	3.750%			400,000.00	n/a	DL
Bethune, Town of	07/18/06	418,000.00	30	0.000%			418,000.00		DC
Ralston Valley W&SD	08/09/06	1,300,000.00	20	3.750%			1,300,000.00		DL
Boone, Town of	08/15/06	514,297.00	30	0.000%			514,297.00		DC
Walden, Town of	09/06/06	900,000.00	25	1.750%			900,000.00	n/a	DC
Alamosa, City of	11/02/06	11,865,062.50	20	3.420%	4,683,808.00	1,110,062.50		0.237	LL
Arapahoe County W&SD	11/02/06	16,049,975.43	15	3.310%	6,223,525.00	1,474,975.43		0.237	LL
Cottonwood W&SD	11/02/06	9,996,005.27	20	3.420%	3,801,710.00	901,005.27		0.237	LL
Palisade, Town of	11/02/06	3,976,045.10	21	3.470%	1,502,300.00	356,045.10		0.237	LL
Castle Pines MD	11/06/06	250,000.00	20	3.750%			250,000.00	n/a	DL
Cucharas S&WD	11/29/06	269,000.00	20	3.750%			269,000.00	n/a	DL
Genoa, Town of	12/20/06	175,000.00	30	0.000%			175,000.00		DC
Ordway, Town of	12/20/06	200,000.00	30	0.000%			200,000.00		DC
Hillrose, Town of	05/31/07	995,097.00	30	0.000%			995,097.00		DC

Borrower Abbreviations Clarification:

W&SD = Water and Sanitation District

MD= Metropolitan District

WW = Water Works

WD = Water District

DRINKING WATER REVOLVING FUND (DWRf) LOAN PROGRAM
2008 INTENDED USE PLAN
ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007

SUMMARY OF DW SRF LOANS MADE BY TYPE OF LOAN									
Loan Type	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	Number of Loans Financed with Reloan Monies (c)	Percent of Loans Funded With Reloan Monies (c)
DISADVANTAGE COMMUNITY DL (DC)	13	\$ 7,504,394	27	0.44%	\$ 1,526,000	\$ 474,000	\$ 5,504,394	12	100.00%
DIRECT LOANS (DL)	29	18,831,814	18	3.97%	4,475,026	1,330,645	13,077,897	18	62.07%
LEVERAGED LOANS (LL)	31	241,185,203	20	3.80%	87,188,585	20,750,203	-	0	0.00%
TOTAL FOR PROGRAM	73	\$ 267,521,411	22	3.71%	\$ 93,189,611	\$ 22,554,848	\$ 18,582,291	30	41.10%

SUMMARY OF DW SRF LOANS MADE EACH FISCAL YEAR									
Fiscal Year	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	Number of Loans Financed with Reloan Monies	Percent of Loans Funded With Reloan Monies (c)
1997	4	\$ 26,961,268	20.3	0.00%	\$ 9,760,185	\$ 2,471,280	-	0	0.0%
1998	4	17,674,675	20.3	0.00%	6,863,302	1,737,791	-	0	0.0%
1999	10	52,029,053	17.4	0.00%	18,333,370	4,022,198	-	0	0.0%
2000	8	40,309,380	19.0	0.00%	13,003,258	3,316,288	-	0	0.0%
2001	1	1,000,000	20.0	4.00%	716,007	283,993	-	0	0.0%
2002	9	21,846,589	19.3	0.00%	6,650,615	1,637,459	3,343,684	4	44.4%
2003	8	39,235,287	20.9	0.00%	15,209,276	3,604,598	3,100,689	4	50.0%
2004	2	792,200	20.0	0.00%	-	-	792,200	2	100.0%
2005	5	2,352,899	20.0	2.04%	-	-	2,352,899	5	100.0%
2006	21	64,324,963	24.0	3.22%	22,653,598	5,481,241	7,997,722	14	66.7%
2007	1	995,097	30.0	0.00%	-	-	995,097	1	0.0%
TOTAL	73	\$ 267,521,411	21.0	3.71%	\$ 93,189,611	\$ 22,554,848	\$ 18,582,291	30	41.1%

Type of Loan:

LL = Leveraged Loan - Funded from bond proceeds

DL = Direct Loan - Funded from available sources: (1) Authority state funds, (2) Grant Funds or (3) Drinking Water SRF Reloan funds.

DD = Disadvantage Community Loans

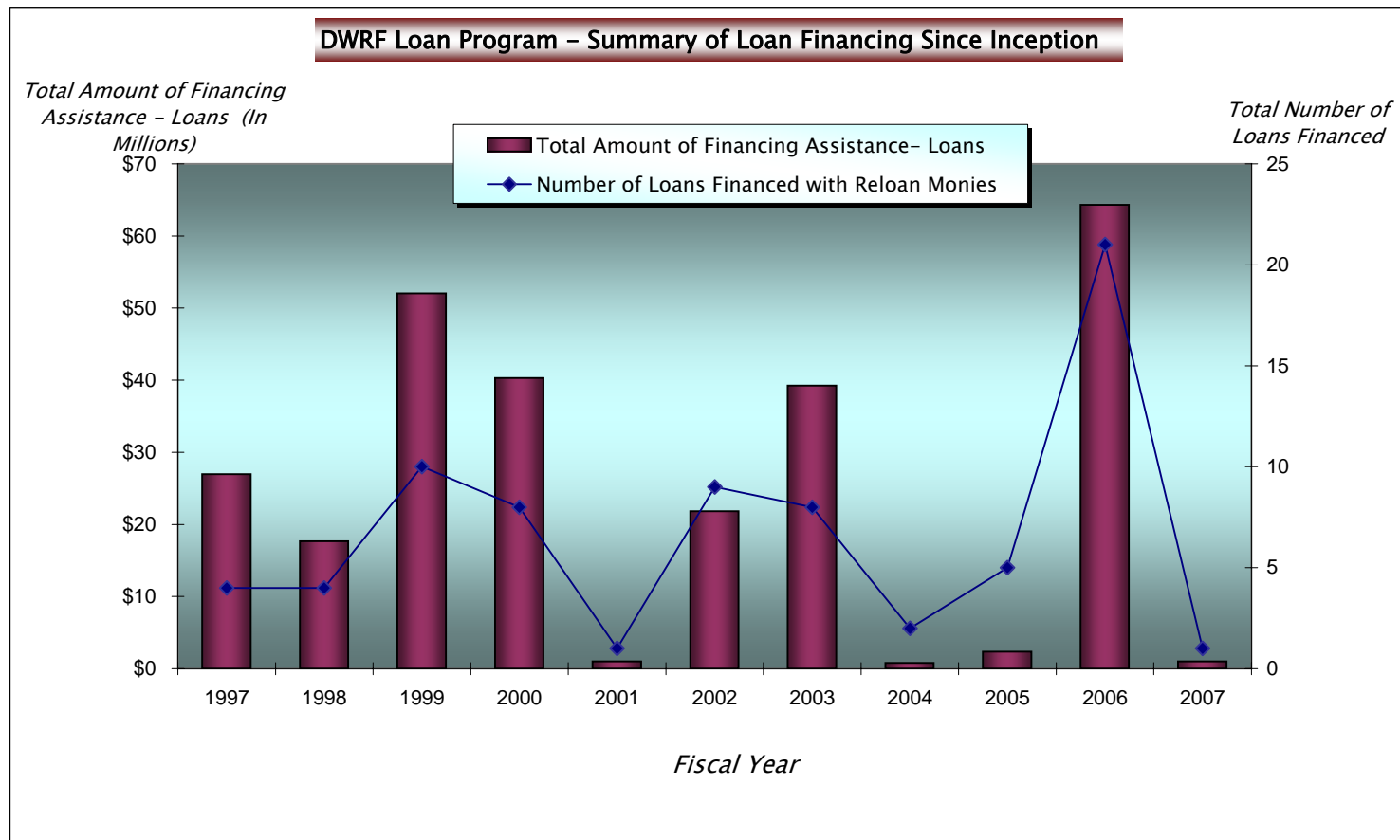
Explanation of DW SRF Loan Funding and/or Subsidization

(a) DW SRF Funds = Drinking Water State Revolving Fund - Received from EPA Capitalization Grant Awards

(b) State Match Funds = (Required 20% match for Each Dollar Received From EPA Grants from State Funds) - Provided Mainly from Authority Funds

(c) Reloan Monies = Recycled DW SRF funds - No State Match Required

DRINKING WATER REVOLVING FUND (DWRF) LOAN PROGRAM
 2008 INTENDED USE PLAN
 ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007



DRINKING WATER REVOLVING FUND (DWRP) LOAN PROGRAM
 2008 INTENDED USE PLAN
 ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007

SUMMARY OF LOANS MADE UNDER THE STATE DIRECT LOAN PROGRAM				
Borrower	Loan Date	Amount of Loan	Loan Term	Loan Rate
Idledale W&SD	07/10/95	\$250,000	20 YEARS	4.500%
Fairplay #1, Town of	08/01/95	250,000	20 YEARS	4.500%
Minturn, Town of	08/11/95	300,000	20 YEARS	4.500%
Empire, Town of	08/24/95	331,432	20 YEARS	4.500%
Elizabeth, Town of	10/01/95	500,000	20 YEARS	4.500%
Lake Creek MD	01/12/96	500,000	20 YEARS	4.500%
Fraser, Town of	04/15/96	200,000	5 YEARS	4.500%
Baca Grande, W&SD	02/01/96	500,000	10 YEARS	4.500%
Firestone, Town of	06/13/96	95,000	10 YEARS	4.500%
Nunn, Town of	08/12/96	330,260	20 YEARS	4.500%
Lochbuie, Town of	08/28/96	351,889	20 YEARS	4.500%
Lyons, Town of	08/19/96	500,000	21 YEARS	4.500%
Bayfield, Town of	11/15/96	350,000	20 YEARS	4.500%
Fairplay #2, Town of	07/30/97	200,000	20 YEARS	4.500%
Idaho Springs, Town of	10/15/97	500,000	20 YEARS	4.500%
Westlake W&SD	08/19/97	250,000	20 YEARS	4.500%
Redstone W&SD	12/01/97	410,000	20 YEARS	4.500%
TOTAL STATE DIRECT LOANS FUNDED		\$5,818,581		
NUMBER OF NON-SRF DIRECT LOANS FUNDED:		17		

Drinking Water Revolving Fund
2008 Intended Use Plan (IUP)
Attachment 3b - Funds Available to the DWRF Program

	Cumulative Total from Inception through June 30, 2007	Projected For Time Period July 1, 2007 - December 31, 2007	Projected For Time Period January 1, 2008 - December 31, 2008	Cumulative Total Through December 31, 2008
SOURCES				
Federal Capitalization Grants	\$ 125,835,600	\$ 14,497,000	\$ 14,497,000	\$ 154,829,600
less: Set-asides	(26,857,345)	(4,494,070)	(4,494,070)	(35,845,485)
State Match:				
Appropriation/Agency Cash - Committed	25,167,120	2,899,400	2,899,400	30,965,920
Agency Cash for CWSRF transfer	-	-	-	-
Leveraging Bonds Proceeds	220,435,000	-	27,885,044	248,320,044
Plus /(Less) Additional Principal from DW Refundings	(230,000)	-	-	(230,000)
Leveraged Loans Repayments:				
Principal (1)	45,237,500	4,583,287	9,042,598	58,863,385
Interest	25,538,543	2,126,630	4,654,089	32,319,262
Principal (2) (State Match)	4,052,835	429,113	843,713	5,325,661
Direct Loans Repayments:				
Principal	3,417,230	485,719	1,014,943	4,917,892
Interest	1,447,446	157,390	324,888	1,929,724
Federal Funds Deallocation (from DSRF)	13,869,788	3,026,605	4,525,872	21,422,265
Fees Deposited to the DWRF	-	-	-	-
Interest Income on Investments	27,430,114	3,019,454	5,287,440	35,737,008
Transfer to/from Clean Water SRF Grant program	-	-	-	-
TOTAL SOURCES	465,343,831	26,730,528	66,480,917	558,555,276
USES				
Loans Executed:				
Direct	26,336,208	2,376,300	15,226,897	43,939,405
Leveraged	241,185,203	-	30,650,000	271,835,203
Grant Funds Committed to Loans	87,188,585	-	11,666,482	98,855,067
Leveraging Bond Debt Service				
Principal	39,110,000	9,145,000	9,080,000	57,335,000
Interest	50,832,006	4,174,701	7,968,288	62,974,995
Net Effect of Accumulated Investment Interest and Loan				
Repayments Held / (Used) for Payment of Debt Service	6,261,089	(4,391,413)	1,971,792	3,841,468
Funds Available / (Provided) for New Loans	14,430,740	15,425,940	(10,082,542)	19,774,138
TOTAL USES	\$ 465,343,831	\$ 26,730,528	\$ 66,480,917	\$ 558,555,276

* All amounts for this schedule are cash basis.

** This schedule is based on the assumption that Drinking Water SRF Grant funds will not be transferred to the WPCRF program during this period.

DRINKING WATER REVOLVING FUND (DWRP) LOAN PROGRAM
2008 INTENDED USE PLAN
ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007

DETAIL OF LOANS FINANCED UNDER THE DWRP PROGRAM									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest Rate	DW SRF Funds Obligated to Loan (a)	State Match Provided for Loan (b)	Funded or Subsidized with DW SRF Reloan Monies (c)	State Match Provided to DW SRF Funds	Loan Type
Arapahoe Estates WD	10/01/97	\$ 1,048,332.75	20	4.150%	\$ 388,359.00	\$ 98,332.75	\$ -	0.253	LL
Englewood, City of	10/01/97	15,292,635.61	21	4.140%	5,361,910.00	1,357,635.61		0.253	LL
Fort Collins, City of	10/01/97	10,125,299.77	20	4.120%	3,614,928.00	915,299.77		0.253	LL
Grand Lake, Town of	10/29/97	495,000.00	20	4.500%	394,988.00	100,012.00		0.253	DL
Buena Vista, Town of	06/01/98	1,324,119.65	20	4.010%	490,204.00	124,119.65		0.253	LL
Fort Morgan, City of	06/01/98	15,433,355.38	21	4.020%	5,641,214.00	1,428,355.38		0.253	LL
Chatfield South WD	07/13/98	728,500.00	20	4.500%	581,310.00	147,190.00		0.253	DL
Left Hand W&SD	09/11/98	188,700.00	20	4.500%	150,574.00	38,126.00		0.253	DL
Julesburg, Town of	05/01/99	693,000.00	1	4.500%	543,757.00	149,243.00		0.274	DL
Aurora, City of	05/01/99	14,999,898.55	15	3.633%	4,751,500.00	1,024,898.55		0.216	LL
Fort Collins, City of	05/01/99	4,998,394.59	20	3.808%	1,870,165.00	403,394.59		0.216	LL
Glenwood Springs, City of	05/01/99	4,999,017.40	19	3.773%	1,710,790.00	369,017.40		0.216	LL
Grand County W&SD	05/01/99	2,998,566.15	19	3.783%	1,036,468.00	223,566.15		0.216	LL
Greeley, City of	05/01/99	14,999,038.36	20	3.802%	5,280,660.00	1,139,038.36		0.216	LL
Julesburg, Town of	05/01/99	994,599.70	20	3.809%	392,210.00	84,599.70		0.216	LL
Left Hand WD	05/01/99	6,571,538.04	20	3.802%	2,139,722.00	461,538.04		0.216	LL
Thunderbird W&SD	06/01/99	285,000.00	20	4.500%	223,623.00	61,377.00		0.274	DL
La Junta, City of	10/15/99	490,000.00	20	4.500%	384,475.00	105,525.00		0.274	DL
Sedalia W&SD	03/09/00	326,000.00	20	4.500%	255,794.00	70,206.00		0.274	DL
Evergreen MD	04/15/00	5,577,981.71	21	4.390%	1,786,069.00	452,981.71		0.254	LL
Fountain Valley Auth	04/15/00	7,607,966.23	21	4.400%	2,633,735.00	667,966.23		0.254	LL
Limon, Town of	04/15/00	1,440,808.84	21	4.410%	436,910.00	110,808.84		0.254	LL
Pueblo Board of WW	04/15/00	9,558,794.83	23	4.600%	2,499,000.00	633,794.83		0.254	LL
Westminster, City of	04/15/00	14,998,357.36	21	4.400%	4,764,452.00	1,208,357.36		0.254	LL
Springfield, Town of	07/28/00	349,470.76	20	4.500%	274,209.00	75,261.76		0.274	DL
Craig, City of	12/15/00	450,000.00	5	4.000%	353,089.00	96,911.00		0.274	DL
Wellington, City of	11/01/01	1,000,000.00	20	4.000%	716,007.00	283,993.00		0.397	DL
Woodland Park, City of	03/13/02	800,000.00	20	4.000%	597,200.00	202,800.00		0.340	DL
Evergreen MD	04/01/02	2,036,129.62	21	4.000%	764,260.00	181,129.62		0.237	LL
Grand Junction, City of	04/01/02	3,566,521.69	21	4.020%	1,082,370.00	256,521.69		0.237	LL
Idaho Springs, City of	04/01/02	2,339,796.89	21	3.990%	906,316.00	214,796.89		0.237	LL
La Junta, City of	04/01/02	9,812,211.15	21	4.000%	3,300,469.00	782,211.15		0.237	LL
Hayden, Town of	04/30/02	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Thunderbird W&SD	08/27/02	343,684.15	20	4.000%			343,684.15	n/a	DL
Dillon, Town of	10/18/02	1,000,000.00	10	4.000%			1,000,000.00	n/a	DL
Basalt, Town of	12/19/02	948,245.63	20	4.000%			1,000,000.00	n/a	DL
Westwood Lakes WD	05/15/03	500,000.00	20	4.000%			500,000.00	n/a	DL
Fountain Valley Auth	06/01/03	3,221,861.82	22	3.030%	1,463,552.00	346,861.82		0.237	LL

DRINKING WATER REVOLVING FUND (DWRf) LOAN PROGRAM
2008 INTENDED USE PLAN
ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007

DETAIL OF LOANS FINANCED UNDER THE DWRf PROGRAM (CONTINUED)									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest Rate	DW SRF Funds Obligated to Loan (a)	State Match Provided for Loan (b)	New Loans Funded or Subsidized with DW SRF Reloan	Percent of State Match Provided to DW SRF	Loan Type
Longmont, City of	06/01/03	\$ 14,998,044.44	21	3.110%	\$ 6,046,601.00	\$ 1,433,044.44	\$ -	0.237	LL
Lyons, Town of	06/01/03	4,915,599.18	22	3.030%	2,196,621.00	520,599.18		0.237	LL
Florence, City of	11/01/03	12,999,092.97	22	3.510%	5,502,502.00	1,304,092.97		0.237	LL
Oak Creek, Town of	11/18/03	900,688.96	20	4.000%			900,688.96	n/a	DL
Mustang WA	12/08/03	700,000.00	20	4.000%			700,000.00	n/a	DL
Ouray, City of	12/19/03	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Swink, Town of	04/20/04	669,000.00	20	3.500%			669,000.00	n/a	DL
Pinewood Springs WD	07/26/04	123,200.00	20	3.500%			123,200.00	n/a	DL
Florence, City of	01/25/05	769,899.33	20	3.500%			769,899.33	n/a	DL
La Jara, Town of	04/20/05	200,000.00	20	0.000%			200,000.00	n/a	DC
Olde Stage WD	06/01/05	100,000.00	20	3.500%			100,000.00	n/a	DL
Victor, City of	06/17/05	283,000.00	10	0.000%			283,000.00	n/a	DC
Log Lane Village, Town of	10/14/05	1,000,000.00	30	1.750%			1,000,000.00	n/a	DC
Bristol W&SD	02/08/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Pritchett, Town of	03/31/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Pinewood Springs WD	04/03/06	752,425.00	20	3.500%			752,425.00	n/a	DL
Craig, City of	04/27/06	6,056,378.40	21	3.650%	2,263,200.00	536,378.40		0.237	LL
Little Thompson WD	04/27/06	6,383,774.04	21	3.650%	2,653,055.00	628,774.04		0.237	LL
Sedgwick, Town of	05/15/06	419,000.00	30	0.000%			419,000.00	n/a	DC
Castle Pines MD	05/25/06	2,000,000.00	20	3.750%			2,000,000.00	n/a	DL
Palisade, Town of	05/26/06	2,000,000.00	30	0.000%	1,526,000.00	474,000.00		0.311	DC
Platte Canyon W&SD	06/30/06	400,000.00	20	3.750%			400,000.00	n/a	DL
Bethune, Town of	07/18/06	418,000.00	30	0.000%			418,000.00		DC
Ralston Valley W&SD	08/09/06	1,300,000.00	20	3.750%			1,300,000.00		DL
Boone, Town of	08/15/06	514,297.00	30	0.000%			514,297.00		DC
Walden, Town of	09/06/06	900,000.00	25	1.750%			900,000.00	n/a	DC
Alamosa, City of	11/02/06	11,865,062.50	20	3.420%	4,683,808.00	1,110,062.50		0.237	LL
Arapahoe County W&SD	11/02/06	16,049,975.43	15	3.310%	6,223,525.00	1,474,975.43		0.237	LL
Cottonwood W&SD	11/02/06	9,996,005.27	20	3.420%	3,801,710.00	901,005.27		0.237	LL
Palisade, Town of	11/02/06	3,976,045.10	21	3.470%	1,502,300.00	356,045.10		0.237	LL
Castle Pines MD	11/06/06	250,000.00	20	3.750%			250,000.00	n/a	DL
Cucharas S&WD	11/29/06	269,000.00	20	3.750%			269,000.00	n/a	DL
Genoa, Town of	12/20/06	175,000.00	30	0.000%			175,000.00		DC
Ordway, Town of	12/20/06	200,000.00	30	0.000%			200,000.00		DC
Hillrose, Town of	05/31/07	995,097.00	30	0.000%			995,097.00		DC

Borrower Abbreviations Clarification:

W&SD = Water and Sanitation District

MD= Metropolitan District

WW = Water Works

WD = Water District

DRINKING WATER REVOLVING FUND (DWRP) LOAN PROGRAM
2008 INTENDED USE PLAN
ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007

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Loan Type	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	Number of Loans Financed with Reloan Monies (c)	Percent of Loans Funded With Reloan Monies (c)
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1999	10	52,029,053	17.4	0.00%	18,333,370	4,022,198	-	0	0.0%
2000	8	40,309,380	19.0	0.00%	13,003,258	3,316,288	-	0	0.0%
2001	1	1,000,000	20.0	4.00%	716,007	283,993	-	0	0.0%
2002	9	21,846,589	19.3	0.00%	6,650,615	1,637,459	3,343,684	4	44.4%
2003	8	39,235,287	20.9	0.00%	15,209,276	3,604,598	3,100,689	4	50.0%
2004	2	792,200	20.0	0.00%	-	-	792,200	2	100.0%
2005	5	2,352,899	20.0	2.04%	-	-	2,352,899	5	100.0%
2006	21	64,324,963	24.0	3.22%	22,653,598	5,481,241	7,997,722	14	66.7%
2007	1	995,097	30.0	0.00%	-	-	995,097	1	0.0%
TOTAL	73	\$ 267,521,411	21.0	3.71%	\$ 93,189,611	\$ 22,554,848	\$ 18,582,291	30	41.1%

Type of Loan:

LL = Leveraged Loan - Funded from bond proceeds

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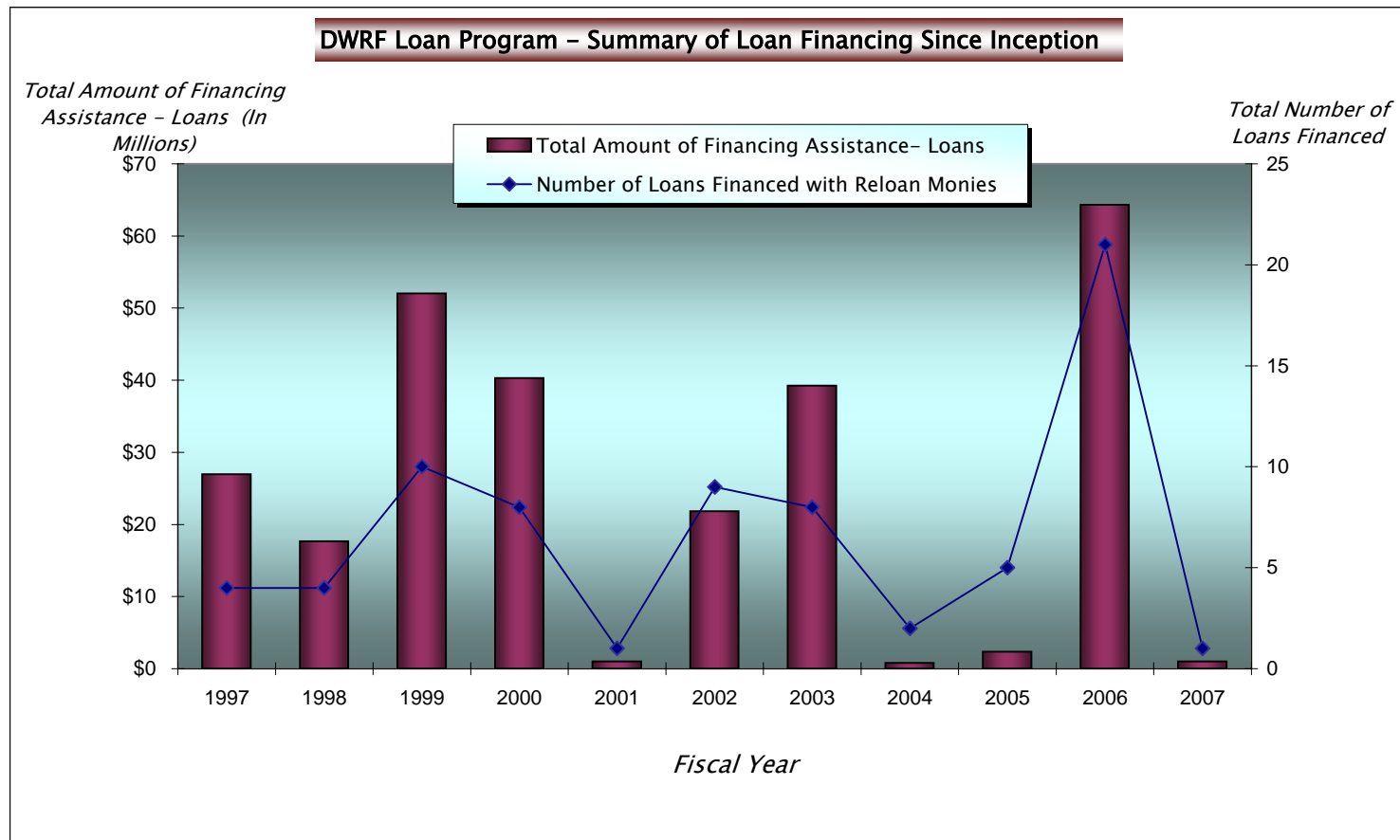
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(b) State Match Funds = (Required 20% match for Each Dollar Received From EPA Grants from State Funds) - Provided Mainly from Authority Funds

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DRINKING WATER REVOLVING FUND (DWRF) LOAN PROGRAM
 2008 INTENDED USE PLAN
 ATTACHMENT 4 - LOAN SUMMARY REPORT AS OF JUNE 30, 2007



DRINKING WATER REVOLVING FUND (DWRP) LOAN PROGRAM
 2008 INTENDED USE PLAN
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Borrower	Loan Date	Amount of Loan	Loan Term	Loan Rate
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Fairplay #1, Town of	08/01/95	250,000	20 YEARS	4.500%
Minturn, Town of	08/11/95	300,000	20 YEARS	4.500%
Empire, Town of	08/24/95	331,432	20 YEARS	4.500%
Elizabeth, Town of	10/01/95	500,000	20 YEARS	4.500%
Lake Creek MD	01/12/96	500,000	20 YEARS	4.500%
Fraser, Town of	04/15/96	200,000	5 YEARS	4.500%
Baca Grande, W&SD	02/01/96	500,000	10 YEARS	4.500%
Firestone, Town of	06/13/96	95,000	10 YEARS	4.500%
Nunn, Town of	08/12/96	330,260	20 YEARS	4.500%
Lochbuie, Town of	08/28/96	351,889	20 YEARS	4.500%
Lyons, Town of	08/19/96	500,000	21 YEARS	4.500%
Bayfield, Town of	11/15/96	350,000	20 YEARS	4.500%
Fairplay #2, Town of	07/30/97	200,000	20 YEARS	4.500%
Idaho Springs, Town of	10/15/97	500,000	20 YEARS	4.500%
Westlake W&SD	08/19/97	250,000	20 YEARS	4.500%
Redstone W&SD	12/01/97	410,000	20 YEARS	4.500%
TOTAL STATE DIRECT LOANS FUNDED		\$5,818,581		
NUMBER OF NON-SRF DIRECT LOANS FUNDED:		17		

Attachment 3

Audit Report for 2007

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)**

Financial Statements and Independent Accountants' Report

December 31, 2007 and 2006

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
December 31, 2007 and 2006**

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Independent Accountants' Report on Financial Statements and Supplementary Information

The Board of Directors
Colorado Water Resources and
Power Development Authority
Denver, Colorado

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, 2007 and 2006, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 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, 2007 and 2006, and the respective changes in financial position and cash flows 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 our report dated April 14, 2008, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis as listed in the table of contents 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying supplementary information, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, as listed in the table of contents, is presented for purposes of additional analysis 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.

BKD, LLP

April 14, 2008

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Management's Discussion and Analysis
Years ended December 31, 2007 and 2006

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, 2007 and 2006.

Financial Highlights

- ▶ Combined net assets of the Authority's enterprise funds increased \$35.2 million (7.9%) bringing the total to \$477.6 million at December 31, 2007. Capitalization grant revenue received from the United States Environmental Protection Agency (EPA) totaling \$18.9 million was the largest source of funds contributing to this increase.
- ▶ Total restricted assets decreased by \$102.1 million and total project costs payable-leveraged loans decreased by \$108.2 million. These net decreases are due to payments of project requisitions in the Water Revenue Bonds Program (WRBP), Water Pollution Control Revolving Fund (WPCRF) and Drinking Water Revolving Fund (DWRF).
- ▶ Operating income totaled \$16.3 million during 2007, an increase of \$6.3 million (62.7%) from 2006. Operating revenues increased to \$77.5 million, while expenses rose to \$61.2 million for the fiscal year. The majority of the increase in operating income resulted from the \$5.3 million increase in interest on investments.
- ▶ Total interest on investments increased by \$5.3 million (26.1%) to \$25.4 million. The majority of the increase of interest income was generated from repurchase agreement investments funded from proceeds of the 2006 and 2007 bond issues.
- ▶ Bonds payable, net of unamortized refunding costs, at December 31, 2007, totaled \$1.1 billion. During 2007, \$48.2 million of bond principal payments was offset by the issuance of new bonds in the amount of \$35.3 million and an increase in deferred benefits from refundings of \$0.1 million resulting in a \$12.8 million net decrease in bonds payable for 2007. Revenue bonds were issued in the following enterprise fund during 2007:
 - ‡ Water Pollution Control Revolving Fund (WPCRF), within the Water Pollution Control Enterprise Fund, – \$35.3 million.
- ▶ Total loans receivable were \$1.2 billion at December 31, 2007. During 2007, although new loans totaling \$44.1 million were executed in 2007, principal repayments from existing loans in the amount of \$55.2 million resulted in a net decrease in loans receivable of \$11.1 million (1.0%). New loans were executed in the following enterprise funds:

‡ Water Operations Fund	\$	0.2	million
‡ Water Pollution Control	\$	42.3	million
‡ Drinking Water	\$	1.6	million

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AND POWER DEVELOPMENT AUTHORITY**
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Management's Discussion and Analysis
Years ended December 31, 2007 and 2006

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 years' 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 enterprise funds. These enterprise funds 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 fund are included in this report. Each fund is considered a major fund.

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.

Financial Analysis of Enterprise Funds

Summary of Net Assets

Overview

The Authority's basic financial statements are comprised of three enterprise funds. To better assist the user of these statements, a separate schedule and analysis for each of the funds is presented below. These schedules summarize the financial position of each enterprise fund as of December 31, 2007 and 2006 in a comparative format. Furthermore, schedules of total enterprise fund data and analyses is provided in comparative year format for 2007-2006 and 2006-2005.

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, and other assets and receivables. Restricted assets are comprised of current and noncurrent cash and cash equivalents, investments, and investment income receivable. Restricted assets include amounts relating to borrowers' project accounts, debt service reserve funds, debt service funds and other accounts legally restricted by the revenue bond resolutions. Noncurrent loans receivable includes loan principal payments due more than one year subsequent to the fiscal year end. Loans receivable provide security for associated bonds; and loan payments received, net of state match principal and administrative fees, are restricted for payment of bond debt service.

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Management's Discussion and Analysis
Years ended December 31, 2007 and 2006

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 the total (current and noncurrent) remaining borrower loan proceeds available for loans financed with bond proceeds. Noncurrent debt is the total of bonds payable more than one year subsequent to the fiscal year end. Net assets are classified into three categories: invested in capital assets, restricted, and unrestricted.

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 additional loan-bond financing package directly increases four major line items on the respective fund's summary statement of net assets: bonds payable, restricted assets, loans receivable, and project costs payable – leveraged loans.

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 for total enterprise funds and for each enterprise fund.

Total Enterprise Funds

Schedules 1A and 1B show the summary net assets for the three enterprise funds of the Authority in total and on a comparative year basis.

Total assets of these funds decreased by \$94.4 million in 2007, as compared to smaller decrease of \$1.5 million in 2006. A decrease in the number and amounts of new loans executed combined with the large disbursements of project funds for existing loans contributed to the decrease in assets. In 2007, new loans executed totaled \$44.1 million, while \$117.5 million in loans were executed in 2006. In addition, project draws paid to borrowers totaling \$155.9 million and \$190.0 million in 2007 and 2006 respectively, contributed to the net decrease in 2007 and 2006 total assets.

Similarly, total liabilities decreased by \$129.6 million in 2007, and decreased by \$24.0 million in 2006. Bonds totaling \$35.3 million were issued in 2007, while \$86.8 million, excluding refunding bonds, were issued in 2006. In 2007, project draws of \$155.9 million led to the net decrease in 2007 total liabilities and project draws of \$190.0 million contributed to the net decrease in 2006 total liabilities. Included in and contributing to the balance of total liabilities is project costs payable-leveraged loans. Project costs payable-leveraged

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Management's Discussion and Analysis
Years ended December 31, 2007 and 2006

loans are directly impacted in the same manner resulting in a 2007 net decrease of \$108.2 million and a 2006 net decrease of \$84.9 million. Total net assets increased by \$35.2 million in 2007, exceeding the \$22.5 million increase in 2006.

<i>Total Enterprise Funds (2007 - 2006)</i>	Summary of Net Assets as of December 31			Schedule 1A
	2007	2006	Change	Pct Chg
Unrestricted current and other assets	\$ 198,136,756	\$ 179,069,039	\$ 19,067,717	10.6%
Restricted assets	411,894,280	513,944,900	(102,050,620)	(19.9%)
Capital assets, net	25,495	23,431	2,064	8.8%
Noncurrent loans receivable	1,125,266,117	1,136,674,375	(11,408,258)	(1.0%)
Total assets	<u>1,735,322,648</u>	<u>1,829,711,745</u>	<u>(94,389,097)</u>	<u>(5.2%)</u>
Current and other liabilities	99,342,497	106,565,475	(7,222,978)	(6.8%)
Project costs payable-leveraged loans	119,778,875	228,024,650	(108,245,775)	(47.5%)
Noncurrent bonds payable, net	1,038,579,877	1,052,672,409	(14,092,532)	(1.3%)
Total liabilities	<u>1,257,701,249</u>	<u>1,387,262,534</u>	<u>(129,561,285)</u>	<u>(9.3%)</u>
Net assets:				
Invested in capital assets	25,495	23,431	2,064	8.8%
Restricted	407,529,965	372,926,857	34,603,108	9.3%
Unrestricted	70,065,939	69,498,923	567,016	0.8%
Total Net assets	<u>\$ 477,621,399</u>	<u>\$ 442,449,211</u>	<u>\$ 35,172,188</u>	<u>7.9%</u>

<i>Total Enterprise Funds (2006 - 2005)</i>	Summary of Net Assets as of December 31			Schedule 1B
	2006	2005	Change	Pct Chg
Unrestricted current and other assets	\$ 179,069,039	\$ 172,524,131	\$ 6,544,908	3.8%
Restricted assets	513,944,900	585,102,753	(71,157,853)	(12.2%)
Capital assets, net	23,431	30,410	(6,979)	(22.9%)
Noncurrent loans receivable	1,136,674,375	1,073,562,535	63,111,840	5.9%
Total assets	<u>1,829,711,745</u>	<u>1,831,219,829</u>	<u>(1,508,084)</u>	<u>(0.1%)</u>
Current and other liabilities	106,565,475	83,368,407	23,197,068	27.8%
Project costs payable-leveraged loans	228,024,650	312,952,958	(84,928,308)	(27.1%)
Noncurrent bonds payable, net	1,052,672,409	1,014,948,438	37,723,971	3.7%
Total liabilities	<u>1,387,262,534</u>	<u>1,411,269,803</u>	<u>(24,007,269)</u>	<u>(1.7%)</u>
Net assets:				
Invested in capital assets	23,431	30,410	(6,979)	(22.9%)
Restricted	372,926,857	350,672,449	22,254,408	6.3%
Unrestricted	69,498,923	69,247,167	251,756	0.4%
Total Net assets	<u>\$ 442,449,211</u>	<u>\$ 419,950,026</u>	<u>\$ 22,499,185</u>	<u>5.4%</u>

Contributing to the \$6.3 million dollar (62.7%) increase in operating income for 2007 was the \$5.3 million increase in interest on investments. Adding the \$6.4 million (51.2%) increase in EPA capitalization grant funds received in 2007 to the increase in operating income results in the \$12.7 million (56.3%) increase in the change in net assets for 2007.

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Management's Discussion and Analysis
Years ended December 31, 2007 and 2006

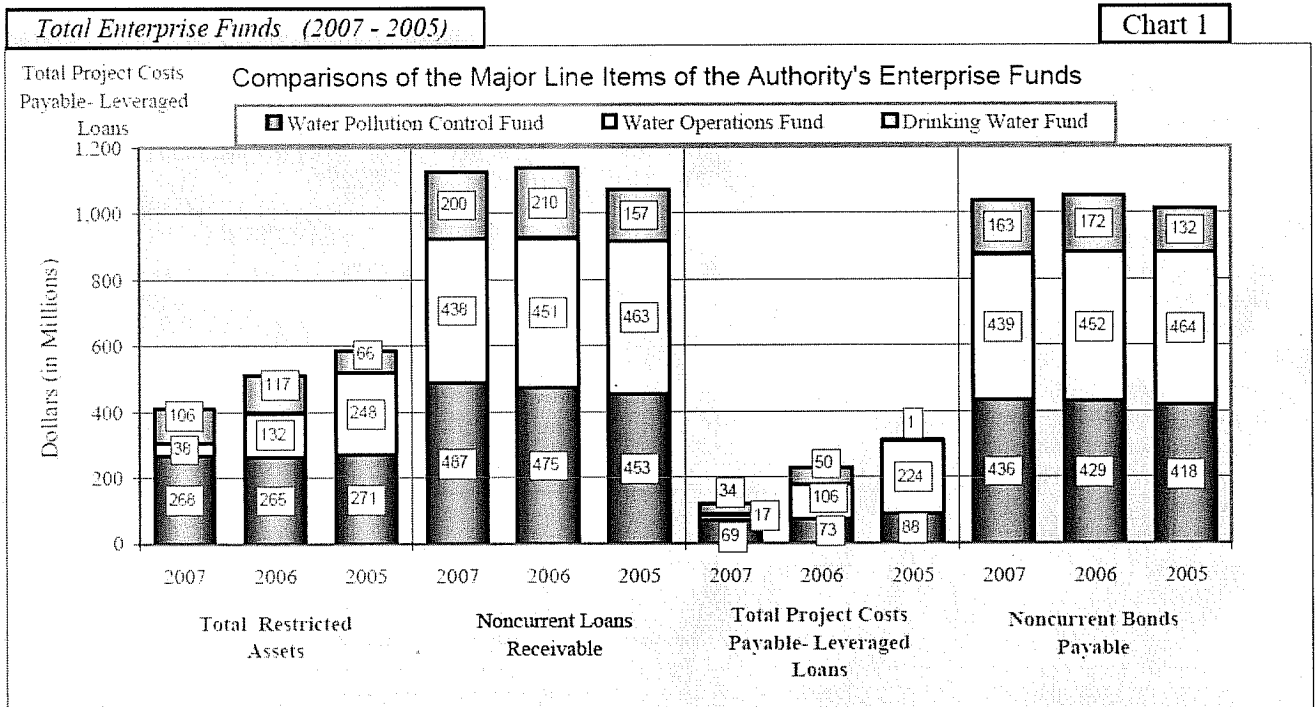


Chart 1 is a graphical representation of the four major accounts affected by new project financing, as discussed in the overview section of this discussion. The totals of these four accounts are compared for the years 2007, 2006, and 2005. Each bar is subdivided by colors that represent the amounts that each of the three enterprise funds contributes to the total for that year.

In addition to new project financing, the balances of restricted assets and project costs payable-leveraged loans are subject to fluctuations caused by the demands of borrower project draws. The chart shows a continued decline in restricted assets and project cost payable-leveraged loans in both 2007 and 2006. The Water Operations Fund had the biggest impact on total enterprise funds' balances because that fund did not provide funding for new projects and experienced substantial amounts of project draws in both years. This chart also illustrates the slight decline of loans receivable and noncurrent bonds payable in 2007 after the increase over the 2006 and 2005 period, reflecting the decline in loans made and bonds issued in 2007.

The discussion below describes the changes to each of the three enterprise fund's summary schedule of net assets for the current year and associated charts provide visual information of the effects of new financing activities in 2007.

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Management's Discussion and Analysis
Years ended December 31, 2007 and 2006

Water Operations Fund

The Water Operations Fund is described 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 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.

<i>Water Operations Fund</i>	Summary of Net Assets as of December 31			Schedule 2
	2007	2006	Change	Pct Chg
Unrestricted current and other assets	\$ 98,679,617	\$ 94,529,766	\$ 4,149,851	4.4%
Restricted assets	37,773,570	132,018,162	(94,244,592)	(71.4%)
Capital assets, net	22,101	13,251	8,850	66.8%
Noncurrent loans receivable	438,118,332	450,995,833	(12,877,501)	(2.9%)
Total assets	<u>574,593,620</u>	<u>677,557,012</u>	<u>(102,963,392)</u>	(15.2%)
Current and other liabilities	29,070,159	32,532,100	(3,461,941)	(10.6%)
Project costs payable-leveraged loans	16,915,040	105,805,897	(88,890,857)	(84.0%)
Noncurrent bonds payable, net	439,033,061	452,006,646	(12,973,585)	(2.9%)
Total liabilities	<u>485,018,260</u>	<u>590,344,643</u>	<u>(105,326,383)</u>	(17.8%)
Net assets:				
Invested in capital assets	22,101	13,251	8,850	66.8%
Restricted	23,876,658	23,953,490	(76,832)	(0.3%)
Unrestricted	65,676,601	63,245,628	2,430,973	3.8%
Total Net assets	<u>\$ 89,575,360</u>	<u>\$ 87,212,369</u>	<u>\$ 2,362,991</u>	2.7%

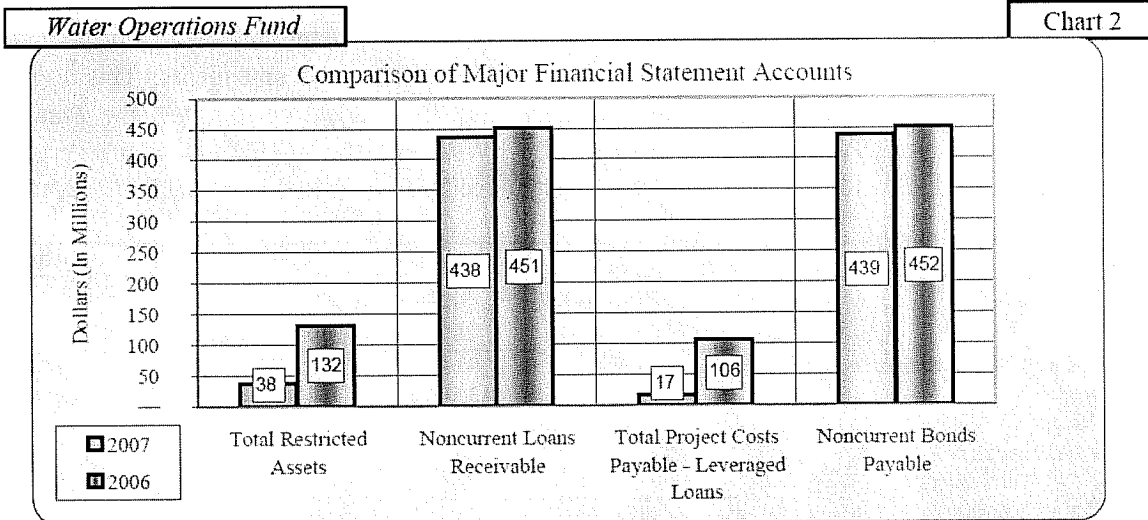
To reduce the cost of financing for these borrowers, the Authority began absorbing a portion or all costs of issuing these bonds in 2003. In 2007 and 2006, there were no new bonds issued or leveraged loans made in this fund. Loans made from these programs are not subsidized by EPA capitalization grants.

SWRP leveraged loans are generally more cost effective when a pool of approved borrowers is formed prior to issuing the bonds. Unlike SWRP, WRBP bonds are issued to fund each loan. In addition, 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. There are no interim loans outstanding at year-end.

Also included in restricted assets of the Water Operations Fund is the \$2.0 million unexpended balance of the Animas-La Plata escrow account. During 2007, \$1.7 million was paid to the Bureau of Reclamation (Bureau) bringing the total payments to \$6.9 million. 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. These progress payments are recorded as water depletion rights and are included in current and other assets.

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AND POWER DEVELOPMENT AUTHORITY**
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Management's Discussion and Analysis
Years ended December 31, 2007 and 2006



The comparative balances of the four-major accounts affected by leveraged loans are shown in Chart 2. Since no new bonds were issued or new loans made, loans receivable and bonds payable decreased by current year principal payments. SWRP and WRBP construction draws totaling \$88.9 million caused the \$94.2 million decrease in restricted assets and the corresponding \$88.9 million decrease in project costs payable-leveraged loans. All project funds have been drawn in the SWRP program while \$16.9 million remain in WRBP project accounts.

Water Pollution Control Fund

The \$9.8 million increase in unrestricted current and other assets is the net effect of several factors. Primarily, the increase is attributable to deallocation. The financial model for the WPCRF program allows for reductions in debt service reserve fund balances annually in September, after bond debt service has been paid. This procedure is referred to as "deallocation" and consists of the liquidation of debt service reserve fund restricted investments and depositing the cash proceeds, along with the state match portion of loan principal repayments and direct loan principal and interest repayments, in the unrestricted reloan account.

In 2007, \$14.6 million was deallocated and transferred to the reloan account. Another \$1.3 million was added to the reloan account from investment interest earned in the reloan account and from transfers from other program accounts. Offsetting the increase were reloan account transfers of \$11.5 million used to finance new loans (which become restricted). The net increase of \$4.4 million contributed to the increase in unrestricted current and other assets. Other factors contributing to the net increase in unrestricted current and other assets include an increase in federal grants receivable of \$2.3 million, an increase of \$1.8 million in the current portion of loans receivable and increases in other miscellaneous accounts included in unrestricted current and other assets.

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(A Component Unit of the State of Colorado)

Management's Discussion and Analysis
Years ended December 31, 2007 and 2006

<i>Water Pollution Control Fund</i>	Summary of Net Assets as of December 31				Schedule 3
	2007	2006	Change	Pct Chg	
Unrestricted current and other assets	\$ 62,986,217	\$ 53,233,456	\$ 9,752,761	18.3%	
Restricted assets	267,979,075	264,911,882	3,067,193	1.2%	
Capital assets, net	1,697	5,090	(3,393)	(66.7%)	
Noncurrent loans receivable	486,712,543	475,405,287	11,307,256	2.4%	
Total assets	817,679,532	793,555,715	24,123,817	3.0%	
Current and other liabilities	50,927,477	52,419,067	(1,491,590)	(2.8%)	
Project costs payable-leveraged loans	69,122,484	72,700,969	(3,578,485)	(4.9%)	
Noncurrent bonds payable, net	436,495,331	428,516,156	7,979,175	1.9%	
Total liabilities	556,545,292	553,636,192	2,909,100	0.5%	
Net assets:					
Invested in capital assets	1,697	5,090	(3,393)	(66.7%)	
Restricted	261,132,543	239,914,433	21,218,110	8.8%	
Total Net assets	\$ 261,134,240	\$ 239,919,523	\$ 21,214,717	8.8%	

During 2007, the \$1.5 million decrease in current and other liabilities was a result of two major factors. Although, the payment to the Water Operations Fund reduced the advance payable by \$2.3 million, new direct loans, offset by related project draws, mitigated the decrease in current and other liabilities by \$1.0 million.

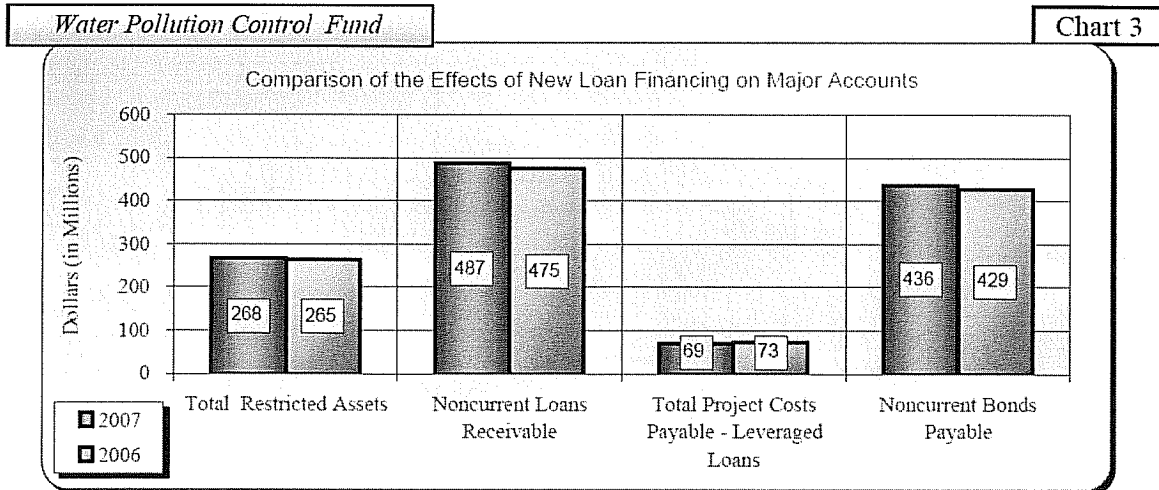


Chart 3 displays the comparative balances of the four-major accounts affected by loan activities. During 2007, the WPCRF issued revenue bonds totaling \$35.3 million. The bond proceeds, plus \$1.8 million of state match dollars, funded new leveraged loans totaling \$37.1 million. These loans and bonds added to the balances of each of the four major accounts; however, project draws in 2007, which affect restricted assets and project costs payable-leveraged loans, offset the increase in these accounts in 2007.

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Net increases in noncurrent loans receivable (\$11.3 million), and noncurrent bonds payable (\$8.0 million) were the result of the new loans and bonds, net of current principal repayments of \$29.3 million for loans and \$26.5 million for bonds. Operating income of \$9.4 million and EPA capitalization grant revenue of \$11.8 million resulted in the increase in restricted net assets of \$21.2 million.

Drinking Water Fund

Unrestricted current and other assets increased \$5.2 million (16.5%) in 2007. The net increase was mostly attributable to an increase in cash and cash equivalents. Similar to the process explained in the WPCRF discussion above, deallocation also occurs in the DWRF each September. In 2007, \$5.2 million was converted to cash equivalents assets and deposited to the unrestricted reloan account. Other various additions to unrestricted current and other assets were offset by the funding of direct loans totaling \$1.6 million in 2007.

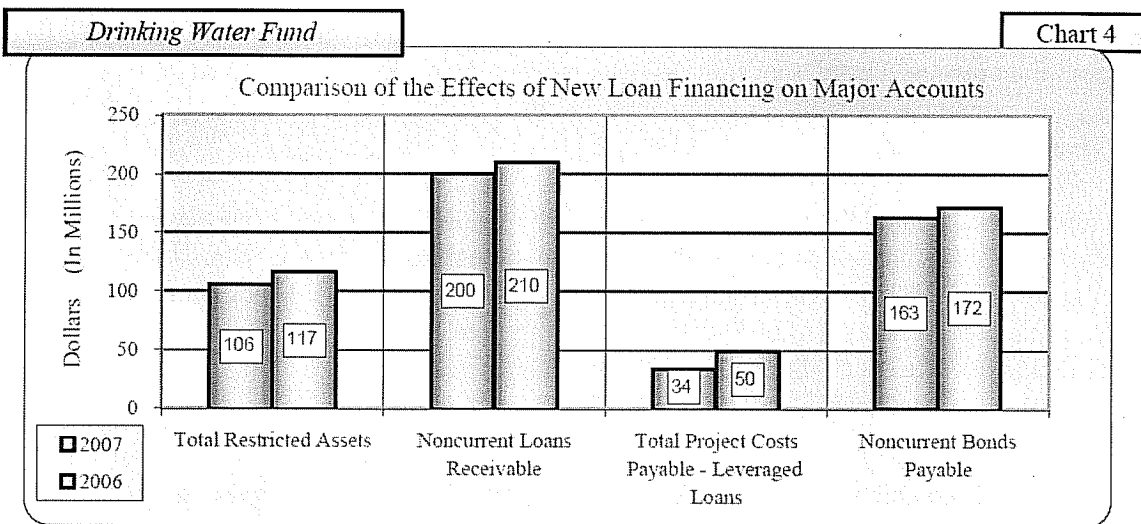
<i>Drinking Water Fund</i>	Summary of Net Assets as of December 31			Schedule 4
	2007	2006	Change	Pct Chg
Unrestricted current and other assets	\$ 36,470,922	\$ 31,305,817	\$ 5,165,105	16.5%
Restricted assets	106,141,635	117,014,856	(10,873,221)	(9.3%)
Capital assets, net	1,697	5,090	(3,393)	(66.7%)
Noncurrent loans receivable	200,435,242	210,273,255	(9,838,013)	(4.7%)
Total assets	<u>343,049,496</u>	<u>358,599,018</u>	<u>(15,549,522)</u>	(4.3%)
Current and other liabilities	19,344,861	21,614,308	(2,269,447)	(10.5%)
Project costs payable-leveraged loans	33,741,351	49,517,784	(15,776,433)	(31.9%)
Noncurrent bonds payable, net	163,051,485	172,149,607	(9,098,122)	(5.3%)
Total liabilities	<u>216,137,697</u>	<u>243,281,699</u>	<u>(27,144,002)</u>	(11.2%)
Net assets:				
Invested in capital assets	1,697	5,090	(3,393)	(66.7%)
Restricted	122,520,764	109,058,934	13,461,830	12.3%
Unrestricted	4,389,338	6,253,295	(1,863,957)	(29.8%)
Total Net assets	<u>\$ 126,911,799</u>	<u>\$ 115,317,319</u>	<u>\$ 11,594,480</u>	10.1%

Overall, loans receivable decreased during 2007 by principal repayments of \$11.5 million. New direct loans financed through the DWRF program totaled \$1.6 million, which mitigated the decrease in loans receivable. The net decrease of \$27.1 million (11.2%) in total liabilities is the result of several factors. First, the DWRF program did not issue bonds in 2007; therefore, annual bond principal payments reduced non-current bonds payable by \$9.1 million. Second, project cost payable-leveraged loans decreased by \$15.8 million as a result of borrower project draws. Finally, current and other liabilities decreased by \$2.3 million primarily due to direct loan project draws exceeding new loan funding.

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Chart 4 displays the comparative balances of the four-major accounts and the following decreases: restricted assets (\$10.9 million), noncurrent loans receivable (\$9.8 million), project costs payable-leveraged loans (\$15.8 million), and noncurrent bonds payable (\$9.1 million). Construction draws totaling \$15.8 million contributed to the decrease in restricted assets and project costs payable-leveraged loans. DWRF operating income of \$4.5 million and EPA capitalization grant revenue of \$7.1 million resulted in an \$11.6 million (10.1%) increase in total net assets.



Summary of Changes in Net Assets

Overview

As described in the notes to the basic financial statements, the Authority issues bonds to fund program loans. All bonds are repaid from loan repayments (principal and interest); however, in the WPCRF and DWRF, a portion of bond interest is paid by investment income earned on restricted assets held in the borrowers' project accounts and in bond debt service reserve funds. This investment income, used to pay 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 fund and in total. Like the complete statements located in the basic financial statements, these summary schedules show operating revenues, operating expenses, operating income, other sources of revenue, and the changes in net assets in a comparative year format. These schedules quantify the changes in financial position of the Authority as a financing entity. For 2007, investment income and loan interest income made up 83.3% of total operating revenues, bond interest expense was 86.7% of total operating expenses, and 53.7% of total changes in net assets came from EPA capitalization grant revenue.

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The WPCRF and DWRF programs are allowed to collect a loan administrative fee surcharge to supplement the EPA grant funds available for the reimbursement of administrative expenses. The annual administrative fee surcharge rate of 0.8% is computed on the original loan receivable balance and is a component of loan repayments. Generally, these fees remain constant over the term of the loan.

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 revenues have been recorded as nonoperating 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 Net Assets on Schedule 5A. Two major factors contribute to the amount of EPA capitalization grant revenue recognized: 1) the number and size of loans funded with grant monies for the year; and 2) the demand for project cost reimbursements, including projects funded in prior years.

Total Enterprise Funds

Schedules 5A and 5B combine the results of operations of the three enterprise funds, shown in a comparative year format. Although restrictions exist on transfers of monies among the enterprise funds, these schedules provide information about the overall changes in financial position.

Interest on investments totaled \$25.4 million, \$20.2 million, and \$17.1 million for 2007, 2006, and 2005, respectively. Both the investment balances and changing interest rates impact the amounts of interest earned. The \$5.3 million increase in interest on investments in 2007, compared to 2006, was the sum of increases from all funds: Water Operations (\$0.6 million), WPCRF (\$2.9 million) and DWRF (\$1.8 million). One of the major factors for the increase in income was the increasing average annual interest rates for COLOTRUST, which were 5.12%, 4.88% and 3.12% respectively, for 2007, 2006 and 2005.

The WPCRF interest on investments increased \$2.9 million in 2007, and was the major factor in the \$5.3 million total increase for 2007. Although the Water Operations Fund restricted assets decreased by \$94.2 million in 2007 and \$116.2 million in 2006, the earnings on the investments in the SWRP and WRBP are recorded as accounts payable-borrowers, as explained in the following Water Operations Fund section, and therefore, do not affect interest on investments.

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<i>Total Enterprise Funds (2007 - 2006)</i>	Summary of Changes in Net Assets as of December 31			Schedule 5A
	2007	2006	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 25,449,194	\$ 20,175,434	\$ 5,273,760	26.1%
Interest on loans	39,104,435	38,207,397	897,038	2.3%
Administrative fees and other income	7,992,412	7,205,852	786,560	10.9%
EPA grants	4,988,780	3,271,788	1,716,992	52.5%
Total operating revenues	<u>77,534,821</u>	<u>68,860,471</u>	<u>8,674,350</u>	12.6%
Operating expenses:				
Interest on bonds	53,122,040	51,764,073	1,357,967	2.6%
Grant administration	2,214,516	2,397,033	(182,517)	(7.6%)
General, administrative, and other expenses	1,526,966	2,284,712	(757,746)	(33.2%)
EPA set asides	4,404,102	2,417,598	1,986,504	82.2%
Total operating expenses	<u>61,267,624</u>	<u>58,863,416</u>	<u>2,404,208</u>	4.1%
Operating income	16,267,197	9,997,055	6,270,142	62.7%
EPA capitalization grants	18,904,991	12,502,130	6,402,861	51.2%
Change in net assets	35,172,188	22,499,185	12,673,003	56.3%
Net assets – beginning of year	442,449,211	419,950,026	22,499,185	5.4%
Net assets – end of year	<u>\$ 477,621,399</u>	<u>\$ 442,449,211</u>	<u>\$ 35,172,188</u>	7.9%

<i>Total Enterprise Funds (2006 - 2005)</i>	Summary of Changes in Net Assets as of December 31			Schedule 5B
	2006	2005	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 20,175,434	\$ 17,060,365	\$ 3,115,069	18.3%
Interest on loans	38,207,397	31,914,844	6,292,553	19.7%
Administrative fees and other income	7,205,852	6,713,776	492,076	7.3%
EPA grants	3,271,788	3,242,616	29,172	0.9%
Total operating revenues	<u>68,860,471</u>	<u>58,931,601</u>	<u>9,928,870</u>	16.8%
Operating expenses:				
Interest on bonds	51,764,073	44,260,282	7,503,791	17.0%
Grant administration	2,397,033	2,429,438	(32,405)	(1.3%)
General, administrative, and other expenses	2,284,712	1,320,597	964,115	73.0%
EPA set asides	2,417,598	2,370,844	46,754	2.0%
Total operating expenses	<u>58,863,416</u>	<u>50,381,161</u>	<u>8,482,255</u>	16.8%
Operating income	9,997,055	8,550,440	1,446,615	16.9%
EPA capitalization grants	12,502,130	17,926,356	(5,424,226)	(30.3%)
Change in net assets	22,499,185	26,476,796	(3,977,611)	(15.0%)
Net assets – beginning of year	419,950,026	393,473,230	26,476,796	6.7%
Net assets – end of year	<u>\$ 442,449,211</u>	<u>\$ 419,950,026</u>	<u>\$ 22,499,185</u>	5.4%

Interest on loans totaled \$39.1 million, \$38.2 million, and \$31.9 million for 2007, 2006, and 2005, respectively. The increases in both 2007 and 2006 were largely the result of the new loans executed in the WPCRF and DWRF programs in 2007 (\$43.9 million) and in 2006 (\$116.8 million). In the years subsequent

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to the year of execution, these loans produced a full year's interest income. WPCRf interest on loans also increased because certain borrowers received additional one-time loan interest credits (subsidy) in 2006 but paid scheduled loan interest in 2007.

As shown in the Water Operations Fund section below, interest on loans decreased by \$0.3 million in 2007 after an increase of \$4.4 million in 2006, while the WPCRf and DWRF both show increases to interest on loans, which is discussed in each respective section below.

Similar to interest on loans discussed above, increases in interest on bonds is generally the result of bonds issued in the current year and/or preceding year. Bonds, excluding refunding bonds, totaling \$35.3 million, \$86.8 million and \$251.8 million, were issued in 2007, 2006, and 2005, respectively. These bonds contributed to increased expenses of \$1.4 million, \$7.5 million and \$5.9 million in respective concurrent years.

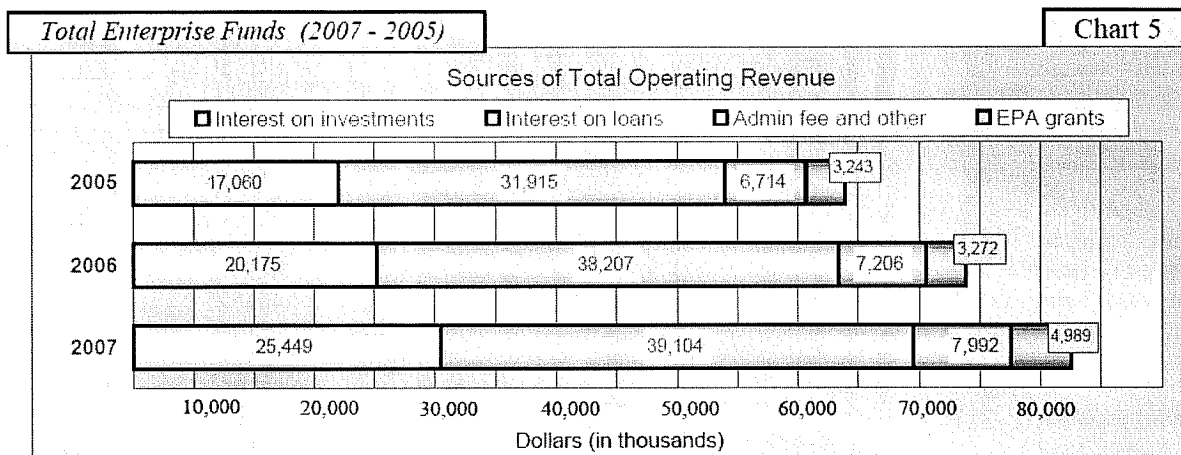


Chart 5 compares the major sources of total operating revenue among the years and illustrates the effects of investment and loan interest earnings discussed above. Note the increase in interest on investments and in interest on loans in 2007, 2006, and 2005. Leveraged loans in the WPCRf and the DWRF are subsidized by investment income earned in the debt service reserve funds (reserve fund financing model). The reserve fund earnings make up a significant portion of total interest on investments. The investment income plus loan interest income provides the funds to pay the bond interest expense in each corresponding year.

As expected, loan administrative fee income increased in proportion to the additional WPCRf and DWRF loans executed. The EPA grant revenue shown in operating income is comprised of grant funds drawn for program administration, and for funding the DWRF set aside activities as discussed in the notes to basic financial statements. EPA capitalization grants used for the loan programs are not part of operating income.

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EPA capitalization grants totaled \$18.9 million, \$12.5 million, and \$17.9 million, for 2007, 2006, and 2005, respectively. As explained earlier in this section, grant funds are drawn as requisitions are paid to borrowers with projects financed with capitalization grant monies. These grant amounts are consistent with the project draws made in WPCRF and the DWRP for those years. Since DWRP and WPCRF grant-funded loans were executed in 2006, total capitalization grant revenue increased in 2007 after a decrease in 2006. The Water Operations Fund loans are not subsidized by EPA capitalization grants. Capitalization grant revenue contributed 53.7%, 55.6%, and 67.7% of the total change in net assets for 2007, 2006, and 2005, respectively.

The discussion below describes the changes to each of the three-enterprise fund's summary schedule of changes in net assets and associated charts to provide visual information of the components of income and expense that impact the change in net assets for 2007 and 2006.

Water Operations Fund

The Summary of Net Assets (Schedule 2) for the Water Operations Fund reflects the noncurrent loans receivable and bonds payable decrease of \$12.9 million (2.9%) and \$13.0 million (2.9%), respectively. No bonds were issued or loans executed in this fund during 2007. Accordingly, both loan interest income and bond interest expense, shown below, decreased 1.5% and 2.5%, respectively.

The largest source of investment income in the Water Operations Fund is generated by the \$52.8 million (average) invested in the investment pool managed by the Colorado State Treasurer. Additional investment income is earned from investments in the COLOTRUST accounts. The average interest rates on these accounts increased 0.4% and 0.2%, respectively, and contributed \$0.4 million to the increase in interest on investments.

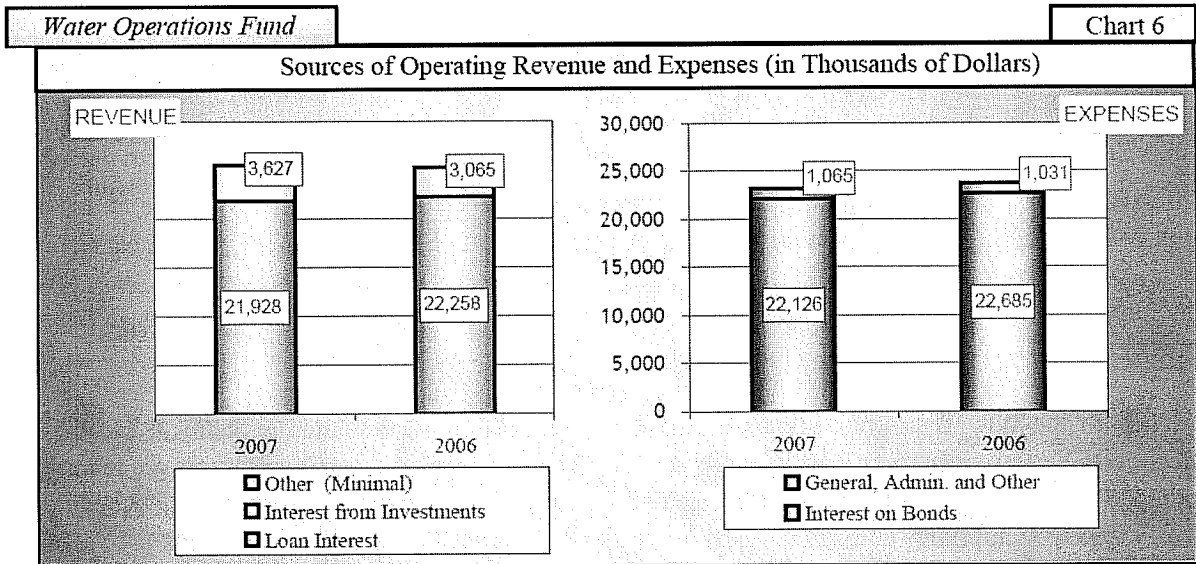
The structure of the WRBP program allows borrowers to requisition accumulated investment income to pay for project costs, or to reduce their loan interest payable. The earnings on these investments are recorded as a liability (accounts payable – borrower) rather than as income. If a borrower elects to reduce scheduled loan interest payments by applying investment earnings from its project account, those earnings are recorded as loan interest income. However, if a borrower elects to use these earnings for payment of project costs, the reimbursement to the borrower reduces the liability accordingly.

The Animas-La Plata account is contractually committed for payment to the Bureau. In exchange for the payments, the Authority will receive rights to an average annual depletion of 2,600 acre-feet of water from the reservoir project. During 2007, \$0.1 million in investment income earned on the escrow account affected the changes in net assets. Payments of \$1.7 million to the Bureau were recorded as additions to water depletion rights on the Statement of Net Assets in the basic financial statements.

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<i>Water Operations Fund</i>		Schedule 6		
Summary of Changes in Net Assets as of December 31				
	2007	2006	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 3,626,834	\$ 3,064,960	\$ 561,874	18.3%
Interest on loans	21,927,594	22,258,478	(330,884)	(1.5%)
Other income	100	820	(720)	(87.8%)
Total operating revenues	25,554,528	25,324,258	230,270	0.9%
Operating expenses:				
Interest on bonds	22,126,089	22,684,637	(558,548)	(2.5%)
General, administrative, and other expenses	1,065,448	1,031,323	34,125	3.3%
Total operating expenses	23,191,537	23,715,960	(524,423)	(2.2%)
Operating income	2,362,991	1,608,298	754,693	46.9%
Change in net assets	2,362,991	1,608,298	754,693	46.9%
Net assets – beginning of year	87,212,369	85,604,071	1,608,298	1.9%
Net assets – end of year	\$ 89,575,360	\$ 87,212,369	\$ 2,362,991	2.7%



As shown in Chart 6, investment and loan interest income are the principal sources of operating revenue in the Water Operations Fund. Investment income increased 18.3% while loan interest income decreased by 1.5% in 2007. General, administrative and other expenses increased 3.3%, the increase is a combination of annual inflationary type costs and the portion of costs allocated to other funds. Operating income for 2007 increased \$0.8 million (46.9%) due to rising interest rates on unrestricted investments. The average interest rate earned on funds invested with the State Treasurer increased 0.4%, while the COLOTRUST rate increased 0.2%.

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Water Pollution Control Fund

Interest on loans increased \$0.9 million (7.5%) in 2007. Loans executed in previous years contributed to this net increase. Loans funded in 1995, 1999, 2001 and 2002 paid no interest in 2006, because additional interest credits, generated in borrower project accounts, offset the loan interest. In 2007, those loans generated over \$0.6 million in interest because the final application of those additional interest credits had occurred in 2006. The approximately \$93.8 million in new loans executed in late 2005, and in 2006 and 2007, produced \$0.7 million in additional loan interest.

The increase in investment income for 2007 of \$2.9 million (23.3%) can be attributed to several factors. First, 2007 unrestricted cash and equivalents (COLOTRUST) balance increased \$4.9 million (28.6%) over the 2006 year-end balances. In addition to the increase in investments, the average annual COLOTRUST interest rate increased from 4.4% to 4.8%. These changes increased interest on investments by \$0.4 million. Second, the US Treasury bonds adjustment to fair value added \$0.6 million. Finally, the largest impact to investment income was a \$1.8 million increase generated by the investment of bond proceeds in 2006 and 2007.

Bond interest expense increased \$0.7 million in 2007 for reasons similar to the new loan interest increase. In late 2005, and in 2006 and 2007, bonds totaling approximately \$88.8 million were issued and were outstanding throughout 2007. The interest on these bonds added \$1.9 million to the expense for 2007. However, the decreases in amortized interest expense on other bonds limited the net increase to \$0.7 million.

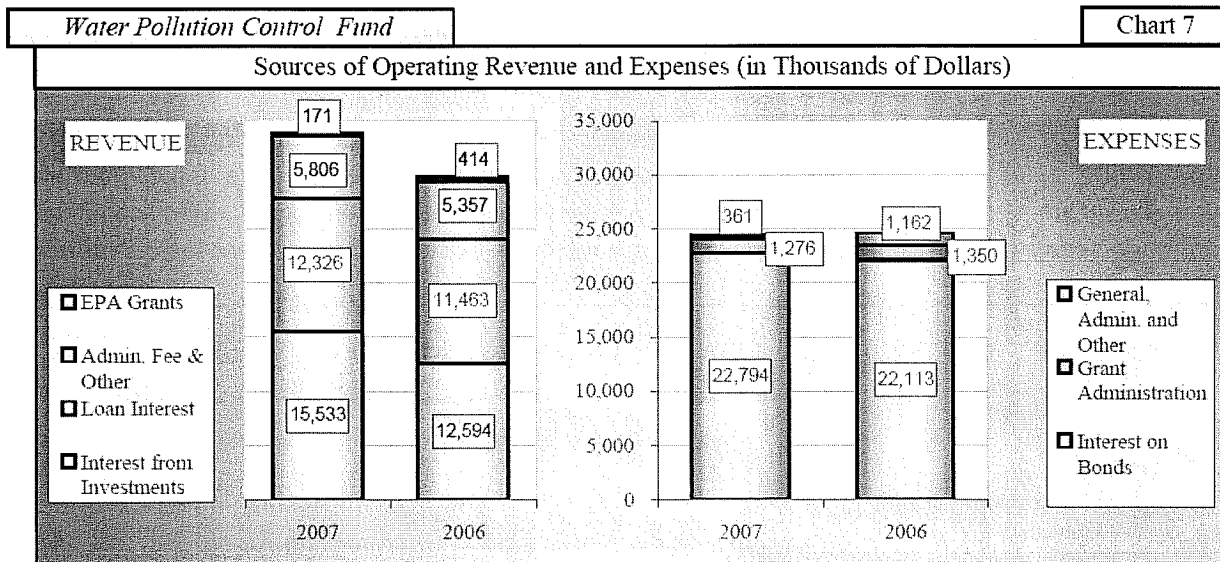
<i>Water Pollution Control Fund</i>	Summary of Changes in Net Assets as of December 31			
	2007	2006	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 15,533,261	\$ 12,593,698	\$ 2,939,563	23.3%
Interest on loans	12,325,893	11,462,880	863,013	7.5%
Administrative fee and other income	5,805,659	5,356,786	448,873	8.4%
EPA grants-administrative	171,303	414,411	(243,108)	(58.7%)
Total operating revenues	<u>33,836,116</u>	<u>29,827,775</u>	<u>4,008,341</u>	13.4%
Operating expenses:				
Interest on bonds	22,794,027	22,113,311	680,716	3.1%
Grant administration	1,276,115	1,350,070	(73,955)	(5.5%)
General, administrative, and other expenses	360,934	1,161,996	(801,062)	(68.9%)
Total operating expenses	<u>24,431,076</u>	<u>24,625,377</u>	<u>(194,301)</u>	(0.8%)
Operating income	9,405,040	5,202,398	4,202,642	80.8%
EPA capitalization grants	11,809,677	8,878,874	2,930,803	33.0%
Change in net assets	<u>21,214,717</u>	<u>14,081,272</u>	<u>7,133,445</u>	50.7%
Net assets – beginning of year	<u>239,919,523</u>	<u>225,838,251</u>	<u>14,081,272</u>	6.2%
Net assets – end of year	<u>\$ 261,134,240</u>	<u>\$ 239,919,523</u>	<u>\$ 21,214,717</u>	8.8%

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Chart 7 shows the components of operating income and expenses in a comparative format. As discussed above, loan interest income increased \$0.9 million and bond interest expense increased \$0.7 million, while investment income increased \$2.9 million. Loan administrative fee income, which is computed based upon the original loan balances, increased 10.5% due to the addition of the 2007 loans. Interest on investments plus interest on loans comprised 82.3% of operating income in 2007 and 80.7% in 2006. Bond interest expense contributed 93.3% and 89.8% to operating expense in 2007 and 2006, respectively.

The cost to administer the WPCRF for 2007 was \$1.3 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 agencies of the State provide environmental, technical, outreach and financial analysis services in operating the WPCRF Program.



As previously discussed, a proportionate amount of EPA capitalization grant revenue is recognized for each borrower project requisition. EPA capitalization grant revenue totaled \$11.8 million, including \$3.2 million accrued at year-end, and is consistent with project draws totaling over \$26.7 million from grant funded loans. The \$2.9 million increase is the net result of a \$2.2 million increase in accrued grant funds plus a higher average leveraged ratio (percent of grant funds included in the requisitions) for 2007 requisitions.

Drinking Water Fund

In 2007, interest on investments increased \$1.8 million (39.2%). The largest increase in investment income was generated from the investment of 2006 bond proceeds included in restricted assets. Those investments

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added \$1.4 million to investment interest for 2007. In addition, the \$7.3 million increase in the cash and cash equivalents balances, coupled with a small increase in average interest rates, added to the increase in investment income.

Interest on loans increased \$0.4 million (8.1%) in 2007. Loans executed in 2006 contributed to this net increase. In 2007, three direct loans totaling \$1.6 million were executed. No leveraged loans were executed in 2007.

No bonds were issued in 2007, however, \$49.3 million in DWRP bonds were issued in 2006. Interest expense on the 2006 bonds, which were outstanding for all of 2007, increased by \$1.5 million resulting in a net increase in bond interest expense of \$1.2 million (17.7%).

<i>Drinking Water Fund</i>	Summary of Changes in Net Assets as of December 31			Schedule 8
	2007	2006	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 6,289,099	\$ 4,516,776	\$ 1,772,323	39.2%
Interest on loans	4,850,948	4,486,039	364,909	8.1%
Administrative fee and other income	2,186,653	1,848,246	338,407	18.3%
EPA grants	4,817,477	2,857,377	1,960,100	68.6%
Total operating revenues	<u>18,144,177</u>	<u>13,708,438</u>	<u>4,435,739</u>	32.4%
Operating expenses:				
Interest on bonds	8,201,924	6,966,125	1,235,799	17.7%
Grant administration	938,401	1,046,963	(108,562)	(10.4%)
General, administrative, and other expenses	100,584	91,393	9,191	10.1%
EPA set asides	4,404,102	2,417,598	1,986,504	82.2%
Total operating expenses	<u>13,645,011</u>	<u>10,522,079</u>	<u>3,122,932</u>	29.7%
Operating income	4,499,166	3,186,359	1,312,807	41.2%
EPA capitalization grants	7,095,314	3,623,256	3,472,058	95.8%
Change in net assets	11,594,480	6,809,615	4,784,865	70.3%
Net assets – beginning of year	115,317,319	108,507,704	6,809,615	6.3%
Net assets – end of year	<u>\$ 126,911,799</u>	<u>\$ 115,317,319</u>	<u>\$ 11,594,480</u>	10.1%

Please refer to the notes to the basic financial statements for an explanation of the set aside programs funded by the DWRP. 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 amount of set aside program income and expense is dependent upon the actions of the Water Quality Control Division. The set aside activity between 2007 and 2006 increased by \$2.0 million, an 82.2% increase in expenditures.

The cost to administer the DWRP for 2007 was \$0.9 million which is a 10.4% decrease from 2006. Included in this amount are reimbursed costs paid to the Water Quality Control Division of the Colorado Department of

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Public Health and Environment (\$0.4 million), and the Division of Local Government of the Colorado Department of Local Affairs (\$0.1 million). These State agencies provide environmental, technical, outreach and financial analysis services in operating the DWRF.

EPA capitalization grant revenues increased \$3.5 million (95.8%) in 2007. As discussed at the beginning of this section, a proportionate amount of EPA capitalization grant revenue is recognized for each borrower project requisition funded with grant dollars. Project requisitions for leveraged loans funded with grants increased from \$6.5 million in 2006 to \$15.8 million in 2007. The increase in EPA capitalization grant revenue was the net effect of the \$9.3 million (142.7%) increase in project requisitions of grant funded loans.

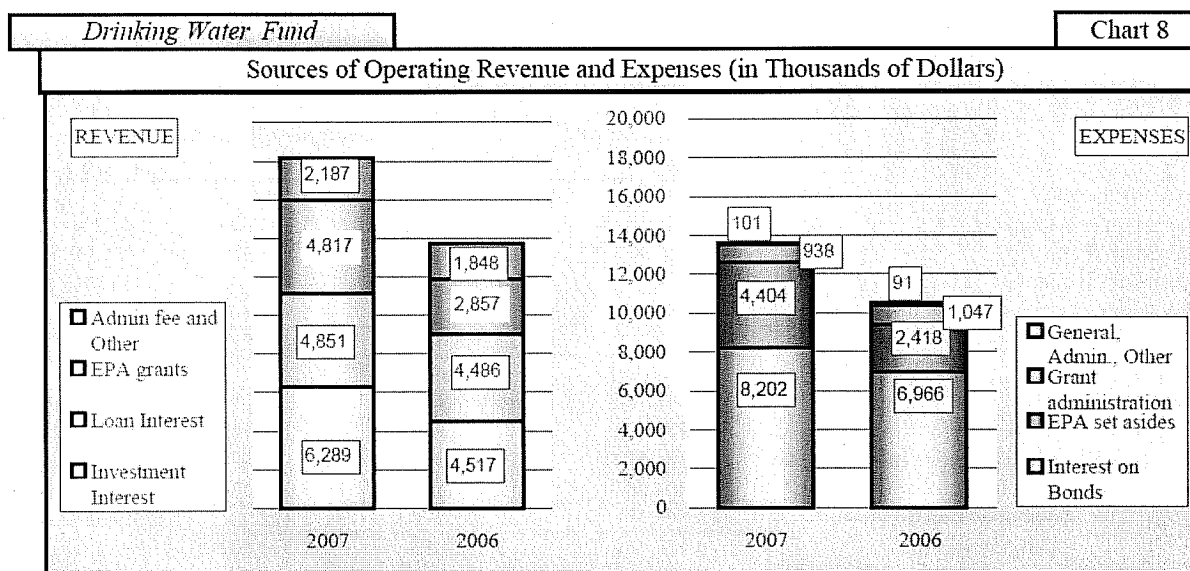


Chart 8 shows the components of operating income and expenses in a comparative format. Interest on investments plus interest on loans comprised 61.4% of operating income in 2007 and 65.7% in 2006. While bond interest expense contributed 60.1% and 66.2% to operating expense in 2007 and 2006, respectively.

Economic Factors:

The demand for financing water and wastewater infrastructure projects is not significantly affected by general economic conditions. The primary factors that affect this demand are:

- More stringent, federal water quality standards often mandate the replacement of or upgrades to infrastructure.
- Colorado's population continues to increase, requiring plant expansions.

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- The need to replace aging infrastructure is expanding.
- Periods of drought affecting Colorado for the past few years has created interest in building additional reservoir storage, transmission projects and acquisition of water rights.
- Low interest rates on municipal bonds issued by the Authority result in lower loan interest rates, especially those loans subsidized by the WPCRF and DWRF, thereby making project financing more affordable for local communities.

The Authority plans to continue subsidizing loan interest rates for borrowers in both the WPCRF and DWRF in 2008. As of December 31, 2007, out of the total amount of EPA capitalization grant funds awarded to the DWRF through 2007 \$15.8 million remains unobligated and available for loans. As of December 31, 2007, out of the total amount of EPA capitalization grant funds awarded to the WPCRF through 2007, \$0.5 million remains unobligated and available for loans.

During 2005 and 2006, disadvantaged community (DC) loan programs were implemented in the DWRF and WPCRF programs. These programs are explained in note 1 in the basic financial statements. Both revolving fund programs strongly support assistance to small communities. By the end of 2007, 25 DC loans had been executed, 15 in the DWRF and ten in the WPCRF with original principal amounts of \$8.1 million and \$7.4 million, respectively. Of the 25 loans, 18 contain zero percent interest rates, and seven contain reduced rates. Administrative fees are not assessed on zero percent loans. The foregone loan interest and administrative fees reduce the funds available for new loans and to pay administrative expenses; however, the financial impact to the programs is currently deemed acceptable in light of the benefits to the disadvantaged communities.

Congress has appropriated funds for EPA Clean Water and Drinking Water capitalization grants for 2008. The Authority submitted an application to the EPA, in March, 2008, for the \$5.4 million Clean Water capitalization grant allocated to Colorado. Of the total amount anticipated to be awarded, \$5.2 will be allocated for funding loan activity leaving \$0.2 million (4%) for grant administration. At the same time, the Authority submitted an application to the EPA for the \$14.3 million Drinking Water capitalization grant allocated to Colorado. Of the total amount anticipated to be awarded, \$9.9 million will be allocated for funding loan activity, while \$4.4 million (31%) will be allocated to grant administration and other program set aside activity.

Additional funding for WPCRF loan activity of approximately \$31.7 million is estimated to be available from the WPCRF reloan account in 2008. Additional funding for DWRF loan activity of approximately \$17.7 million is estimated to be available from the DWRF reloan account in 2008.

During the last six months of 2007, the financial markets were impacted by mortgage defaults. Many financial-related companies, including bond insurers and banks, were impacted due to their ownership of collateralized debt obligations (bundled mortgages) or due to their insuring such obligations. The Authority

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Management's Discussion and Analysis
Years ended December 31, 2007 and 2006

staff is monitoring closely the ratings of the insurers providing bond insurance for the SWRP, WRBP and the WPCRF and the ratings of the counterparties involved with the long-term repurchase agreements in the project and matching accounts of the WPCRF and the DWRF. The Authority provided a material events notice to the appropriate repositories regarding the changes in ratings of Financial Guaranty Insurance Corporation (FGIC), the insurer of the SWRP bonds, on March 3, 2008, and another material events notice on March 28, 2008. The material events notices provided the following:

- > On January 30, 2008, Fitch Ratings downgraded to "AA" from "AAA" its insured rating on all series of Colorado Water Resources and Power Development Authority Small Water Resources Revenue Bonds insured by FGIC. On March 26, 2008, Fitch Ratings downgraded to "BBB" from "AA" its insured rating on all series of Colorado Water Resources and Power Development Authority Small Water Resources Revenue Bonds insured by FGIC.
- > On January 31, 2008, Standard & Poor's Rating Services downgraded to "AA" from "AAA" its insured ratings on all series of Colorado Water Resources and Power Development Authority Small Water Resources Revenue Bonds insured by FGIC. On February 25, 2008, Standard and Poor's Rating Services downgraded to "A" from "AA" its insured ratings on all series of Colorado Water Resources and Power Development Authority Small Water Resources Revenue Bonds insured by FGIC.
- > On February 14, 2008, Moody's Investors Service downgraded to "A3" from "Aaa" its insured ratings on all series of Colorado Water Resources and Power Development Authority Small Water Resources Revenue Bonds insured by FGIC.

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

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**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Statement of Net Assets

December 31, 2007

Assets	Water Operations	Water Pollution Control	Drinking Water	Totals
Current assets:				
Cash and cash equivalents	\$ 63,186,435	\$ 21,843,563	\$ 20,709,428	\$ 105,739,426
Federal grants receivable	—	3,233,386	2,106,157	5,339,543
Investment income receivable	242,795	724,310	410,830	1,377,935
Loans receivable	12,669,167	30,717,122	11,217,241	54,603,530
Due from other funds	1,559,564	—	—	1,559,564
Accounts receivable – borrowers	5,621,539	6,467,836	2,027,266	14,116,641
Other assets	13,139	—	—	13,139
Restricted assets:				
Cash and cash equivalents	13,770,188	19,335,988	15,034,092	48,140,268
Investments	10,078,165	54,734,990	29,892,142	94,705,297
Investment income receivable	154,055	1,187,230	663,685	2,004,970
Total current assets	107,295,047	138,244,425	82,060,841	327,600,313
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	13,715,290	11,229,809	265,711	25,210,810
Investments	—	178,106,213	59,404,510	237,510,723
Investment income receivable	55,872	3,384,845	881,495	4,322,212
Advance receivable	3,078,683	—	—	3,078,683
Loans receivable	438,118,332	486,712,543	200,435,242	1,125,266,117
Water depletion rights – Animas-La Plata	6,871,308	—	—	6,871,308
Capital assets – equipment, net of accumulated depreciation of \$96,787	22,101	1,697	1,697	25,495
Other assets	5,436,987	—	—	5,436,987
Total noncurrent assets	467,298,573	679,435,107	260,988,655	1,407,722,335
Total assets	574,593,620	817,679,532	343,049,496	1,735,322,648
Liabilities and Net Assets				
Current liabilities:				
Project costs payable – direct loans	—	8,348,512	4,392,848	12,741,360
Project costs payable – leveraged loan:	13,948,641	45,394,484	28,147,340	87,490,465
Bonds payable	13,110,000	27,320,000	9,080,000	49,510,000
Accrued interest payable	5,741,481	7,573,436	2,656,096	15,971,013
Accounts payable – borrowers	5,569,447	—	—	5,569,447
Accounts payable – other	1,480,424	—	—	1,480,424
Due to other funds	—	242,089	1,317,475	1,559,564
Other liabilities	—	584,593	180,252	764,845
Total current liabilities	39,849,993	89,463,114	45,774,011	175,087,118
Noncurrent liabilities:				
Project costs payable – leveraged loan:	2,966,399	23,728,000	5,594,011	32,288,410
Bonds payable, net	439,033,061	436,495,331	163,051,485	1,038,579,877
Advance payable	—	3,078,683	—	3,078,683
Debt service reserve deposit	1,861,513	—	—	1,861,513
Deferred revenue	—	626,380	96,503	722,883
Other liabilities	1,307,294	3,153,784	1,621,687	6,082,765
Total noncurrent liabilities	445,168,267	467,082,178	170,363,686	1,082,614,131
Total liabilities	485,018,260	556,545,292	216,137,697	1,257,701,249
Net assets:				
Invested in capital assets	22,101	1,697	1,697	25,495
Restricted	23,876,658	261,132,543	122,520,764	407,529,965
Unrestricted	65,676,601	—	4,389,338	70,065,939
Total net assets	\$ 89,575,360	\$ 261,134,240	\$ 126,911,799	\$ 477,621,399

See Notes to Financial Statements.

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Statement of Net Assets

December 31, 2006

Assets	Water Operations	Water Pollution Control	Drinking Water	Totals
Current assets:				
Cash and cash equivalents	\$ 56,624,499	\$ 16,989,483	\$ 16,521,062	\$ 90,135,044
Federal grants receivable	—	958,949	1,375,797	2,334,746
Investment income receivable	249,955	562,129	342,950	1,155,034
Loans receivable	14,077,060	28,966,305	11,278,414	54,321,779
Due from other funds	1,013,587	—	—	1,013,587
Accounts receivable – borrowers	5,761,925	5,756,590	1,787,594	13,306,109
Other assets	88,749	—	—	88,749
Restricted assets:				
Cash and cash equivalents	86,951,812	11,984,513	11,301,341	110,237,666
Investments	27,554,808	69,392,145	48,135,922	145,082,875
Investment income receivable	781,727	1,342,150	692,988	2,816,865
Total current assets	<u>193,104,122</u>	<u>135,952,264</u>	<u>91,436,068</u>	<u>420,492,454</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	15,939,804	7,601,059	839,000	24,379,863
Investments	775,000	171,636,606	55,390,024	227,801,630
Investment income receivable	15,011	2,955,409	655,581	3,626,001
Advance receivable	5,369,103	—	—	5,369,103
Loans receivable	450,995,833	475,405,287	210,273,255	1,136,674,375
Water depletion rights – Animas-La Plata	5,133,853	—	—	5,133,853
Capital assets – equipment, net of accumulated depreciation of \$141,738	13,251	5,090	5,090	23,431
Other assets	6,211,035	—	—	6,211,035
Total noncurrent assets	<u>484,452,890</u>	<u>657,603,451</u>	<u>267,162,950</u>	<u>1,409,219,291</u>
Total assets	<u>677,557,012</u>	<u>793,555,715</u>	<u>358,599,018</u>	<u>1,829,711,745</u>
Liabilities and Net Assets				
Current liabilities:				
Project costs payable – direct loans	—	5,561,412	6,538,430	12,099,842
Project costs payable – leveraged loan:	101,435,711	58,362,969	45,482,784	205,281,464
Bonds payable	12,620,000	26,465,000	9,145,000	48,230,000
Accrued interest payable	5,802,659	7,308,228	2,502,755	15,613,642
Accounts payable – borrowers	9,316,673	—	—	9,316,673
Accounts payable – other	1,090,298	97,590	124,524	1,312,412
Due to other funds	—	318,603	694,984	1,013,587
Other liabilities	384,480	917,000	435,000	1,736,480
Total current liabilities	<u>130,649,821</u>	<u>99,030,802</u>	<u>64,923,477</u>	<u>294,604,100</u>
Noncurrent liabilities:				
Project costs payable – direct loans	—	1,830,808	839,000	2,669,808
Project costs payable – leveraged loan:	4,370,186	14,338,000	4,035,000	22,743,186
Bonds payable, net	452,006,646	428,516,156	172,149,607	1,052,672,409
Advance payable	—	5,369,103	—	5,369,103
Debt service reserve deposit	1,861,513	—	—	1,861,513
Deferred revenue	—	682,890	103,083	785,973
Other liabilities	1,456,477	3,868,433	1,231,532	6,556,442
Total noncurrent liabilities	<u>459,694,822</u>	<u>454,605,390</u>	<u>178,358,222</u>	<u>1,092,658,434</u>
Total liabilities	<u>590,344,643</u>	<u>553,636,192</u>	<u>243,281,699</u>	<u>1,387,262,534</u>
Net assets:				
Invested in capital assets	13,251	5,090	5,090	23,431
Restricted	23,953,490	239,914,433	109,058,934	372,926,857
Unrestricted	63,245,628	—	6,253,295	69,498,923
Total net assets	<u>\$ 87,212,369</u>	<u>\$ 239,919,523</u>	<u>\$ 115,317,319</u>	<u>\$ 442,449,211</u>

See Notes to Financial Statements.

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year ended December 31, 2007**

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Operating revenues:				
Interest on loans	\$ 21,927,594	\$ 12,325,893	\$ 4,850,948	\$ 39,104,435
Interest on investments	3,626,834	15,533,261	6,289,099	25,449,194
Loan administrative fees	—	5,761,742	2,144,811	7,906,553
EPA grants	—	171,303	4,817,477	4,988,780
Other	100	43,917	41,842	85,859
Total operating revenues	<u>25,554,528</u>	<u>33,836,116</u>	<u>18,144,177</u>	<u>77,534,821</u>
Operating expenses:				
Interest on bonds	22,126,089	22,794,027	8,201,924	53,122,040
Grant administration	—	1,276,115	938,401	2,214,516
Project expenses	276,495	—	—	276,495
General and administrative	788,953	3,393	3,393	795,739
EPA set asides	—	—	4,404,102	4,404,102
Other	—	357,541	97,191	454,732
Total operating expenses	<u>23,191,537</u>	<u>24,431,076</u>	<u>13,645,011</u>	<u>61,267,624</u>
Operating income	2,362,991	9,405,040	4,499,166	16,267,197
EPA capitalization grants	—	11,809,677	7,095,314	18,904,991
Change in net assets	2,362,991	21,214,717	11,594,480	35,172,188
Net assets – beginning of year	<u>87,212,369</u>	<u>239,919,523</u>	<u>115,317,319</u>	<u>442,449,211</u>
Net assets – end of year	<u>\$ 89,575,360</u>	<u>\$ 261,134,240</u>	<u>\$ 126,911,799</u>	<u>\$ 477,621,399</u>

See Notes to Financial Statements.

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Year ended December 31, 2006

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Operating revenues:				
Interest on loans	\$ 22,258,478	\$ 11,462,880	\$ 4,486,039	\$ 38,207,397
Interest on investments	3,064,960	12,593,698	4,516,776	20,175,434
Surcharge from borrowers	—	43,201	—	43,201
Loan administrative fees	—	5,215,015	1,836,567	7,051,582
EPA grants	—	414,411	2,857,377	3,271,788
Other	820	98,570	11,679	111,069
Total operating revenues	<u>25,324,258</u>	<u>29,827,775</u>	<u>13,708,438</u>	<u>68,860,471</u>
Operating expenses:				
Interest on bonds	22,684,637	22,113,311	6,966,125	51,764,073
Grant administration	—	1,350,070	1,046,963	2,397,033
Project expenses	354,172	—	—	354,172
General and administrative	677,151	3,393	3,393	683,937
EPA set asides	—	—	2,417,598	2,417,598
Other	—	1,158,603	88,000	1,246,603
Total operating expenses	<u>23,715,960</u>	<u>24,625,377</u>	<u>10,522,079</u>	<u>58,863,416</u>
Operating income	1,608,298	5,202,398	3,186,359	9,997,055
EPA capitalization grants	—	8,878,874	3,623,256	12,502,130
Change in net assets	1,608,298	14,081,272	6,809,615	22,499,185
Net assets – beginning of year	85,604,071	225,838,251	108,507,704	419,950,026
Net assets – end of year	<u>\$ 87,212,369</u>	<u>\$ 239,919,523</u>	<u>\$ 115,317,319</u>	<u>\$ 442,449,211</u>

See Notes to Financial Statements.

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

Statement of Cash Flows

Year ended December 31, 2007

	Water Operations	Water Pollution Control	Drinking Water	Totals
Cash flows from operating activities:				
Loan administrative fees received	\$ —	\$ 5,543,469	\$ 2,052,755	\$ 7,596,224
Federal funds received	—	133,272	4,119,213	4,252,485
Miscellaneous income	200	—	—	200
Cash payments for salaries and related benefits	(510,566)	(405,090)	(247,887)	(1,163,543)
Cash payments to other state agencies for services	—	(585,937)	(631,102)	(1,217,039)
Cash payments to vendors	(614,632)	(374,516)	(3,902,751)	(4,891,899)
Net cash provided (used) by operating activities	(1,124,998)	4,311,198	1,390,228	4,576,428
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	—	37,340,427	—	37,340,427
Deposits for option to purchase water depletion rights	4,703	—	—	4,703
Federal funds received	—	9,573,270	7,063,219	16,636,489
Principal paid on bonds	(12,620,000)	(26,465,000)	(9,145,000)	(48,230,000)
Interest paid on bonds	(21,661,541)	(22,559,644)	(8,066,707)	(52,287,892)
Cash payment for bond issuance costs	(77,818)	(478,496)	(84,951)	(641,265)
Net cash used by noncapital financing activities	(34,354,656)	(2,589,443)	(10,233,439)	(47,177,538)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(17,089)	—	—	(17,089)
Cash flows from investing activities:				
Proceeds from sales or maturities of investments	18,604,321	63,478,579	20,300,324	102,383,224
Interest received on investments	5,615,852	14,700,784	6,571,714	26,888,350
Interest received on loans	21,973,000	11,776,410	4,696,752	38,446,162
Principal repayments from localities on loans	14,468,333	29,060,865	11,456,119	54,985,317
Cash received from (paid to) other funds	2,290,420	(2,290,420)	—	—
Purchase of investments	(352,678)	(55,093,323)	(6,071,031)	(61,517,032)
Investment in water rights	(1,737,455)	—	—	(1,737,455)
Cash disbursed to localities for loans	(88,978,816)	(46,559,192)	(20,353,411)	(155,891,419)
Cash payment for arbitrage rebate	(235,436)	(961,153)	(409,428)	(1,606,017)
Cash payments of interest to borrowers	(4,995,000)	—	—	(4,995,000)
Net cash provided (used) by investing activities	(33,347,459)	14,112,550	16,191,039	(3,043,870)
Net increase (decrease) in cash and cash equivalents	(68,844,202)	15,834,305	7,347,828	(45,662,069)
Cash and cash equivalents, beginning of year	159,516,115	36,575,055	28,661,403	224,752,573
Cash and cash equivalents, end of year	\$ 90,671,913	\$ 52,409,360	\$ 36,009,231	\$ 179,090,504
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 2,362,991	\$ 9,405,040	\$ 4,499,166	\$ 16,267,197
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	8,239	3,393	3,393	15,025
Accrued sick leave expense	700	—	—	700
Interest on bonds	22,126,089	22,794,027	8,201,924	53,122,040
Cost of issuance proceeds	—	(43,917)	(41,842)	(85,759)
Reduction in office lease deposit	260	—	—	260
Interest on loans	(21,927,594)	(12,325,893)	(4,850,948)	(39,104,435)
Interest on investments	(3,626,834)	(15,533,261)	(6,289,099)	(25,449,194)
Put fees on Treasury bonds	—	49,985	—	49,985
Loan principal forgiven	—	229,087	35,463	264,550
Amortization of deferred revenue	—	(56,510)	(6,580)	(63,090)
Change in assets and liabilities:				
Increase in due from other funds	(611,533)	—	—	(611,533)
Increase in accounts receivable – borrowers	—	(161,764)	(85,475)	(247,239)
(Increase) decrease in other receivables	75,610	(38,031)	(698,265)	(660,686)
Increase in accounts payable – other	467,074	—	—	467,074
Increase (decrease) in due to other funds	—	(10,958)	622,491	611,533
Net cash provided (used) by operating activities	\$ (1,124,998)	\$ 4,311,198	\$ 1,390,228	\$ 4,576,428
Noncash Investing Activities				
Loans receivable issued related to projects payable	\$ —	\$ 42,348,024	\$ 1,592,396	\$ 43,940,420
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets				
Unrestricted cash & equivalents	\$ 63,186,435	\$ 21,843,563	\$ 20,709,428	\$ 105,739,426
Current Restricted cash & equivalents	13,770,188	19,335,988	15,034,092	48,140,268
Non Current Restricted cash & equivalents	13,715,290	11,229,809	265,711	25,210,810
Total Cash and Cash Equivalents	\$ 90,671,913	\$ 52,409,360	\$ 36,009,231	\$ 179,090,504

See Notes to Financial Statements.

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Statement of Cash Flows

Year ended December 31, 2006

	Water Operations	Water Pollution Control	Drinking Water	Totals
Cash flows from operating activities:				
Loan administrative fees received	\$ —	\$ 5,096,864	\$ 1,743,273	\$ 6,840,137
Federal funds received	—	467,664	2,633,754	3,101,418
Cash payments for salaries and related benefits	(464,026)	(379,850)	(263,609)	(1,107,485)
Cash payments to other state agencies for services	—	(696,327)	(517,570)	(1,213,897)
Cash payments to vendors	(535,739)	(418,300)	(2,477,215)	(3,431,254)
Net cash provided (used) by operating activities	(999,765)	4,070,051	1,118,633	4,188,919
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	14,724,998	38,137,443	50,382,472	103,244,913
Deposits to refunding bond escrow accounts	(14,420,135)	—	—	(14,420,135)
Deposits for option to purchase water depletion rights	4,070	—	—	4,070
Federal funds received	—	11,235,410	2,749,581	13,984,991
Principal paid on bonds	(12,010,000)	(25,355,000)	(6,630,000)	(43,995,000)
Interest paid on bonds	(21,654,892)	(21,993,406)	(6,637,187)	(50,285,485)
Cash payment for bond issuance costs	(227,917)	(326,200)	(379,502)	(933,619)
Net cash provided (used) by noncapital financing activities	(33,583,876)	1,698,247	39,485,364	7,599,735
Cash flows from capital and related financing activities:				
Purchase of capital assets	(5,758)	—	—	(5,758)
Cash flows from investing activities:				
Proceeds from sales or maturities of investments	90,025,696	64,390,731	8,132,285	162,548,712
Interest received on investments	8,467,193	14,039,972	4,558,557	27,065,722
Interest received on loans	21,620,936	10,904,376	4,251,638	36,776,950
Principal repayments from localities on loans	11,767,083	26,328,008	8,414,528	46,509,619
Cash received from (paid to) other funds	2,604,920	(2,604,920)	—	—
Purchase of investments	(46,686,792)	(56,798,367)	(57,624,580)	(161,109,739)
Investment in water rights	(1,500,262)	—	—	(1,500,262)
Cash disbursed to localities for loans	(119,077,438)	(61,198,734)	(9,693,637)	(189,969,809)
Cash payment for arbitrage rebate	—	(867,126)	—	(867,126)
Cash payments of interest to borrowers	(208,131)	—	—	(208,131)
Net cash used by investing activities	(32,986,795)	(5,806,060)	(41,961,209)	(80,754,064)
Net decrease in cash and cash equivalents	(67,576,194)	(37,762)	(1,357,212)	(68,971,168)
Cash and cash equivalents, beginning of year	227,092,309	36,612,817	30,018,615	293,723,741
Cash and cash equivalents, end of year	\$ 159,516,115	\$ 36,575,055	\$ 28,661,403	\$ 224,752,573
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 1,608,298	\$ 5,202,398	\$ 3,186,359	\$ 9,997,055
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	5,954	3,393	3,393	12,740
Accrued sick leave expense	7,301	—	—	7,301
Interest on bonds	22,684,637	22,113,311	6,966,125	51,764,073
Cost of issuance proceeds	—	(98,570)	(11,679)	(110,249)
Interest on loans	(22,258,478)	(11,462,880)	(4,486,039)	(38,207,397)
Interest on investments	(3,064,529)	(12,593,698)	(4,516,776)	(20,175,003)
Put fees on Treasury bonds	—	49,985	—	49,985
Loan principal forgiven	—	970,807	—	970,807
Amortization of deferred revenue	—	(56,509)	(6,580)	(63,089)
Change in assets and liabilities:				
(Increase) in due from other funds	(287,570)	—	—	(287,570)
(Increase) in accounts receivable – borrowers	—	(104,843)	(86,713)	(191,556)
(Increase) in other receivables	(18,609)	53,253	(223,623)	(188,979)
Increase in accounts payable – other	323,231	—	—	323,231
Increase in due to other funds	—	(6,596)	294,166	287,570
Net cash provided (used) by operating activities	\$ (999,765)	\$ 4,070,051	\$ 1,118,633	\$ 4,188,919
Noncash Investing Activities				
Loans receivable issued related to projects payable	\$ —	\$ 44,592,498	\$ 56,234,254	\$ 100,826,752
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets				
Unrestricted cash & equivalents	\$ 56,624,499	\$ 16,989,483	\$ 16,521,062	\$ 90,135,044
Current Restricted cash & equivalents	86,951,812	11,984,513	11,301,341	110,237,666
Non Current Restricted cash & equivalents	15,939,804	7,601,059	839,000	24,379,863
Total Cash and Cash Equivalents	\$ 159,516,115	\$ 36,575,055	\$ 28,661,403	\$ 224,752,573

See Notes to Financial Statements.

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)**

Notes to Financial Statements

Years Ended December 31, 2007 and 2006

Note 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 (the Board) 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, or 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 basic financial statements issued by the State.

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.

Water Operations Enterprise Fund

One of the activities of the Water Operations Enterprise Fund is to administer the Small Water Resources Projects Program (SWRP). Although the Authority is statutorily authorized to finance individual water resources project loans up to \$500 million, the SWRP is currently limited by contract to \$150 million of total outstanding debt (excluding refunding bonds). All costs of project development may be financed through the SWRP.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 1: Organization (Continued)

Water Operations Enterprise Fund (continued)

Pursuant to the SWRP, proceeds of the bonds issued by the Authority are to be used to fund loans to local governmental agencies. 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 governmental agencies participating in the SWRP are structured 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 Enterprise 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 or there is insufficient loan capacity under the Drinking Water Revolving Fund (DWRF) or the Water Pollution Control Revolving Fund (WPCRF), two other funds administered by the Authority. The Authority is authorized to finance individual water resources project loans of \$500 million or less without approval from the State legislature. All costs of project development may be financed through the WRBP. Each local government evidences its obligations 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 governmental agencies, are sufficient to pay the principal and interest on the bonds issued by the Authority. During the construction period, investment interest earned in the borrower's project accounts may be requisitioned for project costs or be used to decrease loan interest payable to the Authority. Therefore, the Authority records investment interest as a liability in the accounts payable – borrowers account in the statement of net assets.

Animas-La Plata Project

In a 2001 contract with the Animas-La Plata Water Conservancy District (the District) the Authority agreed to fund the District's payment of the non-tribal water capital obligation of the reconfigured Animas-La Plata Project in exchange for the District's 2,600 ac-ft of average annual 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. The Authority makes construction progress payments to the Bureau for the construction of Animas-La Plata Project facilities. Payments to the Bureau totaled \$1,737,455 and \$1,500,262 in 2007 and 2006, respectively. These payments are capitalized as Water depletion rights on the statement of net assets.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 1: Organization (Continued)

Water Operations Enterprise Fund (continued)

Animas-La Plata Project (continued)

In 2002 the Authority entered into a marketing agreement with the District to promote the sale of these water depletion rights. In early 2005 the 2,600 ac-ft of average annual depletion was committed to two entities. The District contracted to purchase 700 ac-ft of average annual depletion and provided an earnest money deposit of \$90,453. In addition the City of Durango executed an agreement giving it the option to purchase 1,900 ac-ft of average annual depletion and provided an option payment of \$1,051,175. Both parties will be required to pay the remaining amounts due at project completion.

Water Pollution Control Enterprise Fund

The Water Pollution Control Enterprise Fund includes the operations of the WPCRF, also known as the State Revolving Fund, and the 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 governmental agencies for the construction of publicly owned wastewater treatment projects and nonpoint source 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 Agreement under which each has agreed to assume specified responsibilities in connection with the operation of the WPCRF. In 2007 and 2006, the Authority paid \$583,350 and \$679,750, respectively, in accordance with the agreement. 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 by 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 four percent 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, bond proceeds, reloan funds (recycled grant funds) and state funds. The matching requirement for the federal grants is provided by the Authority in the form of cash.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 1: Organization (Continued)

Water Pollution Control Enterprise Fund (continued)

When a loan to a local governmental agency is funded 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. In lieu of federal grant funds, the Authority may deposit a predetermined amount "reloan" (recycled grant funds) to the reserve account upon bond closing. Earnings on such reserves are used to reduce the loan interest payable by the borrower.

Each local governmental agency 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 loan repayments made by the local governmental agencies pursuant to direct loan agreements are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (which includes an administrative surcharge). The loan repayments made by the local governmental agencies pursuant to leveraged loan agreements (loans funded from bond proceeds) are structured, in the aggregate, to provide amounts sufficient to repay principal, premium (if any) and interest (less certain expected investment earnings) on the bonds issued by the Authority for the leveraged loans, as well as cash advances or bonds issued to provide the state matching requirements (if needed), and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years plus the construction period) with principal and interest payments commencing not later than one year after completion of the borrowers' projects. During 2005, the Board approved a Disadvantaged Community Loan Program, whereby local governmental entities, with populations of 5,000 or less, may receive loans up to \$2 million for a term of 20 years. This program became effective January 1, 2006. These loans carry a 0% interest rate, if the community's median household income is less than or equal to 60% of the State's median household income, and an interest rate of 50% of the approved direct loan rate, if the community's median household income is 61% to 80% of the State's median household income.

Drinking Water Enterprise Fund

Drinking Water Revolving Fund

The Drinking Water Enterprise Fund includes the operations of the 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.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 1: Organization (Continued)

Drinking Water Enterprise Fund (continued)

Drinking Water Revolving Fund - continued

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 fund 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 Agreement under which each has agreed to assume specified responsibilities in connection with the operation of the DWRF. In 2007 and 2006, the Authority paid \$4,204,271 and \$3,023,736 in accordance with the agreement, which includes set-asides paid to the Water Quality Control Division of the Colorado Department of Public Health and Environment as discussed below. 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 by 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 agencies, either individually or in pools. Loans/grants to borrowers may be provided from federal grants, bond proceeds, reloan funds and state funds. The matching requirement for the federal grants is provided by the Authority in the form of cash.

When a loan to a local governmental agency is funded 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. In lieu of federal grant funds, the Authority may deposit a predetermined amount of reloan funds to the reserve account upon bond closing. Earnings on such reserves are used to reduce the loan interest payable by the borrower.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 1: Organization (Continued)

Drinking Water Enterprise Fund (continued)

Drinking Water Revolving Fund - continued

Each local governmental agency 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 loan repayments made by the local governmental agencies pursuant to direct loan agreements are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (which includes an administrative surcharge). The loan repayments made by the local governmental agencies pursuant to leveraged loan agreements (loans funded from bond proceeds) are structured, in the aggregate, to provide amounts sufficient to repay principal, premium (if any) and interest (less certain expected investment earnings) on the bonds issued by the Authority for the leveraged loans, as well as cash advances or bonds issued to provide the state matching requirements (if needed), and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years plus the construction period) with principal and interest payments commencing not later than one year after completion of the borrowers' projects. During 2005, the Board approved a Disadvantaged Community Loan Program, whereby local governmental entities, with populations of 5,000 or less, may receive loans up to \$2 million for a term of up to 30 years. These loans carry a 0% interest rate, if the community's median household income is less than or equal to 60% of the State's median household income, and an interest rate of 50% of the approved direct loan rate, if the community's median household income is 61% to 80% of the State's median household income.

Set Asides

The SDWA allows the State to "set aside" up to 31% of the annual capitalization grant for water quality 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. Up to 4% of the Authority's capitalization grants may be used for administration, and up to 2% of the capitalization 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.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 1: Organization (Continued)

Drinking Water Enterprise Fund (continued)

State Loans

Prior to receiving the award of the federal capitalization grant, the DWRF loaned State-funded monies directly to local governmental agencies.

Note 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 activities. To account for these activities, the accounts of the Authority are organized on the basis of three separate enterprise funds, each of which is considered a separate accounting entity. 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 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

(b) Basis of Accounting

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting where revenues are recognized when earned and expenses when incurred for all exchange transactions, while those from government-mandated nonexchange transactions (principally federal grants) are recognized when all applicable eligibility requirements are met. As permitted by 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.

(c) Cash Equivalents

The Authority considers cash deposits held by the 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.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 2: Summary of Significant Accounting Policies (Continued)

(d) Loans Receivable

Loans receivable represent outstanding principal amounts lent to borrowers for the construction of water and wastewater projects. An allowance for uncollectible loans receivable has not been established since historical collection experience has shown amounts to be fully collectible 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, state match holding accounts and the Animas-La Plata earnest money deposits and escrow accounts. Leveraged loans receivable provide security for the associated bonds; and loan payments received, net of state match principal and administrative fees, are restricted for payment of bond debt service.

(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 effective 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. The cost of issuing bonds in the Water Operations Fund are recorded as other assets, and are being amortized over the life of the bonds, and amortization is a component of bond interest expense. 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. Prepaid loan interest, resulting from a negotiated early loan pay off, is being amortized over the number of years for which interest was prepaid.

Depending on the bond pricing structure, original issue discounts or premiums subtract from, or add to, net bond proceeds. The net proceeds are deposited in borrowers' project accounts and are made available for requisitions. Because the monetary effects of the discounts and premiums are passed through to the borrowers, the Authority makes no provision for amortization of these amounts.

(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 and are recorded in other liabilities in the statement of net assets.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 2: Summary of Significant Accounting Policies (Continued)

(i) Project Costs Payable

Project costs payable represents the liability of amounts loaned to borrowers that have not been requisitioned by the borrowers for their projects as of year-end. Project costs payable – leveraged loans is the liability for loans funded from bond proceeds, while project costs payable – direct loans is the liability for loans funded with available cash (reloan) or federal grant dollars, within the respective fund.

(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 34, federal EPA capitalization grants are shown below operating income on the statements of revenues, expenses, and changes in 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.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 2: Summary of Significant Accounting Policies (Continued)

(n) Advance Refunding of Bonds

When favorable market conditions develop, the Authority considers advance refunding earlier bond issues having higher interest rates. The Authority's refunding policy includes a targeted 5% present value savings rate, before the refunding process is considered cost beneficial. Proceeds from the refunding bonds are used to pay bond issuance costs, including estimated future administrative costs of the Authority, and the balance of the proceeds is deposited into the refunded bonds escrow account. At the time of the refunding, the bonds are legally defeased and the bond proceeds are transferred to an escrow account; therefore, the refunded bonds are removed from the general ledger. The Authority's current policy is to pass the refunding benefits through to respective leveraged loan borrowers. The reduction in bond debt service is credited to the loan repayments of the borrowers.

(o) Resource Use

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

(p) Arbitrage Rebate Payable

The Authority accrues a liability for its estimated arbitrage rebate liability due the Federal government. An arbitrage rebate liability is created when, in certain circumstances, the Authority reinvests the proceeds of tax-exempt securities in materially higher yielding taxable securities. The amount the Authority will be required to remit to the Federal government could differ materially from the estimated liability in the near term. Arbitrage rebate payable is included in other liabilities on the statement of net assets.

Note 3: Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of Colorado government deposit cash in eligible public depositories. State regulators determine the eligibility of depositories. 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 102% of 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.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 3: Deposits and Investments (Continued)

Deposits (continued)

At December 31, 2007 and 2006, the Authority's deposits had a bank balance of \$12,362,393 and \$552,552 and a carrying amount of \$12,209,776 and \$211,045, respectively. The differences between the bank balances and carrying amounts are due to outstanding reconciling items (primarily outstanding checks) at year-end. Of the bank balances, \$100,000 was insured by federal depository insurance at December 31, 2007 and 2006.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's investment policy (the policy) does not limit the amount of deposit custodial credit risk. Under the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3, deposits collateralized under PDPA are not deemed to be exposed to custodial credit risk. Accordingly, in 2007, \$11,994,053 is deemed to be exposed to custodial credit risk.

	2007	2006
Collateralized by bank's single collateral pool for all public entities, but not held in the Authority's name	\$ 318,340	\$ 452,552
Collateralized with securities held by bank's trust department or agent, but not in the Authority's name	11,944,053	-
Total	\$ 12,262,393	\$ 452,552

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

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 3: Deposits and Investments (Continued)

Investments (continued)

- Written repurchase agreements collateralized at no less than 102% by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools

The Authority's investment policy authorizes similar investments, although certain investments such as guaranteed investment contracts are not authorized by the policy. The policy also differentiates the allowable investments for operating funds and the investment of bond proceeds and contributions to debt service reserve funds.

Colorado Local Government Liquid Asset Trust (the COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds and is considered a 2a7-like investment pool. 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is evidenced by a rating issued by a nationally recognized statistical rating organization (NRSRO), which regularly rate such obligations. The table below shows the minimum rating required by State statutes, the policy, debt agreements or investment agreements, and the actual rating at year-end. The investment in pooled funds managed by the State Treasurer is not rated and direct obligations of the U.S. government and other debt guaranteed by the U.S. government are exempt from credit risk disclosure.

**Colorado Water Resources
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Notes to Financial Statements

Years Ended December 31, 2007 and 2006

Note 3: Deposits and Investments (Continued)

Investments (continued)

Although the policy requires repurchase agreements to be collateralized by authorized securities with a market value no less than 102% of the carrying value of the investment, all existing repurchase agreements specify a collateralization rate of 103% if the securities are direct obligations of the U.S. government and most agreements specify a 105% collateralization rate for authorized agency securities, if allowed. Repurchase agreements provide the flexibility needed by the Authority's loan programs for on demand principal redemption from borrower project accounts as well as scheduled annual redemptions, over a twenty-year period, from bond debt service reserve funds. The ratings of the repurchase agreements below, as of December 31, 2007 and 2006, reflect the rating of the underlying securities held as collateral.

2007					
Deposit or Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Not Rated	NRSRO Rating
Deposits	\$ 12,209,776		X		
Cash held by State Treasurer (see below)	60,429,626	N/A		X	
COLOTRUST PLUS	106,451,102	N/A			AAA
Total cash and cash equivalents	<u>179,090,504</u>				
U.S. Treasury Notes - SLGS	11,305,435	N/A	X		
U.S. Treasury Bonds	9,227,134	N/A	X		
Repurchase Agreements-collateralized	311,683,451				See Detail Below
Total Investments	<u>332,216,020</u>				
Total cash and invested funds	<u>\$ 511,306,524</u>				

2006					
Deposit or Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Not Rated	NRSRO Rating
Deposits	\$ 211,045		X		
Cash held by State Treasurer (see below)	60,812,697	N/A		X	
COLOTRUST PLUS	106,452,166	N/A			AAA
COLOTRUST PRIME	57,276,665	N/A			AAA
Total cash and cash equivalents	<u>224,752,573</u>				
U.S. Treasury Notes - SLGS	14,758,704	N/A	X		
U.S. Treasury Bonds	9,029,428	N/A	X		
Repurchase Agreements-collateralized	349,096,373				See Detail Below
Total Investments	<u>372,884,505</u>				
Total cash and invested funds	<u>\$ 597,637,078</u>				

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 3: Deposits and Investments (Continued)

Investments (continued)

Below is a schedule that summarizes the credit quality of the securities held as collateral for the repurchase agreements, as of December 31, 2007 and 2006:

2007		
Collateral Securities		
Exempt From Disclosure	Custodian Portfolio Percent	NRSRO Rating
U.S. Treasuries and other direct obligations	X	5.1%
Government agencies		94.9%
Financial Corporation (FDIC)		0.0%
Total		100.0%

2006		
Collateral Securities		
Exempt From Disclosure	Custodian Portfolio Percent	NRSRO Rating
U.S. Treasuries and other direct obligations	X	7.6%
Government agencies		92.3%
Financial Corporation (FDIC)		0.1%
Total		100.0%

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Note 3: Deposits and Investments (Continued)

Investments (continued)

The cash held by the State Treasurer is invested in the types of securities shown below as disclosed in the State Treasurer's report as of December 31, 2007 and 2006:

	2007						Portfolio Percent
	Credit Rating of Pool Securities						
	A1/P1	AAA	AA	A	BBB	Other	
Asset Backed		100.0%					15.0%
Corporates		10.6%	43.1%	42.4%	3.9%		9.1%
Mortgage Securities		100.0%					3.6%
Commercial Paper	100.0%						20.9%
Treasuries		100.0%					9.3%
Federal Agencies		100.0%					33.8%
Certificates of Deposit						100.0%	1.2%
Money Market Funds						100.0%	7.1%
Total Portfolio	20.9%	62.6%	3.9%	3.9%	0.4%	8.3%	100.0%

	2006						Portfolio Percent
	Credit Rating of Pool Securities						
	A1/P1	AAA	AA	A	BBB	Other	
Asset Backed		100.0%					17.0%
Corporates		8.9%	37.6%	53.5%			11.3%
Mortgage Securities		100.0%					2.1%
Commercial Paper		18.7%	24.2%	23.7%		33.4% *	26.1%
Treasuries		100.0%					11.9%
Federal Agencies		100.0%					26.4%
Certificates of Deposit						100.0%	0.9%
Money Market Funds		100.0%				100.0%	4.3%
Total Portfolio	0.0%	63.3%	10.6%	12.2%	0.0%	13.9%	100.0%

* The senior debt of the issuers are Ba1 & B1, but the asset backed commercial paper programs are rated A1+, P1

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Note 3: Deposits and Investments (Continued)

Investments (continued)

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The schedules below show repurchase agreements totaling \$311,683,451 and \$349,096,373 as of December 31, 2007 and 2006, respectively, were acquired by the Authority's trustee, and the investments are held in the trustee's bank account at the Federal Reserve in book entry form. Consequently, the trustee is considered to be the purchaser as well as the custodian of the investments. Because the investments are not held in the Authority's name, the entire balance of repurchase agreements is subject to custodial credit risk. The policy does not limit custodial credit risk; however, the Board approves each repurchase agreement in conjunction with an associated bond resolution.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Pooled investments and direct obligations of the U.S. government are exempt from concentration of credit risk disclosure. Investments that represent 5% or more of total investments are shown in the tables below.

The schedules below show that five repurchase agreement providers (eligible providers) exceed 5% of total funds invested as of December 31, 2007 and 2006. Only a limited number of eligible providers offer this type of investment agreement, which results in a higher level of investment concentration. To ensure a price that equals fair market value the Authority makes a good faith effort to meet the safe harbor provision of Treasury Regulation Sec. 1.148-5(d)(6)(iii), which requires a minimum of three bids be obtained from eligible providers. The fair market value is then used to determine the yield for arbitrage purposes. The policy does not limit the concentration of repurchase agreements with any one eligible provider.

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Years Ended December 31, 2007 and 2006

Note 3: Deposits and Investments (Continued)

Investments (continued)

2007			
Investment Type	Fair Value	Exempt From Disclosure	Percent of Total Invested
Cash held by State Treasurer	\$ 60,429,626		12.1%
COLOTRUST PLUS	106,451,102	X	N/A
U.S. Treasury Notes - SLGS	11,305,435	X	N/A
U.S. Treasury Bonds	9,227,134	X	N/A
	<u>187,413,297</u>		
Repurchase Agreements-collateralized			
Trinity Plus Funding Company LLC	67,913,436		13.6%
MBIA Asset Management LLC	19,387,449	X	N/A
HSBC Bank USA N.A.	919,393	X	N/A
Westdeutsche Landesbank	931,135	X	N/A
Salomon Reinvestment Co./Citigroup Global	41,556,358		8.3%
American International Group	74,037,684		14.8%
FSA Capital Management Services LLC	62,374,415		12.5%
Societe Generale	44,563,581		8.9%
	<u>311,683,451</u>		
Total funds invested	\$ <u>499,096,748</u>		
2006			
Investment Type	Fair Value	Exempt From Disclosure	Percent of Total Invested
Cash held by State Treasurer	\$ 60,812,697		10.2%
COLOTRUST PLUS	106,452,166	X	N/A
COLOTRUST PRIME	57,276,665	X	N/A
U.S. Treasury Notes - SLGS	14,758,704	X	N/A
U.S. Treasury Bonds	9,029,428	X	N/A
	<u>248,329,660</u>		
Repurchase Agreements-collateralized			
Trinity Plus Funding Company LLC	87,399,107		14.6%
MBIA Asset Management LLC	30,759,663		5.1%
HSBC Bank USA N.A.	809,351	X	N/A
Westdeutsche Landesbank	1,020,710	X	N/A
Salomon Reinvestment Co./Citigroup Global	49,076,690		8.2%
American International Group	94,931,877		15.9%
FSA Capital Management Services LLC	85,098,975		14.2%
	<u>349,096,373</u>		
Total funds invested	\$ <u>597,426,033</u>		

**Colorado Water Resources
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Notes to Financial Statements

Years Ended December 31, 2007 and 2006

Note 3: Deposits and Investments (Continued)

Investments (continued)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy, in accordance with Colorado law, limits the purchase of investments to securities with maturity dates of five years or less, unless the Board authorizes maturities in excess of five years. Pursuant to the terms of bond resolutions, the Board approves investments, held in debt service reserve funds, with maturities coinciding with bond maturities, normally of twenty years or more. These investments are exposed to interest rate risk; however, that risk is considered acceptable because the fixed earnings from these investments, included in the cash flow model, is required for future bond debt service.

As of December 31, 2007 and 2006, the Authority had the following investments and maturities.

2007				
Maturity	U.S. Treasury Notes - SLGS	U.S. Treasury Bonds	Repurchase Agreements	Total Investments
2008 \$	3,572,453	\$ 51,918	\$ 91,080,926	\$ 94,705,297
2009	3,559,249	410,428	33,533,849	37,503,526
2010	2,489,256	1,657,313	12,283,907	16,430,476
2011	1,047,857	3,231,260	12,596,746	16,875,863
2012	377,353	2,330,397	12,972,904	15,680,654
2013-2017	259,267	1,545,818	65,536,960	67,342,045
2018-2022	-	-	54,399,954	54,399,954
2023-2027	-	-	27,878,342	27,878,342
2028-2029	-	-	1,399,863	1,399,863
Total \$	<u>11,305,435</u>	<u>\$ 9,227,134</u>	<u>\$ 311,683,451</u>	<u>\$ 332,216,020</u>
2006				
Maturity	U.S. Treasury Notes - SLGS	U.S. Treasury Bonds	Repurchase Agreements	Total Investments
2007 \$	3,453,268	\$ -	\$ 141,629,607	\$ 145,082,875
2008	3,572,453	50,870	24,662,955	28,286,278
2009	3,559,249	402,144	16,468,953	20,430,346
2010	2,489,256	1,623,861	11,639,668	15,752,785
2011	1,047,857	3,164,190	11,944,416	16,156,463
2012-2016	636,621	3,788,363	61,729,755	66,154,739
2017-2021	-	-	51,458,287	51,458,287
2022-2026	-	-	26,334,229	26,334,229
2027-2028	-	-	3,228,503	3,228,503
Total \$	<u>14,758,704</u>	<u>\$ 9,029,428</u>	<u>\$ 349,096,373</u>	<u>\$ 372,884,505</u>

**Colorado Water Resources
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Years Ended December 31, 2007 and 2006**

Note 3: Deposits and Investments (Continued)

Investments (continued)

The U.S. treasury bonds, with maturity dates after 2007, are held in debt service reserve funds that secure certain revenue bonds in the WPCRF, and are subject to put agreements. These agreements allow the Authority to sell or "put" treasury bonds to the counterparty in the event of a loan receivable default, and the proceeds would be used to pay bond debt service. The agreements include schedules containing put prices that correspond to the WPCRF bond debt service dates. Each agreement also contains mandatory put dates and prices that allow for the sale of the treasury bonds, thereby allowing the Authority to use the proceeds to fund future loans.

As previously discussed, the Authority had \$60,429,626 and \$60,812,697 as of December 31, 2007 and 2006, respectively, invested in the pool maintained by the State Treasurer, and that pool had an average maturity of 13.3 and 15.4 months as of December 31, 2007 and 2006. The Authority's investment represents approximately 1.3% of the total pool as of December 31, 2007 and 2006.

Note 4: Loans Receivable

The following is an analysis of changes in loans receivable for the years ended December 31, 2007 and 2006:

	Balance January 1, 2007	New loans	Repayments/ loans canceled	Balance December 31, 2007
Water Operations Fund:				
Small Water Resources Program	\$ 96,685,833	\$ —	\$ 6,308,334	\$ 90,377,499
Water Revenue Bond Program	366,570,000	—	6,160,000	360,410,000
Interim loans	1,817,060	182,940	2,000,000	—
Water Pollution Control Fund:				
Direct loans	25,378,837	5,225,000	1,676,456	28,927,381
Leveraged loans	478,992,755	37,123,024	27,613,495	488,502,284
Drinking Water Fund:				
Direct loans	24,554,279	1,592,397	1,341,197	24,805,479
Leveraged loans	196,997,390	—	10,150,386	186,847,004
	1,190,996,154	\$ 44,123,361	\$ 55,249,868	1,179,869,647
Less current portion	54,321,779			54,603,530
Noncurrent portion	\$ 1,136,674,375			\$ 1,125,266,117

**Colorado Water Resources
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**Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 4: Loans Receivable (Continued)

	<u>Balance January 1, 2006</u>	<u>New loans</u>	<u>Repayments/ loans canceled</u>	<u>Balance December 31, 2006</u>
Water Operations Fund:				
Small Water Resources				
Program	\$ 102,497,916	\$ —	\$ 5,812,083	\$ 96,685,833
Water Revenue Bond				
Program	372,525,000	—	5,955,000	366,570,000
Interim loans	1,099,845	717,215	—	1,817,060
Water Pollution Control Fund:				
Direct loans	13,627,056	12,808,699	1,056,918	25,378,837
Leveraged loans	465,560,415	39,674,238	26,241,898	478,992,755
Drinking Water Fund:				
Direct loans	15,460,363	9,997,722	903,806	24,554,279
Leveraged loans	150,210,971	54,327,241	7,540,822	196,997,390
	<u>1,120,981,566</u>	<u>\$ 117,525,115</u>	<u>\$ 47,510,527</u>	<u>1,190,996,154</u>
Less current portion	<u>47,419,031</u>			<u>54,321,779</u>
Noncurrent portion	<u>\$ 1,073,562,535</u>			<u>\$ 1,136,674,375</u>

Scheduled maturities of the loans receivable are as follows as of December 31, 2007:

	<u>Water Operations</u>		<u>WPCRF</u>		<u>DWRF</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 12,669,167	\$ 21,163,658	\$ 30,717,122	\$ 13,003,822	\$ 11,217,241	\$ 5,013,035	\$ 54,603,530	\$ 39,180,515
2009	12,959,166	20,718,287	31,988,363	13,117,598	11,616,842	4,943,554	56,564,371	38,779,439
2010	14,915,834	20,108,182	32,815,251	12,351,628	12,621,037	4,705,278	60,352,122	37,165,088
2011	17,268,333	19,452,832	33,602,704	11,481,866	13,690,871	4,398,385	64,561,908	35,333,083
2012	17,884,167	18,661,689	32,260,405	10,549,654	14,059,238	4,080,160	64,203,810	33,291,503
2013-2017	82,952,500	81,334,833	146,357,065	39,919,620	71,357,773	14,786,521	300,667,338	136,040,974
2018-2022	75,299,167	62,909,620	130,675,865	20,407,338	55,449,355	6,170,047	261,424,387	89,487,005
2023-2027	53,744,165	46,593,798	76,224,015	5,432,408	19,042,440	1,154,828	149,010,620	53,181,034
2028-2032	56,490,000	34,523,963	2,788,875	64,408	1,653,958	26,358	60,932,833	34,614,729
2033-2037	74,905,000	16,869,006	—	—	933,153	7,698	75,838,153	16,876,704
2038-2042	25,720,000	5,758,988	—	—	10,575	79	25,730,575	5,759,067
2043	5,980,000	313,949	—	—	—	—	5,980,000	313,949
Total	<u>\$ 450,787,499</u>	<u>\$ 348,408,805</u>	<u>\$ 517,429,665</u>	<u>\$ 126,328,342</u>	<u>\$ 211,652,483</u>	<u>\$ 45,285,943</u>	<u>\$ 1,179,869,647</u>	<u>\$ 520,023,090</u>

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Note 4: Loans Receivable (Continued)

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 Projects Program loans receivable have interest rates of 3.96% to 7.19% and have scheduled final maturity dates of 2008 to 2023. The Water Revenue Bonds Program loans receivable have interest rates of 1.92% to 7.08% and have scheduled maturity dates of 2009 to 2043.

The WPCRF direct loans receivable have interest rates of 0.00% to 5.17% and have maturity dates of 2010 to 2028. The WPCRF leveraged loans receivable have interest rates of 3.21% to 5.20% and have scheduled final maturity dates of 2009 to 2028.

The Drinking Water Fund direct loans receivable have interest rates of 0.00% to 4.50% and have scheduled final maturity dates of 2012 to 2038. The Drinking Water Fund leveraged loans receivable have interest rates of 3.03% to 4.60% and have scheduled final maturity dates of 2014 to 2028.

Note 5: Capital Assets

Capital assets activity for the years ended December 31, 2007 and 2006 was as follows:

	2007			Ending Balance
	Beginning Balance	Additions	Retirements	
Equipment	\$ 165,169	\$ 17,089	\$ 59,976	\$ 122,282
Less accumulated depreciation for equipment	(141,738)	(15,025)	(59,976)	(96,787)
	<u>\$ 23,431</u>	<u>\$ 2,064</u>	<u>\$ -</u>	<u>\$ 25,495</u>
	2006			
	Beginning Balance	Additions	Retirements	Ending Balance
Equipment	\$ 163,513	\$ 5,761	\$ 4,105	\$ 165,169
Less accumulated depreciation for equipment	(133,103)	(12,740)	(4,105)	(141,738)
	<u>\$ 30,410</u>	<u>\$ (6,979)</u>	<u>\$ -</u>	<u>\$ 23,431</u>

Depreciation expense for the years ended December 31, 2007 and 2006 was \$15,025 and \$12,740, respectively.

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Note 6: Noncurrent Liabilities

Other than Bonds

Noncurrent liability activity, other than bonds, for the year ended December 31, 2007, was as follows:

	Balance January 1, 2007	Additions	Reductions	Balance December 31, 2007	Current portion
Water Operations:					
Project costs payable – leveraged loans	\$ 105,805,897	\$ —	\$ 88,890,857	\$ 16,915,040	\$ 13,948,641
Debt service reserve deposit	1,861,513	—	—	1,861,513	—
Other liabilities	1,840,957	336,314	869,977	1,307,294	—
Total water operations	\$ 109,508,367	\$ 336,314	\$ 89,760,834	\$ 20,083,847	\$ 13,948,641
Water Pollution Control:					
Project costs payable – direct loans	\$ 7,392,220	\$ 5,225,000	\$ 4,268,708	\$ 8,348,512	\$ 8,348,512
Project costs payable – leveraged loans	72,700,969	38,712,000	42,290,485	69,122,484	45,394,484
Advance payable	5,369,103	1,709,580	4,000,000	3,078,683	—
Deferred revenue	682,890	—	56,510	626,380	—
Other liabilities	4,785,433	1,054,241	2,101,297	3,738,377	584,593
Total water pollution control	\$ 90,930,615	\$ 46,700,821	\$ 52,717,000	\$ 84,914,436	\$ 54,327,589
Drinking Water:					
Project costs payable – direct loans	\$ 7,377,430	\$ 1,592,397	\$ 4,576,979	\$ 4,392,848	\$ 4,392,848
Project costs payable – leveraged loans	49,517,784	—	15,776,433	33,741,351	28,147,340
Deferred revenue	103,083	—	6,580	96,503	—
Other liabilities	1,666,532	780,009	644,602	1,801,939	180,252
Total drinking water	\$ 58,664,829	\$ 2,372,406	\$ 21,004,594	\$ 40,032,641	\$ 32,720,440
Total enterprise funds:					
Project costs payable – direct loans	\$ 14,769,650	\$ 6,817,397	\$ 8,845,687	\$ 12,741,360	\$ 12,741,360
Project costs payable – leveraged loans	228,024,650	38,712,000	146,957,775	119,778,875	87,490,465
Debt service reserve deposit	1,861,513	—	—	1,861,513	—
Advance payable	5,369,103	1,709,580	4,000,000	3,078,683	—
Deferred revenue	785,973	—	63,090	722,883	—
Other liabilities	8,292,922	2,170,564	3,615,876	6,847,610	764,845
Total enterprise funds	\$ 259,103,811	\$ 49,409,541	\$ 163,482,428	\$ 145,030,924	\$ 100,996,670

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Note 6: Noncurrent Liabilities (Continued)

Other than Bonds (continued)

Noncurrent liability activity, other than bonds, for the year ended December 31, 2006, was as follows:

	Balance January 1, 2006	Additions	Reductions	Balance December 31, 2006	Current portion
Water Operations:					
Project costs payable – leveraged loans	\$ 223,918,878	\$ —	\$ 118,112,981	\$ 105,805,897	\$ 101,435,711
Debt service reserve deposit	1,861,513	—	—	1,861,513	—
Other liabilities	1,820,649	20,921	613	1,840,957	384,480
Total water operations	\$ 227,601,040	\$ 20,921	\$ 118,113,594	\$ 109,508,367	\$ 101,820,191
Water Pollution Control:					
Project costs payable – direct loans	\$ 691,700	\$ 12,808,699	\$ 6,108,179	\$ 7,392,220	\$ 5,561,412
Project costs payable – leveraged loans	87,891,524	39,900,000	55,090,555	72,700,969	58,362,969
Advance payable	7,974,023	1,395,080	4,000,000	5,369,103	—
Deferred revenue	760,542	—	77,652	682,890	—
Other liabilities	4,390,735	1,598,770	1,204,072	4,785,433	917,000
Total water pollution control	\$ 101,708,524	\$ 55,702,549	\$ 66,480,458	\$ 90,930,615	\$ 64,841,381
Drinking Water:					
Project costs payable – direct loans	\$ 603,674	\$ 9,997,722	\$ 3,223,966	\$ 7,377,430	\$ 6,538,430
Project costs payable – leveraged loans	1,142,556	54,875,000	6,499,772	49,517,784	45,482,784
Deferred revenue	109,663	—	6,580	103,083	—
Other liabilities	1,080,566	734,890	148,924	1,666,532	435,000
Total drinking water	\$ 2,936,459	\$ 65,607,612	\$ 9,879,242	\$ 58,664,829	\$ 52,456,214
Total enterprise funds:					
Project costs payable – direct loans	\$ 1,295,374	\$ 22,806,421	\$ 9,332,145	\$ 14,769,650	\$ 12,099,842
Project costs payable – leveraged loans	312,952,958	94,775,000	179,703,308	228,024,650	205,281,464
Debt service reserve deposit	1,861,513	—	—	1,861,513	—
Advance payable	7,974,023	1,395,080	4,000,000	5,369,103	—
Deferred revenue	870,205	—	84,232	785,973	—
Other liabilities	7,291,950	2,354,581	1,353,609	8,292,922	1,736,480
Total enterprise funds	\$ 332,246,023	\$ 121,331,082	\$ 194,473,294	\$ 259,103,811	\$ 219,117,786

**Colorado Water Resources
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Notes to Financial Statements

Years Ended December 31, 2007 and 2006

Note 6: Noncurrent Liabilities (Continued)

Bonds Payable

The following is an analysis of changes in bonds payable for the year ended December 31, 2007:

	<u>Balance January 1, 2007</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2007</u>
Water Operations:				
Small Water Resources Projects Program:				
1992 Series B	\$ 495,000	\$ —	\$ 240,000	\$ 255,000
1993 Series A	3,190,000	—	745,000	2,445,000
1994 Series A	2,495,000	—	315,000	2,180,000
1996 Series A	3,735,000	—	320,000	3,415,000
1997 Series A	3,340,000	—	460,000	2,880,000
1997 Series B	7,320,000	—	1,155,000	6,165,000
1998 Series A	5,580,000	—	360,000	5,220,000
1998 Series B	9,290,000	—	1,370,000	7,920,000
2000 Series A	11,560,000	—	685,000	10,875,000
2001 Series A	14,145,000	—	275,000	13,870,000
2002 Series A	13,945,000	—	180,000	13,765,000
2003 Series A	9,180,000	—	220,000	8,960,000
2006 Series A	13,970,000	—	150,000	13,820,000
	<u>98,245,000</u>	<u>—</u>	<u>6,475,000</u>	<u>91,770,000</u>
Water Revenue Bonds Program:				
1998 Taxable Series	1,815,000	—	210,000	1,605,000
2003 Series A	12,270,000	—	530,000	11,740,000
2003 Series B	2,040,000	—	665,000	1,375,000
2004 Series A	13,345,000	—	525,000	12,820,000
2004 Series B	19,705,000	—	5,000	19,700,000
2004 Series C	17,965,000	—	1,765,000	16,200,000
2004 Series D	103,465,000	—	1,050,000	102,415,000
2004 Series E	3,275,000	—	140,000	3,135,000
2005 Series A	53,115,000	—	880,000	52,235,000
2005 Series B	2,220,000	—	85,000	2,135,000
2005 Series C	8,020,000	—	150,000	7,870,000
2005 Series D	100,000,000	—	—	100,000,000
2005 Series E	26,270,000	—	—	26,270,000
2005 Series F	3,590,000	—	140,000	3,450,000
	<u>367,095,000</u>	<u>—</u>	<u>6,145,000</u>	<u>360,950,000</u>
Total Water Operations	465,340,000	\$ —	\$ 12,620,000	452,720,000
Less deferred costs	(713,354)			(576,939)
Less current portion	(12,620,000)			(13,110,000)
Noncurrent bonds payable - Water Operations	<u>\$ 452,006,646</u>			<u>\$ 439,033,061</u>

**Colorado Water Resources
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**Notes to Financial Statements
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Note 6: Noncurrent Liabilities (Continued)

Bonds Payable (continued)

	Balance January 1, 2007	New issues	Retirements	Balance December 31, 2007
Water Pollution Control				
Revolving Fund – Clean Water Revenue Bonds:				
1989 Series A	\$ 240,000	\$ —	\$ 75,000	\$ 165,000
1990 Series A	80,000	—	35,000	45,000
1991 Series A	1,055,000	—	300,000	755,000
1991 Series B	695,000	—	230,000	465,000
1992 Series A	435,000	—	100,000	335,000
1992 Series B	1,265,000	—	260,000	1,005,000
1994 Series A	700,000	—	155,000	545,000
1995 Series A	1,055,000	—	185,000	870,000
1996 Series A	310,000	—	45,000	265,000
1997 Series A	4,365,000	—	1,685,000	2,680,000
1998 Series A	4,625,000	—	1,615,000	3,010,000
1998 Series B	2,770,000	—	675,000	2,095,000
1999 Series A	7,745,000	—	2,125,000	5,620,000
2000 Series A	7,730,000	—	1,455,000	6,275,000
2001 Series A	19,510,000	—	3,015,000	16,495,000
2002 Series A	47,640,000	—	2,125,000	45,515,000
2002 Series B	20,990,000	—	680,000	20,310,000
2003 Series A	13,275,000	—	655,000	12,620,000
2004 Series A	57,490,000	—	110,000	57,380,000
2005 Series A	38,715,000	—	1,410,000	37,305,000
2005 Series B	16,640,000	—	665,000	15,975,000
2006 Series A	23,270,000	—	900,000	22,370,000
2006 Series B	14,195,000	—	565,000	13,630,000
2007 Series A	—	35,330,000	—	35,330,000
	<u>284,795,000</u>	<u>35,330,000</u>	<u>19,065,000</u>	<u>301,060,000</u>
Wastewater Revolving Fund				
Refunding Revenue Bonds:				
1996 Series A	17,085,000	—	2,660,000	14,425,000
2001 Series A	38,450,000	—	4,390,000	34,060,000
2004 Series A	35,800,000	—	350,000	35,450,000
2005 Series A and A2	78,040,000	—	—	78,040,000
	<u>169,375,000</u>	<u>—</u>	<u>7,400,000</u>	<u>161,975,000</u>
Total Water Pollution Control Revolving Fund	454,170,000	\$ <u>35,330,000</u>	\$ <u>26,465,000</u>	463,035,000
Deferred (costs) benefits	811,156			780,331
Less current portion	<u>(26,465,000)</u>			<u>(27,320,000)</u>
Noncurrent bonds payable – Water Pollution Control Revolving Fund	\$ <u>428,516,156</u>			\$ <u>436,495,331</u>

**Colorado Water Resources
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Notes to Financial Statements

Years Ended December 31, 2007 and 2006

Note 6: Noncurrent Liabilities (Continued)

Bonds Payable (continued)

	<u>Balance January 1, 2007</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2007</u>
Drinking Water Revolving Fund:				
Revenue Bonds:				
1997 Series A	\$ 15,690,000	\$ —	\$ 1,155,000	\$ 14,535,000
1998 Series A	10,640,000	—	700,000	9,940,000
1999 Series A	31,435,000	—	2,430,000	29,005,000
2000 Series A	8,275,000	—	1,440,000	6,835,000
2002 Series A	14,055,000	—	715,000	13,340,000
2003 Series A	19,875,000	—	320,000	19,555,000
2003 Series B	11,680,000	—	530,000	11,150,000
2006 Series A	11,275,000	—	380,000	10,895,000
2006 Series B	38,045,000	—	1,470,000	36,575,000
	<u>160,970,000</u>	<u>—</u>	<u>9,140,000</u>	<u>151,830,000</u>
Drinking Water Revolving Fund Refunding Revenue Bonds				
2005 Series A	20,125,000	—	5,000	20,120,000
Total Drinking Water Revolving Fund	181,095,000	\$ —	\$ 9,145,000	171,950,000
Deferred (costs) benefits	199,607			181,485
Less current portion	<u>(9,145,000)</u>			<u>(9,080,000)</u>
Noncurrent bonds payable – Drinking Water Revolving Fund	\$ <u>172,149,607</u>			\$ <u>163,051,485</u>
Total enterprise funds:				
Revenue bonds at par	\$ 1,100,605,000	\$ <u>35,330,000</u>	\$ <u>48,230,000</u>	\$ 1,087,705,000
Deferred (costs) benefits	297,409			384,877
Current portion	<u>(48,230,000)</u>			<u>(49,510,000)</u>
Noncurrent bonds payable, net	\$ <u>1,052,672,409</u>			\$ <u>1,038,579,877</u>

**Colorado Water Resources
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Notes to Financial Statements

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Note 6: Noncurrent Liabilities (Continued)

Bonds Payable (continued)

The following is an analysis of changes in bonds payable for the year ended December 31, 2006:

	Balance January 1, 2006	New issues	Retirements	Balance December 31, 2006
Water Operations:				
Small Water Resources Projects Program:				
1992 Series B	\$ 675.000	\$ —	\$ 180.000	\$ 495.000
1993 Series A	3,895.000	—	705.000	3,190.000
1994 Series A	3,130.000	—	635.000	2,495.000
1996 Series A	4,165.000	—	430.000	3,735.000
1997 Series A	6,840.000	—	3,500.000	3,340.000
1997 Series B	8,415.000	—	1,095.000	7,320.000
1998 Series A	5,920.000	—	340.000	5,580.000
1998 Series B	10,555.000	—	1,265.000	9,290.000
2000 Series A	22,425.000	—	10,865.000	11,560.000
2001 Series A	14,425.000	—	280.000	14,145.000
2002 Series A	14,120.000	—	175.000	13,945.000
2003 Series A	9,400.000	—	220.000	9,180.000
2006 Series A	—	13,970.000	—	13,970.000
	103,965,000	13,970,000	19,690,000	98,245,000
Water Revenue Bonds Program:				
1998 Taxable Series	2,015.000	—	200.000	1,815.000
2003 Series A	12,790.000	—	520.000	12,270.000
2003 Series B	2,695.000	—	655.000	2,040.000
2004 Series A	13,855.000	—	510.000	13,345.000
2004 Series B	19,710.000	—	5.000	19,705.000
2004 Series C	19,695.000	—	1,730.000	17,965.000
2004 Series D	104,465.000	—	1,000.000	103,465.000
2004 Series E	3,410.000	—	135.000	3,275.000
2005 Series A	53,970.000	—	855.000	53,115.000
2005 Series B	2,300.000	—	80.000	2,220.000
2005 Series C	8,170.000	—	150.000	8,020.000
2005 Series D	100,000.000	—	—	100,000.000
2005 Series E	26,270.000	—	—	26,270.000
2005 Series F	3,690.000	—	100.000	3,590.000
	373,035,000	—	5,940,000	367,095,000
Total Water Operations	477,000,000	\$ 13,970,000	\$ 25,630,000	465,340,000
Less deferred costs	(501,667)			(713,354)
Less current portion	(12,010,000)			(12,620,000)
Noncurrent bonds payable – Water Operations	\$ 464,488,333			\$ 452,006,646

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Note 6: Noncurrent Liabilities (Continued)

Bonds Payable (continued)

	Balance January 1, 2006	New issues	Retirements	Balance December 31, 2006
Water Pollution Control Revolving Fund - Clean Water Revenue Bonds:				
1989 Series A	\$ 325,000	\$ —	\$ 85,000	\$ 240,000
1990 Series A	120,000	—	40,000	80,000
1991 Series A	1,385,000	—	330,000	1,055,000
1991 Series B	960,000	—	265,000	695,000
1992 Series A	545,000	—	110,000	435,000
1992 Series B	1,550,000	—	285,000	1,265,000
1994 Series A	875,000	—	175,000	700,000
1995 Series A	1,250,000	—	195,000	1,055,000
1996 Series A	1,580,000	—	1,270,000	310,000
1997 Series A	5,985,000	—	1,620,000	4,365,000
1998 Series A	6,205,000	—	1,580,000	4,625,000
1998 Series B	3,415,000	—	645,000	2,770,000
1999 Series A	9,815,000	—	2,070,000	7,745,000
2000 Series A	9,140,000	—	1,410,000	7,730,000
2001 Series A	22,445,000	—	2,935,000	19,510,000
2002 Series A	49,690,000	—	2,050,000	47,640,000
2002 Series B	21,660,000	—	670,000	20,990,000
2003 Series A	13,930,000	—	655,000	13,275,000
2004 Series A	57,600,000	—	110,000	57,490,000
2005 Series A	40,090,000	—	1,375,000	38,715,000
2005 Series B	17,350,000	—	710,000	16,640,000
2006 Series A	—	23,270,000	—	23,270,000
2006 Series B	—	14,195,000	—	14,195,000
	<u>265,915,000</u>	<u>37,465,000</u>	<u>18,585,000</u>	<u>284,795,000</u>
Wastewater Revolving Fund Refunding Revenue Bonds:				
1996 Series A	19,555,000	—	2,470,000	17,085,000
2001 Series A	42,625,000	—	4,175,000	38,450,000
2004 Series A	35,925,000	—	125,000	35,800,000
2005 Series A and A2	78,040,000	—	—	78,040,000
	<u>176,145,000</u>	<u>—</u>	<u>6,770,000</u>	<u>169,375,000</u>
Total Water Pollution Control Revolving Fund	442,060,000	\$ <u>37,465,000</u>	\$ <u>25,355,000</u>	454,170,000
Deferred (costs) benefits	832,372			811,156
Less current portion	<u>(24,425,000)</u>			<u>(26,465,000)</u>
Noncurrent bonds payable – Water Pollution Control Revolving Fund	<u>\$ 418,467,372</u>			<u>\$ 428,516,156</u>

**Colorado Water Resources
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**Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 6: Noncurrent Liabilities (Continued)

Bonds Payable (continued)

	Balance January 1, 2006	New issues	Retirements	Balance December 31, 2006
Drinking Water Revolving Fund:				
Revenue Bonds:				
1997 Series A	\$ 16,820,000	\$ —	\$ 1,130,000	\$ 15,690,000
1998 Series A	11,325,000	—	685,000	10,640,000
1999 Series A	33,815,000	—	2,380,000	31,435,000
2000 Series A	9,675,000	—	1,400,000	8,275,000
2002 Series A	14,760,000	—	705,000	14,055,000
2003 Series A	20,195,000	—	320,000	19,875,000
2003 Series B	11,685,000	—	5,000	11,680,000
2006 Series A	—	11,275,000	—	11,275,000
2006 Series B	—	38,045,000	—	38,045,000
	118,275,000	49,320,000	6,625,000	160,970,000
Drinking Water Revolving Fund Refunding Revenue Bonds				
2005 Series A	20,130,000	—	5,000	20,125,000
Total Drinking Water Revolving Fund	138,405,000	\$ 49,320,000	\$ 6,630,000	181,095,000
Deferred (costs) benefits	217,733			199,607
Less current portion	(6,630,000)			(9,145,000)
Noncurrent bonds payable – Drinking Water Revolving Fund	\$ 131,992,733			\$ 172,149,607
Total enterprise funds:				
Revenue bonds at par	\$ 1,057,465,000	\$ 100,755,000	\$ 57,615,000	\$ 1,100,605,000
Deferred (costs) benefits	548,438			297,409
Current portion	(43,065,000)			(48,230,000)
Noncurrent bonds payable, net	\$ 1,014,948,438			\$ 1,052,672,409

**Colorado Water Resources
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Notes to Financial Statements

Years Ended December 31, 2007 and 2006

Note 6: Noncurrent Liabilities (Continued)

Bonds Payable (continued)

All of the Authority Small Water Resources Projects 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 Water Resources Revenue Bonds Series 2003A, Series 2003B, Series 2004A, Series 2004B, Series 2004C, Series 2004D, Series 2004E, Series 2005A, Series 2005E and Series 2005F are insured as to payment of principal and interest by MBIA Insurance Corporation. The Water Resources Revenue Bonds Series 2005B and Series 2005C are insured as to payment of principal and interest by Assured Guaranty Corp. The Water Resources Revenue Bonds Series 2005D are insured as to payment of principal and interest by Financial Security Assurance Inc.

As of December 31, 2007, the outstanding bonds of the Authority had original principal amounts of \$156,285,000 for the Small Water Resources Projects Program, \$378,170,000 for the Water Revenue Bonds Program, \$655,675,000 for the Clean Water Revenue Bonds, \$196,140,000 for the Wastewater Revolving Fund Refunding Revenue Bonds, \$220,435,000 for the Drinking Water Revolving Fund Bonds and \$20,305,000 for Drinking Water Revolving Fund Refunding Revenue Bonds, for a total of \$1,627,010,000. Principal payments on the bonds are made annually and interest on the bonds is payable semiannually with interest rates ranging from 1.3% to 7.4% and serial and term principal maturities, including mandatory sinking fund call provisions, through the year 2043. All bonds, except the Small Water Resources Projects Program Series 2006A, the Water Revenue Bonds Series 2003B, the Wastewater Revolving Fund Refunding Revenue Bonds Series 1996A, 2001A, 2005A and A-2 and the Drinking Water Revolving Fund Refunding Revenue Bonds Series 2005A, have optional initial call provisions, generally eight to ten 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 as of December 31, 2007:

	Water Operations		WPCRF		DWRF		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 13,110,000	\$ 21,188,609	\$ 27,320,000	\$ 22,720,309	\$ 9,080,000	\$ 7,968,288	\$ 49,510,000	\$ 51,877,206
2009	13,040,000	20,640,271	28,880,000	21,423,216	9,380,000	7,581,095	51,300,000	49,644,582
2010	14,965,000	20,107,036	29,220,000	19,993,560	10,255,000	7,175,495	54,440,000	47,276,091
2011	17,200,000	19,460,435	29,865,000	18,506,305	11,185,000	6,711,326	58,250,000	44,678,066
2012	18,005,000	18,702,671	28,935,000	16,999,891	11,455,000	6,221,475	58,395,000	41,924,037
2013-2017	82,685,000	81,588,932	130,560,000	64,695,588	58,680,000	22,933,053	271,925,000	169,217,573
2018-2022	75,485,000	63,313,341	117,710,000	33,120,823	46,790,000	9,709,304	239,985,000	106,143,468
2023-2027	55,135,000	46,660,299	67,965,000	8,415,251	14,830,000	1,815,813	137,930,000	56,891,363
2028-2032	56,490,000	34,523,963	2,580,000	109,650	295,000	12,906	59,365,000	34,646,519
2033-2037	74,905,000	16,869,006	—	—	—	—	74,905,000	16,869,006
2038-2042	25,720,000	5,758,988	—	—	—	—	25,720,000	5,758,988
2043-2044	5,980,000	313,949	—	—	—	—	5,980,000	313,949
Total	\$ 452,720,000	\$ 349,127,500	\$ 463,035,000	\$ 205,984,593	\$ 171,950,000	\$ 70,128,755	\$ 1,087,705,000	\$ 625,240,848

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Note 6: Noncurrent Liabilities (Continued)

Bonds Payable (continued)

Total interest expense for 2007 and 2006 amounted to \$22,126,089, \$22,794,027, \$8,201,924 and \$22,684,637, \$22,113,311, \$6,966,125 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 it is in substantial compliance with these provisions.

The Authority has provided a Debt Service Bond Reserve Account at least equal to the debt service reserve requirement under the Small Water Resources Projects Program Bond Resolution. At December 31, 2007 and 2006, the Small Water Resources Projects Program Debt Service Reserve Account 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 (excluding refunding bonds) of outstanding Small Water Resources Projects Program Revenue Bonds at the current funding level for the Small Water Resources Projects Program Debt Service Reserve Account. At December 31, 2007 and 2006, the Authority had \$91,770,000 and \$98,245,000 of outstanding Small Water Resources Projects Program Revenue Bonds, respectively.

Note 7: Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2007 and 2006 is as follows:

Due to/from other funds:

<u>Receivable Funds</u>	<u>Payable Fund</u>	<u>2007 Amount</u>	<u>2006 Amount</u>
Water Operations	Water Pollution Control	\$ 242,089	\$ 318,603
	Drinking Water	1,317,475	694,984
Total		<u>\$ 1,559,564</u>	<u>\$ 1,013,587</u>

The outstanding balances between funds result from the Water Operations Fund paying certain operating expenses of the Water Pollution Control Fund and the Drinking Water Fund for which it is reimbursed.

Note 8: Board-Designated Accounts

Included in the balance of unrestricted net assets of the Water Operations Enterprise Fund are monies designated by 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:

	<u>2007</u>	<u>2006</u>
Self-insurance account	\$ 800,000	\$ 800,000
La Plata River escrow account	17,818,029	17,316,018
Total Board-designated accounts	<u>\$ 18,618,029</u>	<u>\$ 18,116,018</u>

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Notes to Financial Statements

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Note 9: EPA Capitalization Grants

The following table details the EPA capitalization grants and matching requirements of \$1 of state match for every \$5 of capitalization grants recognized by the project during 2007:

	Federal grants recognized in 2007	Matching requirement for 2007
Water Pollution Control Revolving Fund Projects:		
2001A – City of Lafayette	\$ 65,909	\$ 13,182
2003A – City of Pueblo	151,619	30,324
2004A – City of Englewood	2,316,949	463,390
2004A – City of Littleton	2,362,953	472,591
2005A – Town of Eaton	40,447	8,089
2005B – City of Glendale	844,852	168,970
2006A – Donala Water and Sanitation District	1,082,499	216,500
2006A – Granby Sanitation District	1,630,059	326,012
2006A – Triview Metropolitan District	1,107,734	221,547
2006B – Cherokee Metropolitan District	988,393	197,679
2007A – Town of Eagle	995,950	199,190
2007A – City of Rifle	222,313	44,463
	11,809,677	2,361,937
Drinking Water Revolving Fund Projects:		
FDL – Town of Palisade	614,950	122,990
2003A – Fountain Valley Authority	58,451	11,690
2003A – Town of Lyons	30,568	6,114
2006A – City of Craig	1,817,033	363,407
2006A – Little Thompson Water District	231,358	46,272
2006B – City of Alamosa	2,840,654	568,131
2006B – Town of Palisade	1,502,300	300,460
	7,095,314	1,419,064
Total	\$ 18,904,991	\$ 3,781,001

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Note 9: EPA Capitalization Grants (Continued)

The following table details the EPA capitalization grants and matching requirements of \$1 of state match for every \$5 of capitalization grants recognized by the project during 2006:

	Federal grants recognized in 2006	Matching requirement for 2006
	<u> </u>	<u> </u>
Water Pollution Control Revolving Fund Projects:		
1999A – City of Aurora	\$ 45,185	\$ 9,037
2001A – City of Lafayette	29,635	5,927
2002A – Black Hawk-Central City Sanitation District	958,097	191,619
2003A – Town of Milliken	34,955	6,991
2003A – City of Pueblo	65,633	13,127
2004A – City of Englewood	2,919,516	583,903
2004A – City of Littleton	2,812,931	562,586
2005A – Town of Eaton	853,404	170,681
2005B – City of Glendale	46,251	9,250
2006A – Donala Water and Sanitation District	385,750	77,150
2006A – Granby Sanitation District	202,711	40,542
2006A – Triview Metropolitan District	524,806	104,961
	<u>8,878,874</u>	<u>1,775,774</u>
Drinking Water Revolving Fund Projects:		
FDL – Town of Palisade	911,050	182,210
2003A – Fountain Valley Authority	72,837	14,567
2003A – Town of Lyons	217,671	43,534
2006A – Little Thompson Water District	2,421,698	484,340
	<u>3,623,256</u>	<u>724,651</u>
Total	<u>\$ 12,502,130</u>	<u>\$ 2,500,425</u>

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Note 10: Defined Benefit Pension Plan, Health Care Program and Life Insurance Program

Defined Benefit Pension Plan – Plan Description

The Authority's employees and Board members participate in a defined benefit pension plan. The plan's purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost sharing multiple employer plan administered by the Public Employees' Retirement Association (PERA). PERA was established by state statute in 1931. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require an actuarial assessment and legislation by the General Assembly. The Authority contributes to the State Division Trust Fund, which is included in PERA's financial statements. Copies of these statements may be obtained by writing PERA, P.O. at PO Box 5800, Denver, Colorado 80217, or by calling PERA at 1-800-759-PERA (7372), or by visiting www.copera.org.

Employees hired by the Authority after January 1, 2006, are allowed 60 days to elect to participate in a defined contribution retirement plan administered by the state's Deferred Compensation Committee rather than becoming a member of PERA. If that election is not made, the employee becomes a member of PERA, and the member is allowed 60 days from commencing employment to elect to participate in a defined contribution plan administered by PERA rather than the defined benefit plan.

PERA members electing the defined contribution plan are allowed an irrevocable election between the second and fifth year to use their defined contribution account to purchase service credit and be covered under the defined benefit retirement plan. However, making this election subjects the member to the rules in effect for those hired on or after January 1, 2007, as discussed below. Employer contributions to both defined contribution plans are the same as the contributions to the PERA defined benefit plan.

Defined benefit plan members vest after five years of service and are eligible for full retirement based on their original hire date as follows:

- Hired before July 1, 2005 — age 50 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired between July 1, 2005 and December 31, 2006 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired on or after January 1, 2007 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 25 years of service, or age 65 with 5 years of service.

Members are also eligible for retirement benefits without a reduction for early retirement based on their original hire date as follows:

- Hired before January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 80 or more.
- Hired on or after January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 85 or more.

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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 10: Defined Benefit Pension Plan, Health Care Program and Life Insurance Program (Continued)

Defined Benefit Pension Plan – Plan Description (continued)

Members automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement. Defined benefits are calculated as 2.5 percent times the number of years of service times the highest average salary (HAS). For retirements before January 1, 2009, HAS is calculated as one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit and limited to a 15 percent increase between periods. For retirements after January 1, 2009 or persons hired on or after January 1, 2007, more restrictive limits are placed on salary increases between periods used in calculating HAS.

Retiree benefits are increased annually based on their original hire date as follows:

- Hired before July 1, 2005 – 3.5 percent, compounded annually.
- Hired between July 1, 2005 and December 31, 2006 – the lesser of 3 percent or the actual increase in the national Consumer Price Index.
- Hired on or after January 1, 2007 – the lesser of 3 percent or the actual increase in the national Consumer Price Index, limited to a 10 percent reduction in a reserve established for cost of living increases related strictly to those hired on or after January 1, 2007. (The reserve is funded by 1 percent of the employer contributions for this population.)

Members disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If members die before retirement, their eligible children under the age of 18 (23 if a full time student) or their spouse may be entitled to a single payment or monthly benefit payments. If a member does not have eligible children or a spouse, then financially dependent parents, beneficiaries, or the member's estate, may be entitled to a survivor's benefit.

Defined Benefit Pension Plan – Funding Policy

The contribution requirements for plan members and their employers are established, and may be amended, by the General Assembly. The amount of an employee's salary that is subject to PERA contribution is his or her gross earnings less any voluntary reduction in pay contribution to the Authority's flexible benefit plan established under Section 125 of the Internal Revenue Code.

All employees are required to contribute 8.0% percent of their salary, as defined in CRS 24-51-101(42), to an individual account in the plan. The Authority's contribution rates were 11.15%, 10.65% and 10.15% in 2007, 2006 and 2005, respectively. Included in the 2007 and 2006 rates were an additional 1.0% and 0.5%, respectively, for the Amortization Equalization Disbursement, as discussed below. Also included in these rates was 1.02 % that was allocated to the Health Care Trust Fund, discussed herein.

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 10: Defined Benefit Pension Plan, Health Care Program and Life Insurance Program (Continued)

Defined Benefit Pension Plan – Funding Policy (continued)

Per Colorado Revised Statutes, an amortization period of 30 years for a defined benefit pension plan is deemed actuarially sound. At December 31, 2005, the division of PERA in which the Authority participates contained an infinite amortization period, meaning that the unfunded actuarially accrued liability would never be fully funded at the current contribution rate.

In the 2004 legislative session, the General Assembly authorized an Amortization Equalization Disbursement (AED) to address a pension-funding shortfall. The AED required PERA employers to contribute an additional 0.5% of eligible salary beginning January 1, 2006, another 0.5 % in 2007, and subsequent year increases of 0.4 % until the additional AED rate reaches 3.0 % in 2012.

In the 2006 legislative session, the general assembly authorized a Supplemental Amortization Equalization Disbursement (SAED) that requires PERA employers to pay an additional 0.5% of eligible salaries beginning January 1, 2008. The SAED is scheduled to increase by 0.5% annually, through 2013, resulting in a cumulative increase of three percentage points. For the Authority, each year's one half percentage point increase in the SAED will be deducted from the amount of changes to its employees' salaries, and used by the Authority to pay the SAED. Both the AED and SAED will terminate when funding levels reach 100 percent.

Historically, members have been allowed to purchase service credit at reduced rates. However, legislation passed in the 2006 session required, that future agreements to purchase service credit be sufficient to fund the related actuarial liability.

The Authority's contributions to the Defined Benefit Plan for 2007, 2006, and 2005 were \$103,338, \$93,647, and \$86,352, respectively. These contributions met the contribution requirement for each year.

Health Care Program

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund; the program was converted to a trust fund in 1999. Under this program, PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from his or her monthly retirement benefit. Effective July 1, 2000, the maximum monthly subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; and \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on the recipient having 20 years of service credit, and is subject to reduction by 5% for each year less than 20 years.

The Health Care Trust Fund is maintained by an employer's contribution rate as discussed above. The Authority's contributions to the Health Care Trust Fund for 2007, 2006, and 2005 were \$9,555, \$9,088, and \$8,678, respectively. These contributions met the contribution requirement for each year.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 10: Defined Benefit Pension Plan, Health Care Program and Life Insurance Program (Continued)

Health Care Program (continued)

Monthly premium costs for participants depend on the health care plan selected, the number of persons covered, Medicare eligibility, and the number of years of service credit. PERA contracts with a major medical indemnity carrier to administer claims for self-insured medical benefit plans, and another carrier for prescription benefits, and with several health maintenance organizations providing services within Colorado. As of December 31, 2006, there were 42,433 enrollees in the plan.

Life Insurance Program

During Fiscal Year 2006-07, PERA provided its members access to a group decreasing term life insurance plan offered by UnumProvident in which 41,101 members participated. Active members may join the UnumProvident Plan and continue coverage into retirement. Premiums are collected by monthly payroll deductions or other means. In addition, PERA maintained coverage for 12,790 members under closed group plans underwritten by Anthem Life, Prudential, and New York Life.

Note 11: 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 healthcare 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 online at www.copera.org or 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. Employer contributions are recognized as revenues in the period in which the employer pays compensation to the member and the employer is statutorily committed to pay these contributions to the HCTF. Benefits are recognized when due and payable in accordance with the terms of 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 1.02% 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. For the years ended December 31, 2007, 2006 and 2005, the Authority's employer contributions to the HCTF were \$9,555, \$9,088 and \$8,678, respectively, equal to their required contributions for each year.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 12: Defined Contribution Pension Plan

Employees 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 (\$15,500 in 2007 and \$15,000 in 2006 and up to an additional \$5,000 for participants over age 50). The contribution requirements for the Authority are established under Title 24, Article 51, and Section 1402 of the CRS, as amended. For the years ended December 31, 2007 and 2006, the 401(k) Plan member contributions from the Authority were \$72,095 and \$66,875, respectively.

Note 13: Commitments

Leases

The Authority leases office facilities under an operating lease that expires December 31, 2012. Rent expense totaled \$126,697 and \$115,058 for 2007 and 2006, respectively. Below is a schedule of the non-cancelable lease payments due:

<u>Year</u>	<u>Rent</u>
2008	\$ 102,298
2009	102,298
2010	102,298
2011	105,952
2012	109,605
Total	<u>\$ 522,451</u>

Note 14: 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 governmental agencies.

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 governmental agencies combined, are excluded from the provisions of TABOR. The Authority's management believes that its operations qualify for this exclusion. However, TABOR is complex and subject to interpretation. Many of the provisions, including the qualification as an Enterprise, may require judicial interpretation.

**Colorado Water Resources
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Notes to Financial Statements
Years Ended December 31, 2007 and 2006**

Note 15: 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. The Authority is fully insured for employee healthcare through PERA.

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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**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

Regulatory Basis

Combining Schedule of Net Assets

Water Pollution Control Fund

December 31, 2007

Assets	<u>State Revolving Fund</u>	<u>Nonrevolving Fund</u>	<u>Water Pollution Control Fund</u>
Current assets:			
Cash and cash equivalents	\$ 15,755,042	\$ 6,088,521	\$ 21,843,563
Federal grants receivable	3,195,355	38,031	3,233,386
Investment income receivable	98,061	626,249	724,310
Loans receivable	30,717,122	—	30,717,122
Accounts receivable – borrowers	4,574,604	1,893,232	6,467,836
Restricted assets:			
Cash and cash equivalents	19,215,626	120,362	19,335,988
Investments	54,734,990	—	54,734,990
Investment income receivable	1,187,230	—	1,187,230
Total current assets	<u>129,478,030</u>	<u>8,766,395</u>	<u>138,244,425</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	11,229,809	—	11,229,809
Investments	178,106,213	—	178,106,213
Investment income receivable	3,384,845	—	3,384,845
Loans receivable	486,712,543	—	486,712,543
Capital assets – equipment, net	—	1,697	1,697
Total noncurrent assets	<u>679,433,410</u>	<u>1,697</u>	<u>679,435,107</u>
Total assets	<u>808,911,440</u>	<u>8,768,092</u>	<u>817,679,532</u>
Liabilities and Net Assets			
Current liabilities:			
Project costs payable – direct loans	8,348,512	—	8,348,512
Project costs payable – leveraged loans	45,394,484	—	45,394,484
Bonds payable	27,320,000	—	27,320,000
Accrued interest payable	7,573,436	—	7,573,436
Due to other funds	—	242,089	242,089
Other liabilities	—	584,593	584,593
Total current liabilities	<u>88,636,432</u>	<u>826,682</u>	<u>89,463,114</u>
Noncurrent liabilities:			
Project costs payable – leveraged loans	23,728,000	—	23,728,000
Bonds payable, net	436,495,331	—	436,495,331
Advance payable	—	3,078,683	3,078,683
Deferred revenue	—	626,380	626,380
Other liabilities	—	3,153,784	3,153,784
Total noncurrent liabilities	<u>460,223,331</u>	<u>6,858,847</u>	<u>467,082,178</u>
Total liabilities	<u>548,859,763</u>	<u>7,685,529</u>	<u>556,545,292</u>
Net assets:			
Invested in capital assets	—	1,697	1,697
Restricted	260,051,677	1,080,866	261,132,543
Total net assets	<u>\$ 260,051,677</u>	<u>\$ 1,082,563</u>	<u>\$ 261,134,240</u>

See notes to regulatory basis schedules

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

Regulatory Basis

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets

Water Pollution Control Fund

Year ended December 31, 2007

	<u>State Revolving Fund</u>	<u>Nonrevolving Fund</u>	<u>Water Pollution Control Fund</u>
Operating revenues:			
Interest on loans	\$ 12,325,893	\$ —	\$ 12,325,893
Interest on investments	14,056,359	1,476,902	15,533,261
Administrative fee			
Program revenue	—	1,013,407	1,013,407
Non-program revenue	—	4,748,335	4,748,335
EPA grants	—	171,303	171,303
Other	43,917	—	43,917
	<u>26,426,169</u>	<u>7,409,947</u>	<u>33,836,116</u>
Total operating revenues			
Operating expenses:			
Interest on bonds	22,794,027	—	22,794,027
Grant administration	—	1,276,115	1,276,115
General and administrative	—	3,393	3,393
Other	279,072	78,469	357,541
	<u>23,073,099</u>	<u>1,357,977</u>	<u>24,431,076</u>
Total operating expenses			
Operating income	3,353,070	6,051,970	9,405,040
EPA capitalization grants	11,809,677	—	11,809,677
Transfers in (out)	1,946,852	(1,946,852)	—
	<u>17,109,599</u>	<u>4,105,118</u>	<u>21,214,717</u>
Change in net assets			
Net assets (deficit) – beginning of year	242,942,078	(3,022,555)	239,919,523
Net assets – end of year	<u>\$ 260,051,677</u>	<u>\$ 1,082,563</u>	<u>\$ 261,134,240</u>

See notes to regulatory basis schedules

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
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, 2007**

Note 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 Nonrevolving Fund. The State Revolving Fund and Nonrevolving Fund are activities within the Water Pollution Control enterprise fund, a major fund for accounting purposes. The State Revolving Fund and Nonrevolving Fund, individually, do not constitute a fund for reporting purposes under generally accepted accounting principles. The regulatory basis in the aggregate is consistent with generally accepted accounting principles.

Note 2: Grant Administration

All administrative fee revenue and expenses related to the operation of the Water Pollution Control Fund, including the administration of EPA capitalization grants, are accounted for in the Nonrevolving Fund.

Note 3: Advance Payable

The Nonrevolving Fund accounts for the advance from the Water Operations Fund. A cash advance is made, as needed, to the Nonrevolving Fund to meet the state match requirement of EPA capitalization grants. The cash transferred to the State Revolving Fund is included in the net transfers line item. The advance is periodically repaid to the Water Operations Fund with revenue generated from loan administrative fees paid by borrowers.

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

Regulatory Basis

Combining Schedule of Net Assets

Drinking Water Fund

December 31, 2007

Assets	State Revolving Fund	Nonrevolving Fund	Drinking Water Fund
Current assets:			
Cash and cash equivalents	\$ 10,925,919	\$ 9,783,509	\$ 20,709,428
Federal grants receivable	943,145	1,163,012	2,106,157
Investment income receivable	59,670	351,160	410,830
Loans receivable	10,973,472	243,769	11,217,241
Accounts receivable – borrowers	1,384,058	643,208	2,027,266
Restricted assets:			
Cash and cash equivalents	9,522,420	5,511,672	15,034,092
Investments	29,892,142	—	29,892,142
Investment income receivable	663,685	—	663,685
Total current assets	<u>64,364,511</u>	<u>17,696,330</u>	<u>82,060,841</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	99,900	165,811	265,711
Investments	59,404,510	—	59,404,510
Investment income receivable	881,495	—	881,495
Loans receivable	198,127,348	2,307,894	200,435,242
Capital assets – equipment, net	—	1,697	1,697
Total noncurrent assets	<u>258,513,253</u>	<u>2,475,402</u>	<u>260,988,655</u>
Total assets	<u>322,877,764</u>	<u>20,171,732</u>	<u>343,049,496</u>
Liabilities and Net Assets			
Current liabilities:			
Project costs payable – direct loans	4,392,848	—	4,392,848
Project costs payable – leveraged loans	28,147,340	—	28,147,340
Bonds payable, net	9,080,000	—	9,080,000
Accrued interest payable	2,656,096	—	2,656,096
Due to other funds	—	1,317,475	1,317,475
Other liabilities	—	180,252	180,252
Total current liabilities	<u>44,276,284</u>	<u>1,497,727</u>	<u>45,774,011</u>
Noncurrent liabilities:			
Project costs payable – leveraged loans	5,594,011	—	5,594,011
Bonds payable, net	163,051,485	—	163,051,485
Deferred Revenue	—	96,503	96,503
Other liabilities	—	1,621,687	1,621,687
Total noncurrent liabilities	<u>168,645,496</u>	<u>1,718,190</u>	<u>170,363,686</u>
Total liabilities	<u>212,921,780</u>	<u>3,215,917</u>	<u>216,137,697</u>
Net assets:			
Invested in capital assets	—	1,697	1,697
Restricted	109,955,984	12,564,780	122,520,764
Unrestricted	—	4,389,338	4,389,338
Total net assets	<u>\$ 109,955,984</u>	<u>\$ 16,955,815</u>	<u>\$ 126,911,799</u>

See notes to regulatory basis schedules

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

Regulatory Basis

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets

Drinking Water Fund

Year ended December 31, 2007

	<u>State Revolving Fund</u>	<u>Nonrevolving Fund</u>	<u>Drinking Water Fund</u>
Operating revenues:			
Interest on loans	\$ 4,756,590	\$ 94,358	\$ 4,850,948
Interest on investments	5,309,950	979,149	6,289,099
Loan administrative fees	—	2,144,811	2,144,811
EPA set aside grants:			
Administrative	—	413,376	413,376
Small Systems Training and Technical Assistance Program	—	244,017	244,017
Capacity Development	—	1,870,397	1,870,397
Wellhead Protection	—	219,768	219,768
Public Water System Supervision	—	2,069,919	2,069,919
Other	41,842	—	41,842
Total operating revenues	<u>10,108,382</u>	<u>8,035,795</u>	<u>18,144,177</u>
Operating expenses:			
Interest on bonds	8,201,924	—	8,201,924
Grant administration – state funded	—	525,025	525,025
General and administrative	—	3,393	3,393
EPA set asides:			
Administrative	—	413,376	413,376
Small Systems Training and Technical Assistance Program	—	244,017	244,017
Capacity Development	—	1,870,398	1,870,398
Wellhead Protection	—	219,768	219,768
Public Water System Supervision	—	2,069,919	2,069,919
Other	35,463	61,728	97,191
Total operating expenses	<u>8,237,387</u>	<u>5,407,624</u>	<u>13,645,011</u>
Operating income	1,870,995	2,628,171	4,499,166
EPA capitalization grants	7,095,314	—	7,095,314
Transfers in (out)	(143,286)	143,286	—
Change in net assets	8,823,023	2,771,457	11,594,480
Net assets – beginning of year	<u>101,132,961</u>	<u>14,184,358</u>	<u>115,317,319</u>
Net assets – end of year	<u>\$ 109,955,984</u>	<u>\$ 16,955,815</u>	<u>\$ 126,911,799</u>

See notes to regulatory basis schedules

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)**

**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, 2007

Note 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 Nonrevolving Fund. The State Revolving Fund and Nonrevolving Fund are activities within the Drinking Water enterprise fund, a major fund for accounting purposes. The State Revolving Fund and Nonrevolving Fund, individually, do not constitute a fund for reporting purposes under generally accepted accounting principles. The regulatory basis in the aggregate is consistent with generally accepted accounting principles.

Note 2: Nonrevolving Fund

The Authority issues direct loans to eligible municipalities which are funded with money from sources other than the State Revolving Funds. These loans are accounted for in the Nonrevolving Fund. The Drinking Water Fund nonfederal direct loans receivable amounted to \$2,551,666 at December 31, 2007. There are currently 15 loans outstanding at year-end that mature in years 2015 to 2017.

Note 3: Grant Administration

All administrative expenses, both federally and State (loan surcharge fees) funded, related to the operation of the Drinking Water Fund, including the administration of EPA capitalization grants and set aside programs, are accounted for in the Nonrevolving Fund.

Note 4: Set Aside Revenue and Expenses

The set aside activities of the Drinking Water Fund are recorded in the Nonrevolving 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 State Revolving Fund by the Authority.

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

**Schedule of Revenues, Expenditures, and Changes in Funds Available –
Actual (Non-GAAP Budgetary Basis) and Budget**

Water Operations Fund

Year ended December 31, 2007

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 3,626,834	\$ 3,126,000	\$ —	\$ 3,126,000	\$ 500,834
WPCRF state match loan repayment	4,000,000	4,000,000	—	4,000,000	—
Proceeds-Condominium Note Payable	—	2,100,000	—	2,100,000	(2,100,000)
Loan principal payments – SWRP	6,308,333	6,222,000	—	6,222,000	86,333
Loan principal payments – WRBP	6,160,000	7,160,000	—	7,160,000	(1,000,000)
Loan principal payments – interim	2,000,000	10,000,000	—	10,000,000	(8,000,000)
Bond proceeds – WRBP	—	133,000,000	—	133,000,000	(133,000,000)
Refunding bond proceeds – SWRP	—	20,000,000	—	20,000,000	(20,000,000)
Loan interest income – SWRP	4,981,911	4,990,000	—	4,990,000	(8,089)
Loan interest income – WRBP	16,923,402	19,900,000	—	19,900,000	(2,976,598)
Loan interest income – interim loans	22,281	150,000	—	150,000	(127,719)
Other	100	—	—	—	100
Total revenues	<u>44,022,861</u>	<u>210,648,000</u>	<u>—</u>	<u>210,648,000</u>	<u>(166,625,139)</u>
Expenditures:					
WPCRF state match loans	1,709,580	3,100,000	—	3,100,000	1,390,420
General/administrative	780,714	1,182,600	—	1,182,600	401,886
Interim loans made	182,940	10,000,000	—	10,000,000	9,817,060
Bond principal payments – SWRP	6,475,000	6,400,000	100,000	6,500,000	25,000
Bond principal payments – WRBP	6,145,000	6,395,000	—	6,395,000	250,000
Bond interest expense – SWRP	4,812,298	5,000,000	—	5,000,000	187,702
Bond interest expense – WRBP	17,313,791	19,320,000	—	19,320,000	2,006,209
Loans made – WRBP	—	133,000,000	—	133,000,000	133,000,000
Refunding Bonds Escrow Deposit	—	19,600,000	(100,000)	19,500,000	19,500,000
Refunding Issuance Costs	—	400,000	—	400,000	400,000
Project expenditures	2,013,950	8,194,750	—	8,194,750	6,180,800
Arbitrage rebate - SWRP	—	100,000	—	100,000	100,000
Total expenditures	<u>39,433,273</u>	<u>212,692,350</u>	<u>—</u>	<u>212,692,350</u>	<u>173,259,077</u>
Excess of revenues over (under) expenditures	<u>\$ 4,589,588</u>	<u>\$ (2,044,350)</u>	<u>\$ —</u>	<u>\$ (2,044,350)</u>	<u>\$ 6,633,938</u>

See notes to budgetary basis reconciliation

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
(A Component Unit of the State of Colorado)**

**Reconciliation and Note of Non-GAAP Budgetary Basis (Actual) to
Statement of Revenues, Expenses, and Changes in Fund Net Assets**

Water Operations Fund

Year ended December 31, 2007

Revenues (budgetary basis):	\$	44,022,861
WPCRF advance repayment – state match (a.)		(4,000,000)
Loan principal payments – SWRP (b.)		(6,308,333)
Loan principal payments – WRBP (b.)		(6,160,000)
Loan principal payments – interim (b.)		(2,000,000)
Revenues (GAAP basis)		25,554,528
Expenditures (budgetary basis):		39,433,273
Depreciation (g.)		8,239
Acquisition of water depletion rights – Animas-La Plata Project (c.)		(1,737,455)
WPCRF advance – state match provided (d.)		(1,709,580)
Bond principal payments – SWRP (e.)		(6,475,000)
Bond principal payments – WRBP (e.)		(6,145,000)
Interim loans made (f.)		(182,940)
Expenses (GAAP basis)		23,191,537
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$	2,362,991

- (1) The budget for the Water Operations Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:
- a. WPCRF advance repayment – state match is treated as revenue when loan administrative fees are transferred from WPCRF.
 - b. Leveraged and interim loan principal payments are recorded as revenue when received from the borrower.
 - c. Acquisitions of water depletion rights – Animas-La Plata Project are treated as expenditures when paid to the Bureau.
 - d. WPCRF advance – state match provided is treated as expenditure when transferred to WPCRF.
 - e. Bond principal payments are treated as expenditures when paid.
 - f. Interim loans are treated as expenditures when draws are made from project accounts.
 - g. Depreciation of equipment is not budgeted

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
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Schedule of Revenues, Expenditures, and Changes in Funds Available

Actual (Non-GAAP Budgetary Basis) and Budget

Water Pollution Control Fund

Year ended December 31, 2007

	Actual	Original budget	Changes	Final budget	Variance – favorable (unfavorable)
Revenues:					
Interest on investments	\$ 15,533,261	\$ 10,515,000	\$ —	\$ 10,515,000	\$ 5,018,261
Administrative fee	5,761,742	5,223,000	—	5,223,000	538,742
Loan interest income	12,325,893	14,470,000	—	14,470,000	(2,144,107)
EPA grants	11,980,980	20,010,000	—	20,010,000	(8,029,020)
Colorado state match	1,709,580	3,100,000	—	3,100,000	(1,390,420)
Loan principal repayments	29,060,865	28,885,000	—	28,885,000	175,865
Bond proceeds	37,340,427	54,600,000	—	54,600,000	(17,259,573)
Other	43,917	—	—	—	43,917
Total revenues	113,756,665	136,803,000	—	136,803,000	(23,046,335)
Expenditures:					
Grant administration	1,276,115	1,738,000	—	1,738,000	461,885
Bond principal payments	26,465,000	26,550,000	—	26,550,000	85,000
Advance repayments – state match	4,000,000	4,000,000	—	4,000,000	—
Project costs paid – direct loans	4,268,708	8,909,000	—	8,909,000	4,640,292
Loans made – leveraged loans	37,123,024	57,700,000	—	57,700,000	20,576,976
Planning and design grants to small local governments	78,469	280,000	(12,000)	268,000	189,531
Other	1,011,138	1,000,000	12,000	1,012,000	862
Bond interest expense	22,794,027	24,400,000	—	24,400,000	1,605,973
Capital asset acquisitions	—	5,000	—	5,000	5,000
Total expenditures	97,016,481	124,582,000	—	124,582,000	27,565,519
Excess of revenues over expenditures	\$ 16,740,184	\$ 12,221,000	\$ —	\$ 12,221,000	\$ 4,519,184

See notes to budgetary basis reconciliation

**COLORADO WATER RESOURCES
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**Reconciliation and Note 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, 2007

Revenues (budgetary basis):	\$	113,756,665
Bond proceeds (a.)		(37,340,427)
Loan principal repayments (b.)		(29,060,865)
Advance – state match provided (c.)		(1,709,580)
Revenues (GAAP basis)		45,645,793
Expenditures (budgetary basis):		97,016,481
Depreciation expense (i.)		3,393
Loan principal forgiveness (offset by investment earnings) (j.)		229,087
Project costs paid – direct loans (d.)		(4,268,708)
Bond principal payments (e.)		(26,465,000)
Arbitrage rebate payments (f.)		(961,153)
Advance repayment – state match (g.)		(4,000,000)
Loans made – leveraged loans (h.)		(37,123,024)
Expenses (GAAP basis)		24,431,076
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$	21,214,717

- (1) The budget for the Water Pollution Control Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:
- a. Bond proceeds are treated as revenue when issued.
 - b. Loan principal payments are recorded as revenue when received from the borrower.
 - c. Advance – state match is treated as revenue when transferred from Water Operations.
 - d. Direct loans are treated as expenditures when draws are made from project accounts.
 - e. Bond principal payments are treated as expenditures when paid.
 - f. Arbitrage rebate payments are treated as expenditures when paid to the United States Treasury.
 - g. Advance repayment – state match is treated as expenditure when paid from loan administrative fees to Water Operations.
 - h. Leveraged loans are treated as expenditures when loans are executed.
 - i. Depreciation of equipment is not budgeted.
 - j. Loan principal forgiveness is not budgeted.

**COLORADO WATER RESOURCES
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**Schedule of Revenues, Expenditures, and Changes in Funds Available –
Actual (Non-GAAP Budgetary Basis) and Budget
Drinking Water Fund
Year ended December 31, 2007**

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 6,289,099	\$ 4,060,000	\$ —	\$ 4,060,000	\$ 2,229,099
Loan interest income	4,850,948	7,673,000	—	7,673,000	(2,822,052)
Loan principal repayments	11,456,119	10,399,000	—	10,399,000	1,057,119
Bond proceeds	—	58,900,000	—	58,900,000	(58,900,000)
Capital contributions – EPA	7,095,314	18,575,000	—	18,575,000	(11,479,686)
EPA capitalization grant set asides revenue	4,817,477	6,537,000	—	6,537,000	(1,719,523)
Administrative fee income	2,144,811	2,197,000	—	2,197,000	(52,189)
Other	41,842	—	—	—	41,842
Total revenues	<u>36,695,610</u>	<u>108,341,000</u>	<u>—</u>	<u>108,341,000</u>	<u>(71,645,390)</u>
Expenditures:					
Grant administration – State funded	938,401	1,354,900	—	1,354,900	416,499
Project costs paid – direct loans	4,576,979	12,314,000	—	12,314,000	7,737,021
Loans made – leveraged	—	42,600,000	—	42,600,000	42,600,000
Bond principal payments made	9,145,000	8,300,000	1,000,000	9,300,000	155,000
Payment to refunded bond escrow	—	19,600,000	(1,000,000)	18,600,000	18,600,000
Refunding bonds issuance cost	—	400,000	—	400,000	400,000
Bond interest expense	8,201,924	10,000,000	—	10,000,000	1,798,076
EPA capitalization grant set asides	4,404,102	5,984,700	—	5,984,700	1,580,598
Planning and design grants to small local governments	97,191	180,000	(30,000)	150,000	52,809
Arbitrage rebate payments	409,428	380,000	30,000	410,000	572
Capital asset acquisitions	—	5,000	—	5,000	5,000
Total expenditures	<u>27,773,025</u>	<u>101,118,600</u>	<u>—</u>	<u>101,118,600</u>	<u>73,345,575</u>
Excess of revenues over expenditures	<u>\$ 8,922,585</u>	<u>\$ 7,222,400</u>	<u>\$ —</u>	<u>\$ 7,222,400</u>	<u>\$ 1,700,185</u>

See notes to budgetary basis reconciliation

**COLORADO WATER RESOURCES
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**Reconciliation and Note of Non-GAAP Budgetary Basis (Actual) to
Statement of Revenues, Expenses, and Changes in Fund Net Assets**

Drinking Water Fund

Year ended December 31, 2007

Revenues (budgetary basis):	\$	36,695,610
Loan principal repayments (a.)		(11,456,119)
Bond proceeds (b.)		—
		25,239,491
Revenues (GAAP basis)		25,239,491
Expenditures (budgetary basis):		27,773,025
Depreciation expense (f.)		3,393
Project costs paid – direct loans (c.)		(4,576,979)
Bond principal payments made (d.)		(9,145,000)
Arbitrage rebate payments (e.)		(409,428)
		13,645,011
Expenses (GAAP basis)		13,645,011
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$	11,594,480

- (1) The budget for the Drinking Water Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:
- a. Loan principal payments are recorded as revenue when received from the borrower.
 - b. Bond proceeds are treated as revenue when issued.
 - c. Direct loans are treated as expenditures when draws are made from project accounts.
 - d. Bond principal payments are treated as expenditures when paid.
 - e. Arbitrage rebate payments are treated as expenditures when paid to the United States Treasury.
 - f. Depreciation of equipment is not budgeted.

**COLORADO WATER RESOURCES
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Schedule of Project Costs Payable – By Borrower

December 31, 2007

The following pages contain information, by borrower, showing balances in project costs payable (loan proceeds remaining) and loans receivable. To identify the type of loan made, the following codes are used:

Leveraged loans are funded by bond proceeds and may be partially funded by EPA Capitalization Grants and Authority resources. These loans are designated by the year and series of bonds providing the related capital, such as 2006A.

Direct loans are made by both the WPCRF and DWRF. Each direct loan coding contains the year of loan execution and the designation DLF (a federal loan funded by EPA Capitalization Grants and Authority resources or reloan monies) or DC (also a federal loan, but made to a borrower that qualified as a Disadvantaged Community).

Direct loans designated DLS were made only in the DWRF and were funded from Authority cash.

	Project costs payable
Water Operations Fund:	
2004A – Town of Erie – WRBP	\$ 435,063
2004B – City of Englewood – WRBP	536,078
2004C – City of Littleton – WRBP	536,930
2004D – Parker Water and Sanitation District – WRBP	6,440,570
2005E - Arapahoe County Water and Wastewater Public Improvement District – WRBP	8,966,399
	16,915,040
Water Pollution Control Revolving Fund:	
2001A – City of Lafayette	193,081
2003A – Town of Milliken	272,569
2004A – Town of Berthoud	90,599
2004A – City of Englewood	1,116,247
2004A – City of Littleton	1,116,247
2005B – Breckenridge Sanitation District	8,000,000
2005B – City of Glendale	2,029,914
2006A – Clifton Sanitation District #2	50,000
2006A – Donala Water and Sanitation District	1,510,098
2006A – Granby Sanitation District	325,452
2006A – Triview Metropolitan District	1,099,602
2006B – Cherokee Metropolitan District	15,000,000
2006DLF - Boulder County	1,103,614
2006DLF - Cucharas Sewer and Water District	373,258
2006DC - Town of Haxton	305,041
2006DC - Town of La Jara	9,640
2006DC - Town Ordway	324,237
2006DC - Town of Pierce	895,000
2006DLF - Ralston Valley Water & Sanitation District	1,104,867
2006DC - Town of Springfield	454,097
2006DC - Town of Stratton	388,329
2006DC - Town of Sugar City	261,228
2007DLF - Town of Elizabeth	954,200
2007DLF - Town of Romeo	175,000
2006DLF – Donala Water and Sanitation District	2,000,000
2007A – Bayfield Sanitation District	4,606,676
2007A – Town of Eagle	12,000,000
2007A – Town of Mead	3,112,000
2007A – City of Rifle	18,600,000
	77,470,996

**COLORADO WATER RESOURCES
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Schedule of Project Costs Payable – By Borrower

December 31, 2007

	<u>Project costs payable</u>
Drinking Water Revolving Fund:	
2003A – Town of Lyons	176,143
2003A – Fountain Valley Authority	44,312
2003DLF – City of Oury	144,740
2005DLF - Olde State Water District	100,000
2006A – City of Craig	1,693,051
2006B – City of Alamosa	5,277,845
2006B – Arapahoe County Water & Sanitation District	16,435,000
2006B – Cottonwood Water & Sanitation District	10,115,000
2006DC - Town of Boone	79,691
2006DLF - Cucharas Sanitation and Water District	229,937
2006DC - Town of Genoa	126,642
2006DC - Town of Ordway	103,587
2006DC - Town of Palisade	699,622
2006DLF - Ralston Valley Water & Sanitation District	984,777
2006DC - Town of Sedgwick	419,000
2006DC - Town of Walden	1,269
2007DC - Town of Hillrose	906,283
2007DC - Town of Ordway #2	114,300
2007DC - Town of Stratton	483,000
	<u>38,134,199</u>
Total project costs payable	<u>\$ 132,520,235</u>

**COLORADO WATER RESOURCES
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Schedule of Loans Receivable – By Borrower

December 31, 2007

	<u>Loans Receivable</u>
Water Operations Fund – Small Water Resources Projects:	
1990A – Town of Estes Park	\$ 535,000
1990A – Fort Collins – Loveland Water District	611,667
1990A – North Weld County Water District	710,000
1990A – Eagle River Water and Sanitation District	461,250
1991A – Edwards Metropolitan District	305,000
1991A – Town of Estes Park	375,000
1991A – Town of Minturn	130,000
1991A – City of Steamboat Springs	370,000
1992A – City of Brush	375,000
1992A – City of Fort Lupton	1,125,000
1992A – Town of LaSalle	685,000
1992A – City of Louisville	2,718,333
1992B – Central Weld County Water District	543,333
1992B – City of Glenwood Springs	975,000
1992B – Little Thompson Water District	442,500
1992B – Town of Minturn	25,000
1992B – Mt. Werner Water and Sanitation District	1,625,833
1992B – North Weld County Water District	362,500
1994A – Town of Berthoud	170,000
1994A – City of Fort Morgan	1,161,667
1994A – Town of Gypsum	330,000
1994A – Parker Water and Sanitation District	279,167
1994A – Town of Platteville	456,250
1994B – Town of Carbondale	1,005,000
1994B – Project 7 Water Authority	2,173,333
1994B – City of Rifle	587,500
1996A – City of Canon City	2,358,333
1996A – Town of Johnstown	1,000,000
1997A – Town of Monument	1,115,000
1997A – Parker Water and Sanitation District	3,020,000
1997A – Roxborough Park Metropolitan District	1,765,000
1998A – Morgan County Quality Water District	1,935,000
1998A – North Weld County Water District	3,226,250
2000A – Parker Water and Sanitation District	11,315,833
2000A – Upper Eagle Regional Water Authority	9,632,500
2001A – North Weld County Water District	13,802,500
2002A – Eagle River Water and Sanitation District	3,710,000
2002A – Parker Water and Sanitation District	10,055,000
2003A – Clifton Water District	5,357,500
2003A – Town of Eaton	2,272,500
2003A – City of Rifle	1,273,750
	90,377,499
Total Water Operations Fund loans receivable – SWRP	90,377,499

**COLORADO WATER RESOURCES
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Schedule of Loans Receivable – By Borrower

December 31, 2007

Loans Receivable

Water Operations Fund – Water Revenue Bond Program:	
1998A – Rio Blanco Water Conservancy District	1,605,000
2003A – City of Louisville	11,740,000
2003B – City of Longmont	1,375,000
2004A – Town of Erie	12,280,000
2004B – City of Englewood	19,700,000
2004C – City of Littleton	16,200,000
2004D – Parker Water and Sanitation District	102,415,000
2004E – Copper Mountain Consolidated Metropolitan District	3,135,000
2005A – East Cherry Creek Valley Water and Sanitation District	52,235,000
2005B – City of Fort Lupton	2,135,000
2005C – City of Fountain	7,870,000
2005D – City of Aurora	100,000,000
2005E – Arapahoe County Water and Wastewater Public Improvement District	26,270,000
2005F – Copper Mountain Consolidated Metropolitan District	3,450,000
	<hr/>
Total Water Operations Fund loans receivable – WRBP	360,410,000
	<hr/>
Total Water Operations Fund loans receivable	450,787,499
	<hr/>
Water Pollution Control Revolving Fund:	
Direct loans:	
1990DLF – Mountain Water and Sanitation District	30,024
1991DLF – Durango West Metropolitan District No. 2	114,786
1992DLF – Nucla Sanitation District	45,712
1992DLF – City of Ouray	249,046
1994DLF – City of Fort Lupton	80,668
1994DLF – St. Mary’s Glacier Water and Sanitation District	64,715
1995DLF – City of Fruita	44,831
1995DLF – Town of Log Lane Village	132,411
1996DLF – Town of Ordway	198,054
1996DLF – City of Broomfield	1,360,297
1996DLF – Town of Lyons	293,378
1997DLF – Town of Vona	49,156
1997DLF – Town of Manzanola	47,758
1997DLF – Pagosa Springs GID	370,118
1997DLF – Town of Erie	311,288
1997DLF – City of Holyoke	244,272
1998DLF – Byers Water and Sanitation District	281,453
1998DLF – City of Las Animas	704,619
1998DLF – City of Evans	270,583
1999DLF – Town of Kersey	118,315
1999DLF – City of La Junta	260,147
1999DLF – City of Monte Vista	666,647
1999DLF – Town of New Castle	322,230
1999DLF – Left Hand Water and Sanitation District	84,737
2000DLF – Columbine Water and Sanitation District	266,194
2000DLF – Left Hand Water and Sanitation District	38,379
2000DLF – Town of Springfield	148,759
2001DLF – Baca Grande Water and Sanitation District	639,097
2001DLF – Niwot Sanitation District	765,452
2002DLF – Pagosa Springs GID	166,041
2002DLF – Town of Julesburg	658,651
2003DLF – Pike’s Peak-America’s Mountain	821,314
2003DLF – City of Salida	355,715

**COLORADO WATER RESOURCES
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Schedule of Loans Receivable – By Borrower

December 31, 2007

	<u>Loans Receivable</u>
2004DLF – Garden Valley Water and Sanitation District	271,685
2005DLF - Kremmling Sanitation District	881,843
2006DC - Town of Ault	1,308,128
2006DLF - Town of Bennett	157,357
2006DLF - Boulder County	1,617,812
2006DC - Clifton Sanitation District #2 (formerly #1)	1,904,762
2006DLF - Cucharas Sewer and Water District	759,291
2006DC - Town of Haxtun	301,881
2006DLF - Town of Kersey	1,736,550
2006DC - Town of La Jara	693,750
2006DC - Town of Ordway	584,025
2006DC - Town of Pierce	895,000
2006DLF - Ralston Valley Water & Sanitation District	1,158,795
2006DC - Town of Springfield	520,650
2006DC - Town of Stratton	434,368
2006DC - Town of Sugar City	306,000
2007DLF - Cortez Sanitation District	1,965,638
2007DLF - Town of Elizabeth	1,050,000
2007DLF - Town of Romeo	175,000
2007DLF - Donala Water and Sanitation District	2,000,000
	<hr/>
Total WPCRF direct loans	28,927,382
Leveraged loans:	
1989A – Denver Southeast Suburban Water and Sanitation District	2,093,442
1990A – Town of Castle Rock	887,278
1991A – City of Englewood	4,753,782
1991A – City of Littleton	4,754,041
1991B – Metro Wastewater Reclamation District	6,031,682
1992A – City of Fort Lupton	1,623,789
1992A – Eagle River Water and Sanitation District	2,912,018
1992B – City of Fort Collins	8,960,988
1992B – City of Longmont	970,463
1994A – Genesee Water and Sanitation District	645,111
1994A – City of Greeley	7,229,831
1994A – Parker Water and Sanitation District	765,194
1994A – Town of Windsor	713,137
1995A – City of Brighton	2,685,022
1995A – City of Craig	518,982
1995A – City of Fort Morgan	4,570,685
1995A – City of Steamboat Springs	741,752
1995A – Eagle River Water and Sanitation District	2,902,848
1995A – Winter Park Water and Sanitation District	1,546,107
1996A – Town of Crested Butte	1,372,380
1996A – City of Idaho Springs	847,948
1997A – Breckenridge Sanitation District	4,693,656
1997A – Town of Eagle	1,347,017
1997A – Town of Erie	1,057,756
1997A – Parker Water and Sanitation District	1,894,670
1997A – City of Sterling	1,370,189
1997A – City of Westminster	8,090,407
1998A – Buena Vista Sanitation District	2,303,696
1998A – Eagle River Water and Sanitation District	10,105,940
1998A – City of Evans	697,956

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
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Schedule of Loans Receivable – By Borrower

December 31, 2007

	<u>Loans Receivable</u>
1998A – City of Trinidad	4,224,731
1998A – City of Westminster	2,295,850
1998B – City of Colorado Springs	16,778,575
1999A – City of Aurora	12,482,018
1999A – Fremont Sanitation District	5,630,770
1999A – Grand County Water and Sanitation District	2,567,953
1999A – City of Steamboat Springs	1,960,662
2000A – Parker Water and Sanitation District	8,746,998
2000A – Summit County	12,338,714
2000A – Three Lakes Water and Sanitation District	4,582,872
2001A – Cortez Sanitation District	7,350,000
2001A – City of Fort Collins	7,265,000
2001A – Fraser Sanitation District	1,825,000
2001A – City of Lafayette	6,700,507
2001A – Mt. Crested Butte Water and Sanitation District	3,915,682
2001A – Parker Water and Sanitation District	3,738,708
2001A – Plum Creek Wastewater Authority	19,615,000
2001A – City of Steamboat Springs	4,470,510
2002A – Town of Berthoud	5,680,000
2002A – Blackhawk-Central City Sanitation District	19,487,993
2002A – Mesa County	10,035,000
2002A – South Adams County Water and Sanitation District	6,080,000
2002A – Town of Wellington	3,872,941
2002A – Winter Park West Water and Sanitation District	1,897,962
2002B – Denver Southeast Suburban Water and Sanitation District	5,560,000
2002B – Parker Water and Sanitation District	13,108,620
2002B – Plum Creek Wastewater Authority	2,675,000
2003A – Colorado City Metropolitan District	1,548,970
2003A – Town of Milliken	5,339,795
2003A – City of Pueblo	6,951,808
2004A – Town of Berthoud	2,085,000
2004A – City of Englewood	29,548,222
2004A – City of Littleton	29,661,709
2005A – Town of Breckenridge	4,005,000
2005A – Denver Southeast Suburban Water and Sanitation District	4,460,000
2005A – Town of Eaton	4,655,249
2005A – Plum Creek Wastewater Authority	1,400,000
2005A – Roxborough Park Metropolitan District	8,920,000
2005A – City of Westminster	13,950,000
2005B – Breckenridge Sanitation District	7,500,000
2005B – City of Glendale	9,253,853
2006A – Clifton Sanitation District #2	9,395,000
2006A – Donala Water and Sanitation District	4,727,984
2006A – Granby Sanitation District	4,631,142
2006A – Triview Metropolitan District	4,727,984
2006B – Cherokee Metropolitan District	14,642,710
2007A – Bayfield Sanitation District	4,780,000
2007A – Town of Eagle	11,505,912

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY
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Schedule of Loans Receivable – By Borrower

December 31, 2007

	<u>Loans Receivable</u>
2007A – Town of Mead	2,985,000
2007A – City of Rifle	17,852,112
	488,502,283
Total WPCRF leveraged loans	488,502,283
Total Water Pollution Control Revolving Fund loans receivable	517,429,665
 Drinking Water Fund:	
Direct loans:	
1995DLS – Idledale Water and Sanitation District	122,293
1995DLS – Town of Fairplay #1	121,385
1995DLS – Town of Minturn	154,051
1995DLS – Town of Empire	170,193
1995DLS – Town of Elizabeth	260,491
1996DLS – Lake Creek Metropolitan District	248,308
1996DLS – Town of Num	184,603
1996DLS – Town of Lyons	292,794
1996DLS – Town of Bayfield	196,382
1997DLS – Town of Fairplay #2	122,007
1997DLS – City of Idaho Springs	302,073
1997DLS – Westlake Water and Sanitation District	123,233
1997DLF – Town of Grand Lake	304,082
1998DLS – Redstone Water and Sanitation District	253,854
1998DLF – Chatfield South Water District	472,645
1998DLF – Left Hand Water and Sanitation District	121,423
1999DLF – Thunderbird Water and Sanitation District	216,398
2000DLF – Sedalia Water and Sanitation District	235,078
2000DLF – Springfield Water and Sanitation District	253,286
2001DLF – Town of Wellington	802,722
2002DLF – Town of Basalt	787,238
2002DLF – Town of Dillon	568,994
2002DLF – Town of Hayden	747,638
2002DLF – Thunderbird Water and Sanitation District	277,952
2002DLF – City of Woodland Park	647,793
2003DLF – Mustang Water Authority	613,844
2003DLF – Town of Oak Creek	767,645
2003DLF – City of Ouray	884,300
2003DLF – Westwood Lakes Water District	419,252
2004DLF – Pinewood Springs Water District	109,706
2004DLF – Town of Swink	587,934
2005DLF - City of Florence	715,844
2005DC - Town of La Jara	175,000
2005DC - Town of Log Lane Village	946,889
2005DLF - Olde State Water District	91,906
2005DC - City of Victor	226,400
2006DC - Town of Bethune	404,067
2006DC - Town of Boone	497,154
2006DC - Bristol Water and Sanitation District	186,666
2006DLF - Castle Pines Metropolitan District	1,959,174
2006DLF - Castle Pines Metropolitan District	247,165
2006DLF - Cucharas Sanitation and Water District	265,950
2006DC - Town of Genoa	172,083
2006DC - Town of Ordway	196,667
2006DC - Town of Palisade	1,933,333
2006DLF - Pinewood Springs Water District	712,290
2006DLF - Platte Canyon Water and Sanitation District Subdistrict #1	385,151

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Schedule of Loans Receivable – By Borrower

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	<u>Loans Receivable</u>
2006DC - Town of Pritchett	190,000
2006DLF - Ralston Valley Water and Sanitation District	1,285,259
2006DC - Town of Sedgwick	398,050
2006DC - Town of Walden	871,022
2007DC - Town of Hillrose	978,512
2007DC - Town of Ordway #2	114,300
2007DC - Town of Stratton	483,000
	<u>24,805,479</u>
Total Drinking Water Fund direct loans	
Leveraged loans:	
1997A – Arapahoe Estates Water District	590,377
1997A – City of Englewood	9,233,471
1997A – City of Fort Collins	5,700,291
1998A – Town of Buena Vista	805,506
1998A – City of Fort Morgan	9,788,417
1999A – City of Aurora	7,813,900
1999A – City of Fort Collins	3,200,822
1999A – City of Glenwood Springs	3,082,548
1999A – Grand County Water and Sanitation District No. 1	1,923,404
1999A – City of Greeley	9,988,538
1999A – Town of Julesburg	661,245
1999A – Left Hand Water District	4,245,687
2000A – Evergreen Metropolitan District	3,999,821
2000A – Fountain Valley Authority	5,426,432
2000A – Town of Limon	1,034,566
2000A – Pueblo Board of Waterworks	8,466,361
2000A – City of Westminster	10,411,296
2002A – Evergreen Metropolitan District	1,608,048
2002A – City of Grand Junction	2,952,347
2002A – City of Idaho Springs	1,844,310
2002A – City of La Junta	8,106,212
2003A – City of Longmont	14,975,931
2003A – Town of Lyons	4,065,575
2003A – Fountain Valley Authority	2,661,538
2003B – City of Florence	12,095,992
2006A – City of Craig	5,853,402
2006A – Little Thompson Water District	6,042,677
2006B – City of Alamosa	11,434,809
2006B – Arapahoe County Water and Wastewater PID	15,218,570
2006B – Cottonwood Water and Sanitation District	9,726,734
2006B – Town of Palisade	3,888,177
	<u>186,847,004</u>
Total DWRP leveraged loans	
Total Drinking Water Fund loans receivable	<u>211,652,483</u>
Total loans receivable	<u>\$ 1,179,869,647</u>

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**Schedule of Bonds Payable – By Issue
December 31, 2007**

	Water Operations Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Small Water Resources Projects Program Revenue Bonds:						
1992 Series B		\$ 14,825,000	\$ 255,000	2.9% – 6.2%	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	2006 at 100.25% of par, after 2006 at par
1993 Series A		6,585,000	2,445,000	2.7% – 5.0%	Term bonds subject to mandatory redemption 2007 – 2010	After 2003 at par
1994 Series A		5,835,000	2,180,000	3.4% – 5.875%	Serial Bonds through 2003, term bonds subject to mandatory redemption 2004 – 2014. Serial bonds totaling \$3,15,000 from 2007 to 2014 were refunded by the 2006A bond issue	After 2004 at par
1996 Series A		6,385,000	3,415,000	3.7% – 5.45%	Serial Bonds through 2010, term bonds subject to redemption 2011 – 2016	After 2006 at par
1997 Series A		9,725,000	2,880,000	4.1% – 5.6%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2017. Various bonds totaling \$3,060,000 from 2008 to 2017 were refunded by the 2006A bond issue	2007 – 2008 at 101% of par, 2008 – 2009 at 100.5% of par, after 2009 at par
1997 Series B		12,500,000	6,165,000	3.8% – 4.9%	Serial Bonds through 2010, term bonds subject to mandatory redemption in 2011 and 2012	2008 – 2009 at 101%, after 2009 at par
1998 Series A		8,765,000	5,220,000	3.35% – 4.88%	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
1998 Series B		13,850,000	7,920,000	3.35% – 4.75%	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
2000 Series A		24,110,000	10,875,000	4.3% – 5.8%	Serial Bonds through 2017, term bonds subject to mandatory redemption in 2018 through 2020. Various bonds totaling \$10,245,000 from 2011 to 2020 were refunded by the 2006A bond issue	2011 – 2020 at par
2001 Series A		15,510,000	13,870,000	3.9% – 4.875%	Serial Bonds through 2016, term bonds subject to mandatory redemption in 2017 through 2023	2012 – 2023 at par
2002 Series A		14,615,000	13,765,000	1.3% – 5.375%	Serial Bonds through 2022, term bonds subject to mandatory redemption in 2019 through 2020	2013 – 2022 at par
2003 Series A		9,610,000	8,960,000	2.0% – 4.50%	Serial Bonds through 2023	2014 – 2023 at par
2006 Series A		13,970,000	13,820,000	3.75% – 5.00%	Serial Bonds through 2019	The bonds are not subject to early redemption
Total Small Water Resources Projects Program Revenue Bonds		156,285,000	91,770,000			

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December 31, 2007

Water Operations Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Water Revenue Bonds Program: 1998 Taxable Rio Blanco Water Conservancy District					
2003 Series A	13,800,000	11,740,000	2.0% - 4.125%	Serial Bonds through 2024	2009 - 2010 at 101%, after 2010 at par
2003 Series B	3,960,000	1,375,000	2.0% - 2.125%	Serial Bonds through 2009	The bonds are not subject to early redemption
2004 Series A	14,500,000	12,820,000	2.0% - 5.0%	Serial Bonds through 2024	2014 - 2024 at par
2004 Series B	19,715,000	19,700,000	3.0% - 5.0%	Serial Bonds through 2017	2014 - 2017 at par
2004 Series C	19,695,000	16,200,000	3.0% - 5.5%	Serial Bonds through 2015	2014 - 2015 at par
2004 Series D	105,420,000	102,415,000	1.6% - 5.25%	Serial Bonds through 2026, term bonds subject to mandatory redemption 2027 - 2043	2014 - 2015 at par
2004 Series E	3,540,000	3,135,000	2.0% - 4.54%	Serial Bonds through 2024	2014 - 2024 at par
2005 Series A	53,970,000	52,235,000	3.0% - 5.5%	Serial Bonds through 2032, term bonds subject to mandatory redemption 2033 - 2035	2016 - 2035 at par
2005 Series B	2,300,000	2,135,000	3.0% - 4.625%	Serial Bonds through 2017, term bonds subject to mandatory redemption 2020 - 2025	2015 - 2025 at par
2005 Series C	8,170,000	7,870,000	2.85% - 5.0%	Serial Bonds through 2017, term bonds subject to mandatory redemption 2020 - 2035	2016 - 2035 at par
2005 Series D	100,000,000	100,000,000	3.2% - 5.0%	Serial Bonds 2011 - 2025, term bonds subject to mandatory redemption 2027 - 2035	2016 - 2035 at par
2005 Series E	26,270,000	26,270,000	4.375% - 5.0%	Serial Bonds 2023 - 2024, term bonds subject to mandatory redemption 2035	2016 - 2035 at par
2005 Series F	3,690,000	3,450,000	4.0% - 4.5%	Serial Bonds through 2024	2016 - 2024 at par
Total Water Revenue Bonds Program	378,170,000	360,950,000			
Total Water Operations Fund	\$ 534,455,000	\$ 452,720,000			
Water Pollution Control Revolving Fund					
Clean Water Revenue Bonds: Clean Water 1989 Series A (Denver Southeast Suburban Water and Sanitation District)	\$ 6,905,000	\$ 165,000	5.95% - 7.0%	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 2003 at par
Clean Water 1990 Series A (Town of Castle Rock)	3,890,000	45,000	6.25% - 7.4%	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 2003 at par

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Water Pollution Control Revolving Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Clean Water 1991 Series A (City of Englewood – City of Littleton)	22,915,000	755,000	5.75% – 7.0%	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	After 2003 at par
Clean Water 1991 Series B (Metro Wastewater Reclamation District)	19,685,000	465,000	4.8% – 6.9%	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	After 2003 at par
Clean Water 1992 Series A (City of Fort Lupton, Frisco Sanitation District, and Eagle River Water and Sanitation District)	15,200,000	335,000	4.15% – 6.25%	Term bonds subject to mandatory redemptions in 2007 and 2008 – 2013 \$8,725,000 of bonds maturing in 2003 and thereafter were refunded with the issuance of the 2001 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	After 2004 at par
Clean Water 1992 Series B (City of Fort Collins and City of Longmont)	25,785,000	1,005,000	3.75% – 6.0%	Term bonds subject to mandatory redemption 2007 – 2009 and 2010 – 2014. \$14,355,000 of bonds maturing in 2003 and thereafter were refunded with the issuance of the 2001 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	After 2004 at par
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	545,000	3.8% – 6.3%	Serial Bonds through 2008, term bonds subject to mandatory redemption 2009 – 2011 and 2012 – 2014 \$13,945,000 of bonds maturing in 2004 and thereafter were refunded with the issuance of the 2001 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	After 2004 at par
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	870,000	4.1% – 5.85%	Serial Bonds through 2009, term bonds subject to mandatory redemption 2010 – 2012 and 2013 – 2015 \$14,485,000 of bonds maturing in 2005 and thereafter were refunded with the issuance of the 2001 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	After 2005 at par
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	265,000	4.25% – 5.9%	Serial Bonds through 2008, term bonds subject to mandatory redemption 2009 – 2011 and 2012 – 2016 \$2,710,000 of bonds maturing in 2007 and thereafter were refunded with the issuance of the 2004 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	2007 at 101% of par, 2007 – 2008 at 100.5% of par, after 2008 at par
Clean Water 1997 Series A (City of Westminster, Breckenridge Sanitation District, Parker Water and Sanitation District, City of Sterling, Town of Carbonade, Town of Erie, and Town of Eagle)	31,605,000	2,680,000	4.05% – 5.8%	Serial Bonds through 2011, term bonds subject to mandatory redemption 2012 – 2015 and 2016 – 2017 \$14,675,000 of bonds maturing in 2008 and thereafter were refunded with the issuance of the 2004 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	2007 – 2008 at 102% of par, 2008 – 2009 at 101% of par, after 2009 at par

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Schedule of Bonds Payable – By Issue

December 31, 2007

Water Pollution Control/Revolving Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Clean Water 1998 Series A (Eagle River Water and Sanitation District, City of Trinidad, City of Westminster, Buena Vista Sanitation District, and City of Evans)	31,190,000	3,010,000	3.7% – 5.125%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2018. \$15,375,000 of bonds maturing in 2009 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2009 at par
Clean Water 1998 Series B (City of Colorado Springs)	20,810,000	2,095,000	3.7% – 5.375%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2016 and 2017 – 2019 \$13,630,000 of bonds maturing in 2009 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2009 at par
Clean Water 1999 Series A (City of Aurora, Fremont Sanitation District, Grand County Water and Sanitation District, Mt. Werner Water and Sanitation District, and City of Steamboat Springs)	39,220,000	5,620,000	4.25% – 5.25%	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. \$15,435,000 of bonds maturing in 2010 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2009 at par
Clean Water 2000 Series A (Parker Water and Sanitation District, Summit County, and Three Lakes Water and Sanitation District)	33,575,000	6,275,000	5.0% – 6.25%	Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 through 2020 \$17,900,000 of bonds maturing in 2011 and thereafter were refunded with the issuance of the 2004 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2011 – 2020 at par
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, and City of Steamboat Springs)	69,710,000	16,495,000	4.0% – 5.625%	Serial Bonds through 2019, term bonds subject to mandatory redemption in 2020 through 2021 \$37,250,000 of bonds maturing in 2012 and thereafter were refunded with the issuance of the 2005 Series A-2 Wastewater Revolving Fund Refunding Revenue Bonds	2012 – 2021 at par
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, and Winter Park West Water and Sanitation District)	55,310,000	45,515,000	3.0% – 5.25%	Serial Bonds through 2021, term bonds subject to mandatory redemption in 2022 through 2024	2013 – 2021 at par
Clean Water 2002 Series B (Denver SE Water and Sanitation District, Parker Water and Sanitation District, and Plum Creek Wastewater Authority)	23,435,000	20,310,000	2.0% – 4.75%	Serial Bonds through 2023, term bonds subject to mandatory redemption in 2024 through 2025	2013 – 2023 at par
Clean Water 2003 Series A (City of Pueblo, Colorado City Metropolitan District, and Town of Milliken)	14,750,000	12,620,000	2.0% – 4.5%	Serial Bonds through 2024	2014 – 2024 at par

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Schedule of Bonds Payable – By Issue

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	Original issue amount	Current amount outstanding	Interest Rate	Due dates	Early redemption
Water Pollution Control Revolving Fund					
Clean Water 2004 Series A					
(Town of Berthoud, City of Englewood, and City of Littleton)	57,710,000	57,380,000	2.0% – 5.0%	Serial Bonds through 2025	2014 – 2025 at par
Clean Water 2005 Series A					
(Town of Breckenridge, Denver Southeast Suburban Water and Sanitation District, Town of Eaton, Plum Creek Wastewater Authority, Roxborough Park Metropolitan District, and City of Westminster)	40,090,000	37,305,000	4.0% – 5.0%	Serial Bonds through 2027	2016 – 2027 at par
Clean Water 2005 Series B					
(Breckenridge Sanitation District and City of Glendale)	17,350,000	15,975,000	2.8% – 4.5%	Serial Bonds through 2027	2016 – 2027 at par
Clean Water 2006 Series A					
(Clifton Water & Sanitation District #2, Donala Water & Sanitation District, Granby Sanitation District and Triview Metropolitan District)	23,270,000	22,370,000	4.25% – 5.0%	Serial Bonds through 2027	2017 – 2027 at par
Clean Water 2006 Series B					
(Cherokee Water & Sanitation District)	14,195,000	13,630,000	4.0% – 4.375%	Serial Bonds through 2025, term bond subject to mandatory redemption in 2026 and 2027.	2017 – 2027 at par
Clean Water 2007 Series A					
(Bayfield Sanitation District, City of Rifle, Town of Rifle, Town of Eagle, Town of Mead)	35,330,000	35,330,000	4.0% – 5.0%	Serial Bonds through 2026, term bond subject to mandatory redemption in 2027 and 2028.	2018 – 2028 at par
Total WPCRF Clean Water Revenue Bonds payable	<u>655,675,000</u>	<u>301,060,000</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	14,425,000	3.5% – 6.0%	Serial Bonds 1997 through 2012	The bonds are not subject to early redemption
Revenue Bonds 2001 Series A					
(Partial refunding of the following Clean Water Bonds: 1992A, 1992B, 1994A, and 1995A)	51,620,000	34,060,000	3.0% – 5.25%	Serial Bonds through 2015	The bonds are not subject to early redemption
Revenue Bonds 2004 Series A					
(Partial refunding of the following Clean Water Bonds: 1996A, 1997B, and 2000A)	36,705,000	35,450,000	3.0% – 5.0%	Serial Bonds through 2020	2015 – 2020 at par
Revenue Bonds 2005 Series A and A-2					
(Partial refunding of the following Clean Water Bonds: 1998A, 1998B, 1999A, and 2001A)	78,865,000	78,040,000	3.0% – 5.25%	Serial Bonds through 2021	The bonds are not subject to early redemption
Total Water Pollution Control Revolving Fund	<u>\$ 851,815,000</u>	<u>\$ 463,035,000</u>			

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Schedule of Bonds Payable – By Issue

December 31, 2007

Drinking Water Revolving Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Drinking Water Revenue Bonds Series 1997A (Arapahoe Estes Water District, City of Englewood, and City of Fort Collins)	\$ 24,095,000	\$ 14,535,000	3.8% – 5.3%	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
Drinking Water Revenue Bonds Series 1998A (Town of Buena Vista, and City of Fort Morgan)	15,205,000	9,940,000	3.85% – 5.0%	Serial Bonds through 2004 and 2008 – 2010, term bonds subject to mandatory redemption 2005 – 2007, 2011 – 2015, and 2016 – 2019	2008 – 2009 at 101% of par, after 2009 at par
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, and Left Hand Water District)	46,855,000	29,005,000	3.28% – 5.0%	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
Drinking Water Revenue Bonds Series 2000A (Evergreen Metropolitan District, Fountain Valley Authority, Town of Limon, Pueblo Board of Waterworks, and City of Westminster)	36,110,000	6,835,000	4.8% – 5.75%	Serial Bonds through 2017, term bonds subject to mandatory redemption 2018 – 2022, \$20,535,000 of bonds maturing in 2011 and thereafter were refunded with the issuance of the 2005 Series A Drinking Water Revolving Fund Refunding Revenue Bonds.	2011 – 2022 at par
Drinking Water Revenue Bonds Series 2002A (Evergreen Metro District, City of Grand Junction, City of Idaho Springs, and City of La Junta)	16,320,000	13,340,000	3.0% – 5.125%	Serial Bonds through 2020, term bonds subject to mandatory redemption 2021 – 2022	2013 – 2020 at par
Drinking Water Revenue Bonds Series 2003A (City of Longmont, Town of Lyons, and Fountain Valley Authority)	20,835,000	19,555,000	2.0% – 4.25%	Serial Bonds through 2024	2014 – 2024 at par
Drinking Water Revenue Bonds Series 2003B (City of Florence)	11,695,000	11,150,000	3.25% – 4.75%	Serial Bonds through 2025	2014 – 2025 at par
Drinking Water Revenue Bonds Series 2006A (City of Craig and Little Thompson Water District)	11,275,000	10,895,000	4.0% – 5.0%	Serial Bonds through 2027, term bond subject to mandatory redemption in 2025 and 2026.	2017 – 2027 at par
Drinking Water Revenue Bonds Series 2006B (City of Alamosa, Arapahoe County Water & Wastewater PID, Cottonwood Water & Sanitation District, and Town of Palisade)	38,045,000	36,575,000	4.0% – 5.0%	Serial Bonds through 2024, term bonds subject to mandatory redemption in 2025 through 2028.	2017 – 2028 at par
Total DWR#		151,830,000			
Revenue Bonds payable		220,435,000			
Drinking Water Revolving Fund Refunding Revenue Bonds 2005 Series A (Partial Refunding of the Drinking Water Revolving Fund Revenue Bonds Series 2000A)	20,305,000	20,120,000	3.0% – 5.5%	Serial Bonds through 2022	The bonds are not subject to early redemption
Total Drinking Water Revolving Fund	\$ 240,740,000	\$ 171,950,000			

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Schedule of Cash, Cash Equivalents, and Investments Held by Trustees – By Investment Type
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	COLORTRUST						Total cash and investments by bond issue
	Cash	Cash held by State Treasurer	Local Government Investment Pool	US Treasury Notes – SLGS	US Treasury Bills, Notes, and Bonds (fair value)	Repurchase agreements	
Water Operations Fund:							
Small Water Resources Projects Program Debt Service Reserve Fund	\$ 154,787	\$ —	\$ 8,648,790	\$ —	\$ —	\$ —	\$ 8,648,790
Small Water Resources Projects Bonded Funds	—	—	1,902,456	—	—	—	2,057,243
Water Revenue Bonds Program	—	—	14,894,933	—	—	10,078,165	24,973,098
Animas-La Plata Account	—	1,978,998	—	—	—	—	1,978,998
Authority Operating	265,722	52,730,391	10,095,836	—	—	—	63,091,949
Subtotal – Water Operations Fund	420,509	54,709,389	35,542,015	—	—	10,078,165	100,750,078
Water Pollution Control Revolving Fund:							
Clean Water Revenue Bonds, 1989 Series A	—	—	883,204	1,189,900	—	—	2,073,104
Clean Water Revenue Bonds, 1990 Series A	—	—	322,643	320,400	—	—	643,043
Clean Water Revenue Bonds, 1991 Series A	—	—	44,808	3,007,600	2,569,733	919,394	6,541,535
Clean Water Revenue Bonds, 1991 Series B	—	—	689,436	1,742,900	—	—	4,684,461
Clean Water Revenue Bonds, 1992 Series A	—	—	524,567	233,600	1,551,945	—	2,310,112
Clean Water Revenue Bonds, 1992 Series B	—	—	622,524	2,391,600	2,853,331	—	5,867,455
Clean Water Revenue Bonds, 1994 Series A	—	—	227,409	—	—	2,856,570	3,083,979
Clean Water Revenue Bonds, 1995 Series A	—	—	344,699	—	—	3,944,965	4,289,664
Clean Water Revenue Bonds, 1996 Series A	—	—	163,024	—	—	931,135	1,094,159
Refunding Revenue Bonds, 1996 Series A	—	—	744,674	—	—	—	744,674
Clean Water Revenue Bonds, 1997 Series A	—	—	138,123	—	—	5,493,475	5,631,598
Clean Water Revenue Bonds, 1998 Series A	—	—	545,679	—	—	6,740,697	7,286,376
Clean Water Revenue Bonds, 1998 Series B	—	—	290,982	—	—	5,558,857	5,849,839
Clean Water Revenue Bonds, 1999 Series A	—	—	694,238	—	—	7,932,018	8,626,256
Clean Water Revenue Bonds, 2000 Series A	—	—	429,174	—	—	7,467,920	7,897,094
Clean Water Revenue Bonds, 2001 Series A	—	—	1,382,644	—	—	19,916,049	21,298,693
Refunding Revenue Bonds, 2001 Series A	944	—	2,486,748	1,786,465	—	—	4,274,157
Clean Water Revenue Bonds, 2002 Series A	—	—	409,209	—	—	17,912,524	18,321,733
Clean Water Revenue Bonds, 2002 Series B	—	—	16,986	—	—	9,127,031	9,144,017
Clean Water Revenue Bonds, 2003 Series A	—	—	335,388	—	—	5,984,532	6,319,920
Clean Water Revenue Bonds, 2004 Series A	—	—	1,296,567	—	—	22,066,694	23,363,261
Refunding Revenue Bonds, 2004 Series A	—	—	310,711	632,970	—	—	943,681
Clean Water Revenue Bonds, 2005 Series A	—	—	847,718	—	—	18,150,359	18,998,077
Clean Water Revenue Bonds, 2005 Series B	—	—	490,334	—	—	6,410,272	6,900,606
Refunding Revenue Bonds, 2005 Series A and A2	10,029,914	—	578,764	—	—	—	578,764
Clean Water Revenue Bonds, 2006 Series A	—	—	667,320	—	—	11,623,542	12,290,862
Clean Water Revenue Bonds, 2006 Series B	—	—	133,728	—	—	15,000,000	15,133,728
Clean Water Revenue Bonds, 2007 Series A	—	—	85,165	—	—	44,563,582	44,648,747
Direct Loan Project Accounts	—	—	8,348,512	—	—	—	8,348,512
WPCRF State Match Holding Account	—	120,363	—	—	—	—	120,363
Direct Loan Surplus Matching Account	—	—	746,457	—	—	—	746,457
CWSRF Releant Account	—	—	15,755,042	—	—	—	15,755,042
WPCRF Administrative Fee Account	—	—	1,701,662	—	—	—	1,701,662
Subtotal – Water Pollution Control Revolving Fund	10,030,858	120,363	42,258,139	11,305,435	9,227,134	212,308,634	285,250,563

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Schedule of Cash, Cash Equivalents, and Investments Held by Trustees – By Investment Type
December 31, 2007

	Cash	Cash held by State Treasurer	COLOTRUST Government Investment Pool	US Treasury Notes – SLCGS	US Treasury Bills, Notes, and Bonds (fair value)	Repurchase agreements	Total cash and investments by bond issue
Drinking Water Revolving Fund:							
Drinking Water Revenue Bonds, 1997 Series A	—	—	651,526	—	—	5,647,473	6,298,999
Drinking Water Revenue Bonds, 1998 Series A	—	—	700,253	—	—	4,523,956	5,224,209
Drinking Water Revenue Bonds, 1999 Series A	—	—	1,102,254	—	—	10,688,504	11,790,758
Drinking Water Revenue Bonds, 2000 Series A	—	—	601,946	—	—	9,101,664	9,703,610
Drinking Water Revenue Bonds, 2002 Series A	—	—	45,753	—	—	4,940,584	4,986,337
Drinking Water Revenue Bonds, 2003 Series A	—	—	445,309	—	—	9,285,628	9,730,937
Drinking Water Revenue Bonds, 2003 Series B	—	—	544,038	—	—	5,246,078	5,790,116
Refunding Revenue Bonds, 2005 Series A	—	—	367,669	—	—	—	367,669
Drinking Water Revenue Bonds, 2006 Series A	1,758,409	—	373,109	—	—	4,111,891	6,243,409
Drinking Water Revenue Bonds, 2006 Series B	—	—	568,993	—	—	35,750,874	36,319,867
Federal Direct Loan Projects Pre-Construction Accounts	—	—	165,810	—	—	—	165,810
Federal Direct Loan Project, Accounts	—	—	3,578,926	—	—	—	3,578,926
Drinking Water Funding Account	—	9,251	—	—	—	—	9,251
Drinking Water State Match Holding Account	—	5,590,623	—	—	—	—	5,590,623
State Direct Loan Surplus Matching Account	—	—	282,183	—	—	—	282,183
State Direct Loan Reloan Account	—	—	1,260,786	—	—	—	1,260,786
State Direct Loan Administrative Fee Account	—	—	150,628	—	—	—	150,628
Federal Direct Loan Surplus Matching Account	—	—	645,651	—	—	—	645,651
DWRF Reloan Account	—	—	11,040,219	—	—	—	11,040,219
DWRF Administrative Fee Account	—	—	6,125,895	—	—	—	6,125,895
Subtotal – Drinking Water Revolving Fund	1,758,409	5,599,874	28,650,948	—	—	89,296,652	125,305,883
Colorado Water Resources and Power Development Authority – total cash and investments	\$ 12,209,776	\$ 60,429,626	\$ 106,451,102	\$ 11,305,435	\$ 9,227,134	\$ 311,683,451	\$ 511,306,524

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Schedule of Cash, Cash Equivalents, and Investments Held by Trustees - By Account Type

December 31, 2007

	Rebate accounts	SWRP revenue or Debt service funds	Debt service funds	Project accounts	DWRF and WPCRF matching accounts	Cost of issuance accounts	Other accounts	Total cash and investments by bond issue
Water Operations Fund:								
Small Water Resources Projects Program Debt Service Reserve Fund	\$ 194,696	\$ 1,862,544	\$ 8,648,790	\$ —	\$ —	\$ —	\$ —	\$ 8,648,790
Small Water Resources Projects Bonded Funds	20,890	868,756	1,870,011	22,213,441	—	—	3	24,973,098
Water Revenue Bonds Program	—	—	—	—	—	—	1,978,998	1,978,998
Animas-La Plata Account	—	—	—	—	—	—	63,091,949	63,091,949
Authority Operating	—	—	—	—	—	—	—	—
Subtotal - Water Operations Fund	215,586	2,731,300	10,518,801	22,213,441	—	—	65,070,950	100,750,078
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1989 Series A	—	333	—	—	2,072,771	—	—	2,073,104
Clean Water Revenue Bonds, 1990 Series A	—	119	—	—	642,924	—	—	643,043
Clean Water Revenue Bonds, 1991 Series A	—	992	—	—	6,540,543	—	—	6,541,535
Clean Water Revenue Bonds, 1991 Series B	8,402	848	—	—	4,675,211	—	—	4,684,461
Clean Water Revenue Bonds, 1992 Series A	—	364	—	—	2,309,748	—	—	2,310,112
Clean Water Revenue Bonds, 1992 Series B	—	815	—	—	5,866,640	—	—	5,867,455
Clean Water Revenue Bonds, 1994 Series A	180,576	411	—	—	2,902,992	—	—	3,083,979
Clean Water Revenue Bonds, 1995 Series A	343,807	485	—	—	3,945,372	—	—	4,289,664
Clean Water Revenue Bonds, 1996 Series A	113,487	139	—	—	980,533	—	—	1,094,159
Refunding Revenue Bonds, 1996 Series A	—	744,674	—	—	—	—	—	744,674
Clean Water Revenue Bonds, 1997 Series A	126,695	—	—	—	5,504,903	—	—	5,631,598
Clean Water Revenue Bonds, 1998 Series A	443,495	85,796	—	—	6,757,085	—	—	7,286,376
Clean Water Revenue Bonds, 1998 Series B	287,447	—	—	—	5,271,410	—	—	5,558,857
Clean Water Revenue Bonds, 1999 Series A	682,797	—	—	—	7,943,459	—	—	8,626,256
Clean Water Revenue Bonds, 2000 Series A	421,070	—	—	—	7,476,024	—	—	7,897,094
Clean Water Revenue Bonds, 2001 Series A	595,451	200,959	—	193,081	20,309,202	—	—	21,298,693
Refunding Revenue Bonds, 2001 Series A	—	4,274,157	—	—	—	—	—	4,274,157
Clean Water Revenue Bonds, 2002 Series A	131,176	260,733	—	—	17,929,824	—	—	18,321,733
Clean Water Revenue Bonds, 2002 Series B	11,197	—	—	—	9,132,820	—	—	9,144,017
Clean Water Revenue Bonds, 2003 Series A	37,590	4,668	—	272,569	6,005,093	—	—	6,319,920
Clean Water Revenue Bonds, 2004 Series A	268,777	1,552	—	2,323,093	20,769,839	—	—	23,363,261
Refunding Revenue Bonds, 2004 Series A	—	943,681	—	—	—	—	—	943,681
Clean Water Revenue Bonds, 2005 Series A	170,237	271,344	—	—	18,556,496	—	—	18,998,077
Clean Water Revenue Bonds, 2005 Series B	45,522	—	—	10,029,914	6,855,084	—	—	16,930,520
Refunding Revenue Bonds, 2005 Series A and A2	—	578,764	—	—	—	—	—	578,764
Clean Water Revenue Bonds, 2006 Series A	344,159	—	—	2,985,151	8,961,552	—	—	12,290,862
Clean Water Revenue Bonds, 2006 Series B	102,179	—	—	15,000,000	31,549	—	—	15,133,728
Clean Water Revenue Bonds, 2007 Series A	72,796	—	—	38,318,676	6,257,275	—	—	44,648,747
Direct Loan Project Accounts	—	—	—	8,348,512	—	—	—	8,348,512
WPCRF State Match Holding Account	—	—	—	—	—	—	120,363	120,363
Direct Loan Surplus Matching Account	—	—	—	—	—	—	746,457	746,457
CWSRF Releas Account	—	—	—	—	—	—	15,755,042	15,755,042
WPCRF Administrative Fee Account	—	—	—	—	—	—	1,701,662	1,701,662
Subtotal - Water Pollution Control Revolving Fund	4,386,860	7,370,834	—	77,470,996	177,698,349	—	18,323,524	285,250,563

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**
(A Component Unit of the State of Colorado)

Schedule of Cash, Cash Equivalents, and Investments Held by Trustees - By Account Type
December 31, 2007

	Rebate accounts	SWRP revenue or Debt service funds	Debt service reserve funds	Project accounts	DWRF and WPCRF matching accounts	Cost of issuance accounts	Other accounts	Total cash and investments by bond issue
Drinking Water Revolving Fund:								
Drinking Water Revenue Bonds, 1997 Series A	2,281	598,241	—	—	5,698,477	—	—	6,298,999
Drinking Water Revenue Bonds, 1998 Series A	209,019	451,143	—	—	4,564,047	—	—	5,224,209
Drinking Water Revenue Bonds, 1999 Series A	521,751	529,051	—	—	10,739,956	—	—	11,790,758
Drinking Water Revenue Bonds, 2000 Series A	461,955	104,893	—	—	9,136,762	—	—	9,703,610
Drinking Water Revenue Bonds, 2002 Series A	40,170	—	—	—	4,946,167	—	—	4,986,337
Drinking Water Revenue Bonds, 2003 Series A	118,755	4,890	—	220,455	9,386,837	—	—	9,730,937
Drinking Water Revenue Bonds, 2003 Series B	124,148	385,658	—	—	5,280,310	—	—	5,790,116
Refunding Revenue Bonds, 2005 Series A	—	367,669	—	—	—	—	—	367,669
Drinking Water Revenue Bonds, 2006 Series A	97,110	139,322	—	1,749,224	4,257,753	—	—	6,243,409
Drinking Water Revenue Bonds, 2006 Series B	300,627	—	—	31,827,845	4,191,395	—	—	36,319,867
Federal Direct Loan Projects Pre-Construction Accounts	—	—	—	165,810	—	—	—	165,810
Federal Direct Loan Project Accounts	—	—	—	3,578,926	—	—	—	3,578,926
Drinking Water Funding Account	—	—	—	—	—	—	9,251	9,251
Drinking Water State Match Holding Account	—	—	—	—	—	—	5,590,623	5,590,623
State Direct Loan Surplus Matching Account	—	—	—	—	—	—	282,183	282,183
State Direct Loan Reloan Account	—	—	—	—	—	—	1,260,786	1,260,786
State Direct Loan Administrative Fee Account	—	—	—	—	—	—	150,628	150,628
Federal Direct Loan Surplus Matching Account	—	—	—	—	—	—	645,651	645,651
DWRF Reloan Account	—	—	—	—	—	—	11,040,219	11,040,219
DWRF Administrative Fee Account	—	—	—	—	—	—	6,125,895	6,125,895
Subtotal - Drinking Water Revolving Fund	1,875,816	2,580,867	—	37,542,260	58,201,704	—	25,105,236	125,305,883
Colorado Water Resources and Power Development Authority - total cash and investments	\$ 6,478,262	\$ 12,683,001	\$ 10,518,801	\$ 137,226,697	\$ 235,900,053	\$ —	\$ 108,499,710	\$ 511,306,524



**Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
Government Auditing Standards**

Board of Directors
Colorado Water Resources and
Power Development Authority
Denver, Colorado

We have audited the financial statements of each major fund of Colorado Water Resources and Power Development Authority, a component unit of the State of Colorado, as of and for the year ended December 31, 2007 and have issued our report thereon dated April 14, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Board of Directors
Colorado Water Resources and
Power Development Authority

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the Authority's management in a separate letter dated April 14, 2008.

This report is intended solely for the information and use of the governing body, management and others within the Authority and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

April 14, 2008



Independent Accountants' Report on Compliance and Internal Control Over Compliance with Requirements Applicable to Major Federal Awards Programs

Board of Directors
Colorado Water Resources and
Power Development Authority
Denver, Colorado

Compliance

We have audited the compliance of Colorado Water Resources and Power Development Authority, a component unit of the State of Colorado, 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 each of its major federal programs for the year ended December 31, 2007. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the compliance of the Authority 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit 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 each of its major federal programs for the year ended December 31, 2007.

Board of Directors
Colorado Water Resources and
Power Development Authority

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the governing body, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

April 14, 2008

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2007**

Grantor program title	Federal CFDA number	Grant award	Accrued January 1, 2007	Receipts	Expenditures	Accrued December 31, 2007
U.S. Environmental Protection Agency: Title VI Water Pollution Control						
Revolving Fund:						
2004 Grant	66.458	10,601,019	\$ 958,949	\$ 3,479,689	\$ 2,520,740	\$ —
2005 Grant	66.458	8,606,700	—	6,226,854	8,606,700	2,379,846
2006 Grant	66.458	6,975,400	—	—	853,540	853,540
2007 Grant	66.458	8,547,900	—	—	—	—
Total federal awards – WPCRF						
			958,949	9,706,543	11,980,980	3,233,386
Drinking Water Revolving Fund:						
2002 Grant	66.468	13,323,000	30,355	133,782	103,427	—
2003 Grant	66.468	6,576,333	256,130	853,442	751,076	153,764
2004 Grant	66.468	13,737,700	979,276	6,833,489	5,876,871	22,658
2005 Grant	66.468	13,708,600	110,036	1,868,184	3,279,747	1,521,599
2006 Grant	66.468	14,497,300	—	1,449,730	1,449,730	—
2007 Grant	66.468	14,497,000	—	43,804	451,941	408,137
Total federal awards – DWRP						
			1,375,797	11,182,431	11,912,792	2,106,158
Total federal awards						
			\$ 2,334,746	\$ 20,888,974	\$ 23,893,772	\$ 5,339,544

See accompanying notes to schedule of expenditures of federal awards.

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2007**

Note 1: Basis of Presentation

This schedule includes the federal awards activity of Colorado Water Resources and Power Development Authority, a component unit of the State of Colorado, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)**

Notes to Schedule of Expenditures of Federal Awards (Continued)

Year Ended December 31, 2007

Note 2: Subrecipients

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, 99% of the Title VI Water Pollution Control Revolving Fund (WPCRF) and 60% of the Drinking Water Revolving Fund (DWRF) were provided to subrecipients as follows:

	<u>Federal grants Provided to Subrecipients</u>
Water Pollution Control Revolving Fund Projects:	
City of Lafayette	\$ 65,909
City of Pueblo	151,619
City of Englewood	2,316,949
City of Littleton	2,362,953
Town of Eaton	40,447
City of Glendale	844,852
Donala Water and Sanitation District	1,082,499
Granby Sanitation District	1,630,059
Triview Metropolitan District	1,107,734
Cherokee Metropolitan District	988,393
Town of Eagle	995,950
City of Rifle	222,313
	<u>11,809,677</u>
Drinking Water Revolving Fund Projects:	
Fountain Valley Authority	58,451
Town of Lyons	30,568
City of Craig	1,817,033
Little Thompson Water District	231,358
City of Alamosa	2,840,654
Town of Palisade	2,117,250
	<u>7,095,314</u>
Total	\$ <u>18,904,991</u>

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Notes to Schedule of Expenditures of Federal Awards (Continued)
Year Ended December 31, 2007**

Note 3: Set Asides

For the year ended December 31, 2007, the following DWRF grant amounts were used for the set aside programs:

DWRF program year:	<u>Set aside amount</u>
2002	\$ 103,426
2003	751,075
2004	1,095,605
2005	965,700
2006	1,449,730
2007	<u>451,941</u>
Total	<u>\$ 4,817,477</u>

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2007**

Summary of Auditor's Results

1. The opinion(s) expressed in the independent accountants' report was (were):

Unqualified Qualified Adverse Disclaimed

2. The independent accountants' report on internal control over financial reporting described:

Significant deficiency(ies) noted considered material weakness(es)? Yes No

Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:

Significant deficiency(ies) noted considered material weakness(es)? Yes No

Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

5. The opinion(s) expressed in the independent accountants' report on compliance with requirements applicable to major federal awards was (were):

Unqualified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133? Yes No

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2007**

7. The Authority's major programs were:

Cluster/Program	CFDA Number
Drinking Water Revolving Fund	66.468

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$716,813.

9. The Organization qualified as a low-risk auditee as that term is defined in OMB Circular A-133?

Yes

No

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2007**

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
No matters are reportable		

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
No matters are reportable		

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2007**

Reference Number	Summary of Finding	Status
	No matters are reportable	

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Attachment 4

Audit Report for 2008

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)**

Financial Statements and Independent Accountants' Report

December 31, 2008 and 2007

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
December 31, 2008 and 2007**

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**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
December 31, 2008 and 2007**

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Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Directors
Colorado Water Resources and
Power Development Authority
Denver, Colorado

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, 2008 and 2007, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 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, 2008 and 2007, and the respective changes in financial position and cash flows 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 our report dated April 8, 2009, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis as listed in the table of contents 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit of the 2008 financial statements was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 2008 basic financial statements. The accompanying supplementary information, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, as listed in the table of contents, is presented for purposes of additional analysis 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 2008 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2008 basic financial statements taken as a whole.

BKD, LLP

April 8, 2009

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**

(A Component Unit of the State of Colorado)

Management's Discussion and Analysis
Years ended December 31, 2008 and 2007

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, 2008 and 2007.

Financial Highlights

- ▶ Combined net assets of the Authority's enterprise funds increased \$24.4 million (5.1%) bringing the total to \$502.0 million at December 31, 2008. Capitalization grant revenue received from the United States Environmental Protection Agency (EPA) totaling \$14.6 million contributed largely to this increase.
- ▶ Total restricted assets decreased by \$27.2 million and total project costs payable-leveraged loans decreased by \$30.4 million. These net decreases are due to payments of project requisitions in the Water Revenue Bonds Program (WRBP), Water Pollution Control Revolving Fund (WPCRF) and Drinking Water Revolving Fund (DWRF).
- ▶ Operating income totaled \$9.8 million during 2008, a decrease of \$6.4 million (39.6%) from 2007. Operating revenues decreased to \$70.8 million, while expenses decreased to \$61.0 million for the fiscal year. The majority of the decrease in operating income resulted from the \$5.8 million decrease in interest on investments.
- ▶ Total interest on investments decreased by \$5.8 million (22.9%) to \$19.6 million. The majority of the decrease of interest income was a combination of an overall decrease in money market rates and a decrease in funds invested throughout the year (investment balances at the end of 2008 were \$50.6 million less than the preceding year).
- ▶ Bonds payable, net of unamortized refunding costs, at December 31, 2008, totaled \$1.1 billion. During 2008, bond principal payments of \$51.8 million were offset by the issuance of new bonds in the amount of \$32.4 million and an increase in deferred benefits from refundings of \$0.1 million resulting in a \$19.3 million net decrease in bonds payable for 2008. Revenue bonds were issued in the following enterprise funds during 2008:
 - ⊕ Water Pollution Control Revolving Fund (WPCRF), within the Water Pollution Control Enterprise Fund, – \$12.3 million.
 - ⊕ Drinking Water Revolving Fund (DWRF), within the Drinking Water Fund, – \$20.1 million.
- ▶ Total loans receivable were \$1.2 billion at December 31, 2008. Although new loans executed in 2008 increased loans receivable by \$52.8 million, principal repayments from and reductions to existing loans decreased loans receivable by \$61.2 million resulting in a net decrease of \$8.4 million (0.7%). New loans were executed in the following enterprise funds:

⊕ Water Operations Fund	\$	2.3 million
⊕ Water Pollution Control	\$	20.5 million
⊕ Drinking Water	\$	30.0 million

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Overview of the Basic Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Prior years' 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 enterprise funds. These enterprise funds 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 fund are included in this report. Each fund is considered a major fund.

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.

Financial Analysis of Enterprise Funds

Summary of Net Assets

Overview

The Authority's basic financial statements are comprised of three enterprise funds. To better assist the user of these statements, a separate schedule and analysis for each of the funds is presented below. These schedules summarize the financial position of each enterprise fund as of December 31, 2008 and 2007 in a comparative format. Furthermore, schedules of total enterprise fund data and analyses is provided in comparative year format for 2008-2007 and 2007-2006.

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, and other assets and receivables. Restricted assets are comprised of current and noncurrent cash and cash equivalents, investments, and investment income receivable. Restricted assets include amounts relating to borrowers' project accounts, debt service reserve funds, debt service funds and other accounts legally restricted by the revenue bond resolutions. Noncurrent loans receivable includes loan principal payments due more than one year subsequent to the fiscal year end. Loans receivable provide security for associated bonds; and loan payments received, net of state match principal and administrative fees, are restricted for payment of bond debt service.

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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 the total (current and noncurrent) remaining borrower loan proceeds available for loans financed with bond proceeds. Noncurrent debt is the total of bonds payable more than one year subsequent to the fiscal year end. Net assets are classified into three categories: invested in capital assets, restricted, and unrestricted.

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 additional loan-bond financing package directly increases four major line items on the respective fund's summary statement of net assets: bonds payable, restricted assets, loans receivable, and project costs payable – leveraged loans.

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 for total enterprise funds and for each enterprise fund.

Total Enterprise Funds

Schedules 1A and 1B show a summary of net assets for the three enterprise funds of the Authority in total and on a comparative year basis.

Total assets of these funds decreased by \$31.4 million in 2008, as compared to a larger decrease of \$94.4 million in 2007. Assets decreased due to the payment of project requisitions, including interim loans, that totaled \$82.5 million and \$155.9 million in 2008 and 2007, respectively. The net decrease was limited by new loans executed totaling \$52.8 million and \$44.1 million in 2008 and 2007, respectively.

Similarly, total liabilities decreased by \$55.8 million in 2008 as compared to a decrease of \$129.6 million in 2007. Total liabilities decreased due to the payment of project requisitions in the amounts stated in the previous paragraph. The net decrease in total liabilities was limited by bonds issued totaling \$32.4 million and \$35.3 million in 2008 and 2007, respectively.

Finally, as a result of this activity in 2008 and 2007, total net assets increased by \$24.4 million in 2008, compared to an increase of \$35.2 million in 2007. The largest contribution to the decrease in operating income for 2008 was the \$5.8 million decrease in interest on investments. The decrease in operating income combined with the \$4.3 million decrease in EPA capitalization grants resulted in a net decrease of \$10.8 million (30.6%) in change in net assets.

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<i>Total Enterprise Funds (2008 - 2007)</i>		Summary of Net Assets as of December 31				Schedule 1A
	2008	2007	Change	Pct Chg		
Unrestricted current and other assets	\$ 205,052,283	\$ 198,136,756	\$ 6,915,527	3.5%		
Restricted assets	384,718,381	411,894,280	(27,175,899)	(6.6%)		
Capital assets, net	14,842	25,495	(10,653)	(41.8%)		
Noncurrent loans receivable	1,114,132,134	1,125,266,117	(11,133,983)	(1.0%)		
Total assets	<u>1,703,917,640</u>	<u>1,735,322,648</u>	<u>(31,405,008)</u>	(1.8%)		
Current and other liabilities	95,437,907	99,342,497	(3,904,590)	(3.9%)		
Project costs payable-leveraged loans	89,346,469	119,778,875	(30,432,406)	(25.4%)		
Noncurrent bonds payable, net	1,017,118,115	1,038,579,877	(21,461,762)	(2.1%)		
Total liabilities	<u>1,201,902,491</u>	<u>1,257,701,249</u>	<u>(55,798,758)</u>	(4.4%)		
Net assets:						
Invested in capital assets	14,842	25,495	(10,653)	(41.8%)		
Restricted	435,670,683	407,529,965	28,140,718	6.9%		
Unrestricted	66,329,624	70,065,939	(3,736,315)	(5.3%)		
Total Net assets	<u>\$ 502,015,149</u>	<u>\$ 477,621,399</u>	<u>\$ 24,393,750</u>	5.1%		

<i>Total Enterprise Funds (2007 - 2006)</i>		Summary of Net Assets as of December 31				Schedule 1B
	2007	2006	Change	Pct Chg		
Unrestricted current and other assets	\$ 198,136,756	\$ 179,069,039	\$ 19,067,717	10.6%		
Restricted assets	411,894,280	513,944,900	(102,050,620)	(19.9%)		
Capital assets, net	25,495	23,431	2,064	8.8%		
Noncurrent loans receivable	1,125,266,117	1,136,674,375	(11,408,258)	(1.0%)		
Total assets	<u>1,735,322,648</u>	<u>1,829,711,745</u>	<u>(94,389,097)</u>	(5.2%)		
Current and other liabilities	99,342,497	106,565,475	(7,222,978)	(6.8%)		
Project costs payable-leveraged loans	119,778,875	228,024,650	(108,245,775)	(47.5%)		
Noncurrent bonds payable, net	1,038,579,877	1,052,672,409	(14,092,532)	(1.3%)		
Total liabilities	<u>1,257,701,249</u>	<u>1,387,262,534</u>	<u>(129,561,285)</u>	(9.3%)		
Net assets:						
Invested in capital assets	25,495	23,431	2,064	8.8%		
Restricted	407,529,965	372,926,857	34,603,108	9.3%		
Unrestricted	70,065,939	69,498,923	567,016	0.8%		
Total Net assets	<u>\$ 477,621,399</u>	<u>\$ 442,449,211</u>	<u>\$ 35,172,188</u>	7.9%		

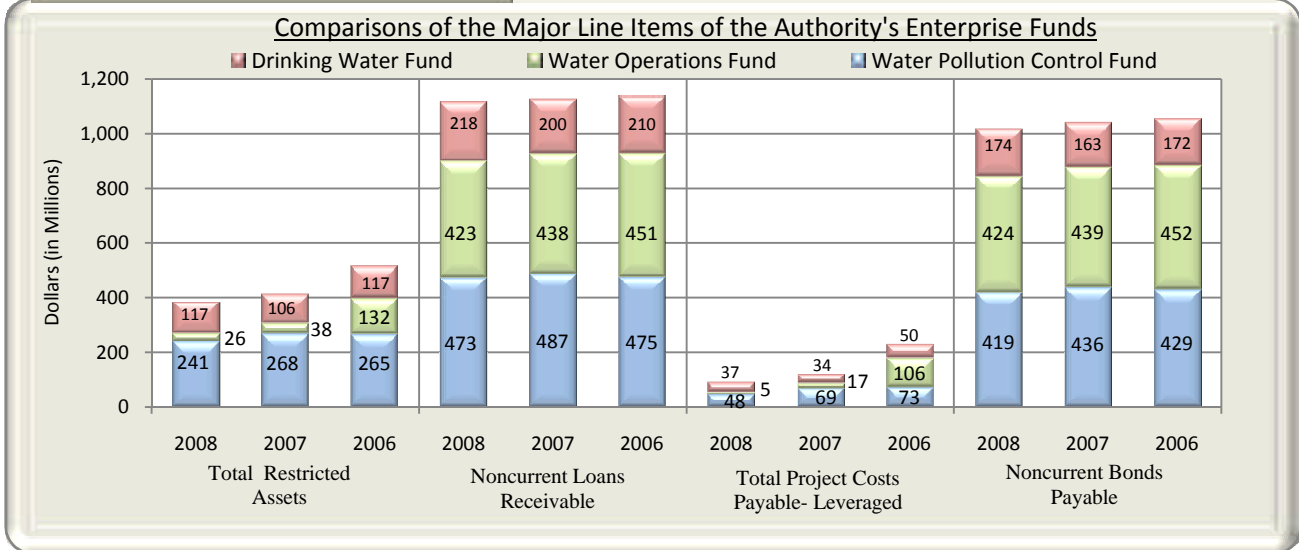
Chart 1 is a graphical representation of the four major accounts affected by new project financing, as discussed in the overview section of this report. The totals of these four accounts are compared for the years 2008, 2007, and 2006. Each bar is subdivided by colors that represent the amounts that each of the three enterprise funds contributes to the total for that year.

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Total Enterprise Funds (2008 - 2006)

Chart 1



In addition to new project financing, the balances of restricted assets and project costs payable-leveraged loans are subject to fluctuations caused by the demands of borrower project requisitions. The chart shows a smaller decline in restricted assets and project cost payable-leveraged loans between 2008 and 2007 than between 2007 and 2006. This chart also illustrates that noncurrent loans receivable decreased in 2008 from 2007 by \$11.1 million, continuing the trend from the 2007-2006 period (\$11.4 million), while noncurrent bonds payable decreased by \$21.5 (2.1%) in 2008 compared to a \$14.1 (1.3%) decrease in 2007.

The discussion below describes the changes to each of the three enterprise fund's summary schedule of net assets for the current year and associated charts provide visual information of the effects of financing activities in 2008.

Water Operations Fund

The Water Operations Fund is described 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.

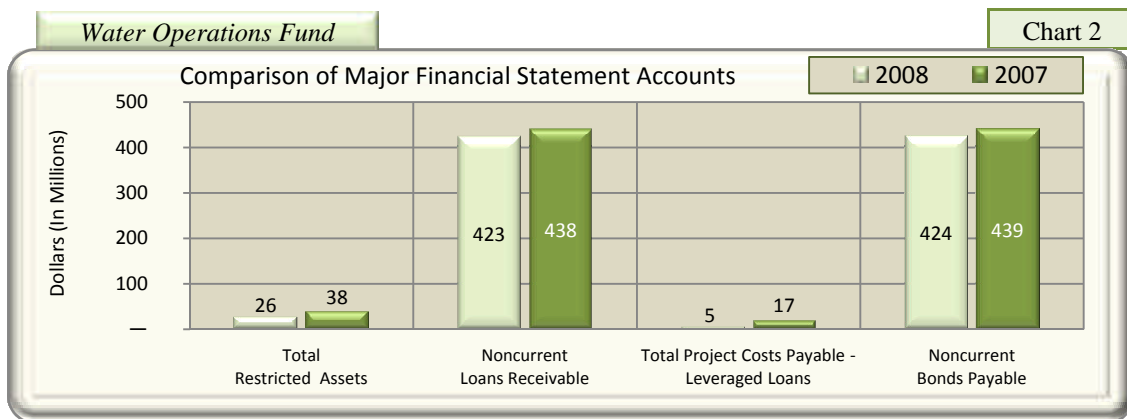
To reduce the cost of financing for these borrowers, the Authority began absorbing a portion or all costs of issuing these bonds in 2003. In 2008 and 2007, there were no new bonds issued or leveraged loans made in this fund. Loans made from these programs are not subsidized by EPA capitalization grants.

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<i>Water Operations Fund</i>		Schedule 2			
Summary of Net Assets as of December 31					
	2008	2007	Change	Pct Chg	
Unrestricted current and other assets	\$ 95,924,669	\$ 98,679,617	\$ (2,754,948)	(2.8%)	
Restricted assets	26,198,400	37,773,570	(11,575,170)	(30.6%)	
Capital assets, net	14,842	22,101	(7,259)	(32.8%)	
Noncurrent loans receivable	423,314,999	438,118,332	(14,803,333)	(3.4%)	
Total assets	545,452,910	574,593,620	(29,140,710)	(5.1%)	
Current and other liabilities	26,093,297	29,070,159	(2,976,862)	(10.2%)	
Project costs payable-leveraged loans	4,510,607	16,915,040	(12,404,433)	(73.3%)	
Noncurrent bonds payable, net	424,221,828	439,033,061	(14,811,233)	(3.4%)	
Total liabilities	454,825,732	485,018,260	(30,192,528)	(6.2%)	
Net assets:					
Invested in capital assets	14,842	22,101	(7,259)	(32.8%)	
Restricted	27,614,783	23,876,658	3,738,125	15.7%	
Unrestricted	62,997,553	65,676,601	(2,679,048)	(4.1%)	
Total Net assets	\$ 90,627,178	\$ 89,575,360	\$ 1,051,818	1.2%	

The SWRP leveraged loans are generally more cost effective when a pool of approved borrowers is formed prior to issuing the bonds. Unlike SWRP, WRBP bonds are issued to fund each loan. In addition, 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. Two interim loans were executed in 2008; one loan was converted to a DWRP program loan in 2008, while the other borrower has drawn \$0.3 million in 2008.



Also included in restricted assets of the Water Operations Fund is the \$1.3 million unexpended balance of the Animas-La Plata escrow account. During 2008, \$0.8 million was paid to the Bureau of Reclamation (Bureau) bringing the total payments to \$7.7 million. 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. These progress payments

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are recorded as water depletion rights and are included in unrestricted current and other assets as shown in Schedule 2.

The comparative balances of the four-major accounts affected by leveraged loans are shown in Chart 2. Since no new bonds were issued or new loans made, loans receivable and bonds payable decreased by current year principal payments. Construction draws in the WRBP totaling \$12.4 million were the major factor behind the \$11.6 million decrease in restricted assets and the corresponding \$12.4 million decrease in project costs payable-leveraged loans. All project funds have been drawn in the SWRP program while \$4.5 million remain in WRBP project accounts.

Water Pollution Control Fund

The \$9.8 million increase in unrestricted current and other assets is the net effect of several factors. Primarily, the increase is attributable to deallocation. The financial model for the WPCRF program allows for annual reductions in debt service reserve fund balances in September, after bond debt service has been paid. This procedure is referred to as "deallocation" and consists of the liquidation of debt service reserve fund restricted investments and depositing the cash proceeds, along with the state match portion of loan principal repayments and direct loan principal and interest repayments, in the unrestricted reloan account.

<i>Water Pollution Control Fund</i>				Schedule 3
Summary of Net Assets as of December 31				
	2008	2007	Change	Pct Chg
Unrestricted current and other assets	\$ 72,820,891	\$ 62,986,217	\$ 9,834,674	15.6%
Restricted assets	241,329,229	267,979,075	(26,649,846)	(9.9%)
Capital assets, net	-	1,697	(1,697)	(100.0%)
Noncurrent loans receivable	472,526,992	486,712,543	(14,185,551)	(2.9%)
Total assets	<u>786,677,112</u>	<u>817,679,532</u>	<u>(31,002,420)</u>	<u>(3.8%)</u>
Current and other liabilities	46,824,933	50,927,477	(4,102,544)	(8.1%)
Project costs payable-leveraged loans	47,871,918	69,122,484	(21,250,566)	(30.7%)
Noncurrent bonds payable, net	419,357,923	436,495,331	(17,137,408)	(3.9%)
Total liabilities	<u>514,054,774</u>	<u>556,545,292</u>	<u>(42,490,518)</u>	<u>(7.6%)</u>
Net assets:				
Invested in capital assets	-	1,697	(1,697)	(100.0%)
Restricted	272,622,338	261,132,543	11,489,795	4.4%
Total Net assets	<u>\$ 272,622,338</u>	<u>\$ 261,134,240</u>	<u>\$ 11,488,098</u>	<u>4.4%</u>

In 2008, \$16.0 million was deallocated and transferred to the reloan account (which become unrestricted) and \$7.0 million of reloan funds were used to finance new loans (which become restricted). These activities were the main cause of the net increase in unrestricted current and other assets of \$9.8 million.

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During 2008, current and other liabilities decreased by \$4.1 million. Three factors contributed to the net decrease; a decrease in advance payable of \$2.9 million, a decrease in direct loan project costs payable of \$2.3 million, and a decrease in other current and noncurrent liabilities totaling \$1.0 million. Mitigating the net decrease was an increase in bonds payable of \$2.1 million.

Net decreases in noncurrent loans receivable (\$14.2 million), and noncurrent bonds payable (\$17.1 million) were the result of principal repayments and reductions of \$32.8 million for loans and \$27.3 million for bonds that were offset by the issuance of new loans and bonds. In addition to \$5.1 million in operating income, EPA grant revenue of \$6.5 million largely contributed to the overall \$11.5 million increase in restricted net assets.

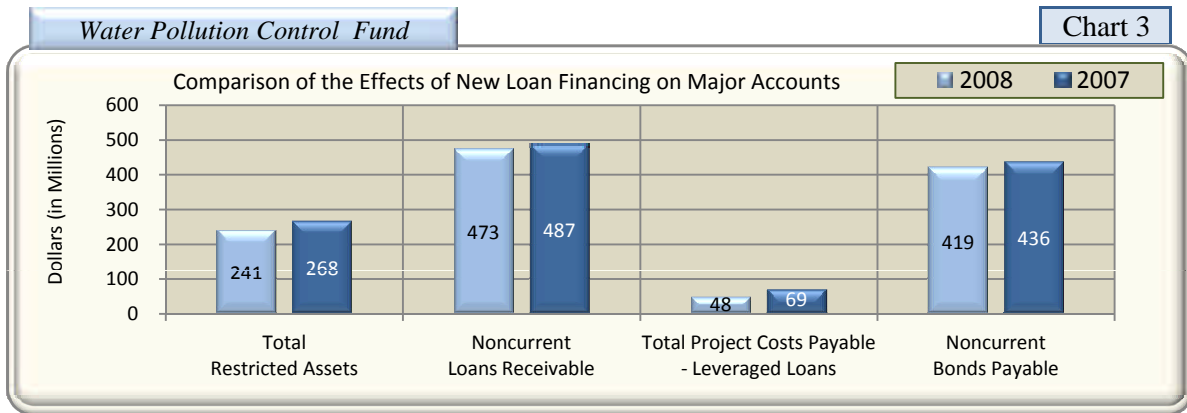


Chart 3 displays the comparative balances of the four-major accounts affected by loan activities. In 2008, seven direct loans totaling \$7.0 million were executed and revenue bonds totaling \$12.3 million were issued. The bond proceeds, plus \$1.1 million of state match dollars, funded new leveraged loans totaling \$13.4 million. These loans and bonds added to the balances of each of the four major accounts; however, project draws of \$44.0 million in 2008, which affect restricted assets and project costs payable-leveraged loans, offset the increase in these accounts in 2008. Deallocation contributed to the decrease in restricted assets as the deallocated funds became unrestricted.

Drinking Water Fund

Unrestricted current and other assets decreased \$0.2 million (0.5%) in 2008. The net decrease was mainly the result of a \$0.8 million increase in current loans receivable offset by a decrease in current federal grants receivable of \$0.9 million and current investment income receivable of \$0.2 million. Similar to the process explained in the WPCRF discussion above, deallocation also occurs in the DWRF each September. In 2008, \$6.6 million was converted from restricted assets to unrestricted current and other assets as a result of deallocation activities.

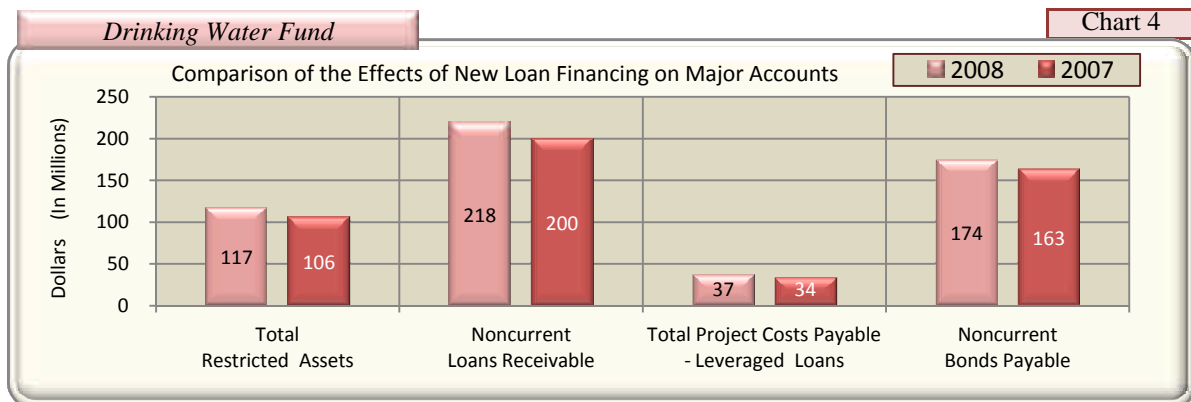
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<i>Drinking Water Fund</i>				Schedule 4
Summary of Net Assets as of December 31				
	2008	2007	Change	Pct Chg
Unrestricted current and other assets	\$ 36,306,723	\$ 36,470,922	\$ (164,199)	(0.5%)
Restricted assets	117,190,752	106,141,635	11,049,117	10.4%
Capital assets, net	-	1,697	(1,697)	(100.0%)
Noncurrent loans receivable	218,290,143	200,435,242	17,854,901	8.9%
Total assets	371,787,618	343,049,496	28,738,122	8.4%
Current and other liabilities	22,519,677	19,344,861	3,174,816	16.4%
Project costs payable-leveraged loans	36,963,944	33,741,351	3,222,593	9.6%
Noncurrent bonds payable, net	173,538,364	163,051,485	10,486,879	6.4%
Total liabilities	233,021,985	216,137,697	16,884,288	7.8%
Net assets:				
Invested in capital assets	-	1,697	(1,697)	(100.0%)
Restricted	135,433,562	122,520,764	12,912,798	10.5%
Unrestricted	3,332,071	4,389,338	(1,057,267)	(24.1%)
Total Net assets	\$ 138,765,633	\$ 126,911,799	\$ 11,853,834	9.3%

New direct loans of \$7.2 million and \$22.8 million in leveraged loans were financed through the DWRP program in 2008. Mitigating this \$30.0 million increase in loans receivable was loan principal reductions of \$11.3 million resulting in a net increase in loans receivable in 2008 of \$18.7 million. The DWRP issued \$20.1 million in new bonds and made bond principal payments totaling \$9.1 million in 2008 for a net increase of \$11.0 million in bonds payable.

In addition, the increase in loan funding in 2008 increased project costs payable by \$29.7 million which was offset by \$23.8 million in project draws. The net result is a \$5.9 million increase in project costs payable of which \$3.2 million is related to leveraged loans. The increase in loan funding activity also increased restricted assets by \$11.0 million. Chart 4 graphically displays the comparative balances of the four major accounts and the effects of financial activity in the DWRP program.



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Summary of Changes in Net Assets

Overview

As described in the notes to the basic financial statements, the Authority issues bonds to fund program loans. All bonds are repaid from loan repayments (principal and interest); however, in the WPCRF and DWRF, a portion of bond interest is paid by investment income earned on restricted assets held in the borrowers' project accounts and in bond debt service reserve funds. This investment income, used to pay 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 fund and in total. Like the complete statements located in the basic financial statements, these summary schedules show operating revenues, operating expenses, operating income, other sources of revenue, and the changes in net assets in a comparative year format. These schedules quantify the changes in financial position of the Authority as a financing entity. For 2008, investment income and loan interest income made up 81.9% of total operating revenues, bond interest expense was 85.4% of total operating expenses, and 59.7% of total changes in net assets came from EPA capitalization grant revenue.

The WPCRF and DWRF programs are allowed to collect a loan administrative fee surcharge to supplement the EPA grant funds available for the reimbursement of expenses related to grant administration. Beginning in 2008, the annual administrative fee surcharge rate on DWRF loans, which is computed on the original loan receivable balance and is a component of loan interest, was increased from 0.8% to 1.25%. Due to the structure of the loan program, the increase in the administrative fee rate does not affect the subsidized loan rate charged to the borrowers. The administrative fee surcharge rate on WPCRF loans remains at 0.8%. Generally, these fees remain constant over the term of the loan. Under the disadvantaged community loan program in both the WPCRF and DWRF programs, no administrative fee surcharge is received from zero interest rate loans. (For more information regarding the disadvantaged community loan program, see the notes to the basic financial statements.)

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 revenues are recorded as nonoperating 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 Net Assets on Schedule 5A. Two major factors contribute to the amount of EPA capitalization grant revenue recognized: 1) the number and size of loans funded with grant monies for the year; and 2) the demand for project cost reimbursements, including projects funded in prior years.

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Total Enterprise Funds

Schedules 5A and 5B combine the results of activities of the three enterprise funds, shown in a comparative year format. Although restrictions exist on transfers of monies among the enterprise funds, these schedules provide information about the overall changes in financial position.

<i>Total Enterprise Funds (2008 - 2007)</i>	Schedule 5A			
	Summary of Changes in Net Assets as of December 31			
	2008	2007	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 19,614,944	\$ 25,449,194	\$ (5,834,250)	(22.9%)
Interest on loans	38,444,783	39,104,435	(659,652)	(1.7%)
Administrative fees and other income	8,168,349	7,992,412	175,937	2.2%
EPA grants	4,626,781	4,988,780	(361,999)	(7.3%)
Total operating revenues	70,854,857	77,534,821	(6,679,964)	(8.6%)
Operating expenses:				
Interest on bonds	52,137,801	53,122,040	(984,239)	(1.9%)
Grant administration	3,324,022	2,214,516	1,109,506	50.1%
General, administrative, and other expenses	1,634,058	1,526,966	107,092	7.0%
EPA set asides	3,940,376	4,404,102	(463,726)	(10.5%)
Total operating expenses	61,036,257	61,267,624	(231,367)	(0.4%)
Operating income	9,818,600	16,267,197	(6,448,597)	(39.6%)
EPA capitalization grants	14,575,150	18,904,991	(4,329,841)	(22.9%)
Change in net assets	24,393,750	35,172,188	(10,778,438)	(30.6%)
Net assets – beginning of year	477,621,399	442,449,211	35,172,188	7.9%
Net assets – end of year	\$ 502,015,149	\$ 477,621,399	\$ 24,393,750	5.1%

<i>Total Enterprise Funds (2007 - 2006)</i>	Schedule 5B			
	Summary of Changes in Net Assets as of December 31			
	2007	2006	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 25,449,194	\$ 20,175,434	\$ 5,273,760	26.1%
Interest on loans	39,104,435	38,207,397	897,038	2.3%
Administrative fees and other income	7,992,412	7,205,852	786,560	10.9%
EPA grants	4,988,780	3,271,788	1,716,992	52.5%
Total operating revenues	77,534,821	68,860,471	8,674,350	12.6%
Operating expenses:				
Interest on bonds	53,122,040	51,764,073	1,357,967	2.6%
Grant administration	2,214,516	2,397,033	(182,517)	(7.6%)
General, administrative, and other expenses	1,526,966	2,284,712	(757,746)	(33.2%)
EPA set asides	4,404,102	2,417,598	1,986,504	82.2%
Total operating expenses	61,267,624	58,863,416	2,404,208	4.1%
Operating income	16,267,197	9,997,055	6,270,142	62.7%
EPA capitalization grants	18,904,991	12,502,130	6,402,861	51.2%
Change in net assets	35,172,188	22,499,185	12,673,003	56.3%
Net assets – beginning of year	442,449,211	419,950,026	22,499,185	5.4%
Net assets – end of year	\$ 477,621,399	\$ 442,449,211	\$ 35,172,188	7.9%

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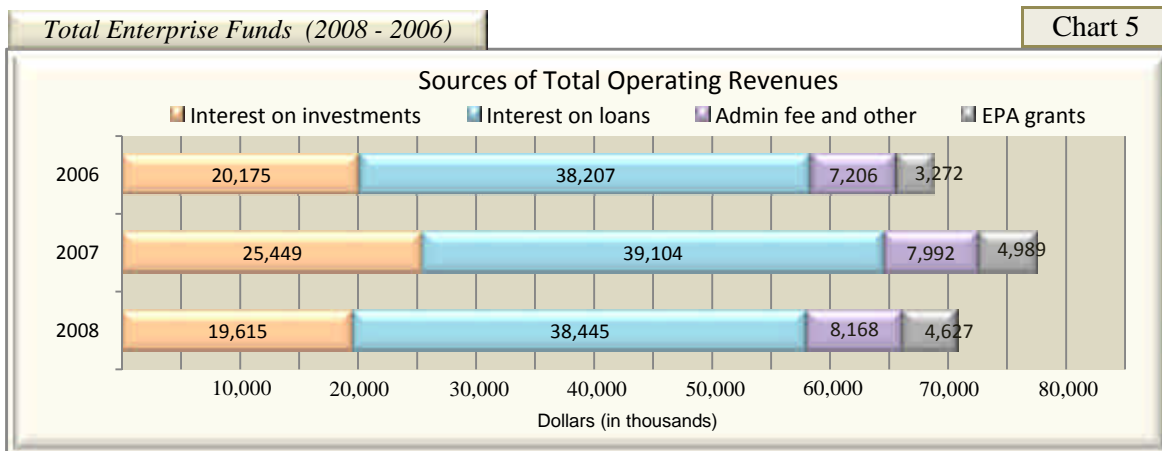
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Interest on investments totaled \$19.6 million, \$25.4 million, and \$20.2 million for 2008, 2007, and 2006, respectively. Both the investment balances and changing interest rates impact the amounts of interest earned. The \$5.8 million decrease in interest on investments in 2008, compared to 2007, was the sum of decreases from all funds: Water Operations (\$1.2 million), WPCRF (\$3.7 million) and DWRF (\$0.9 million). One of the major factors for the decrease in income was the decrease in the average annual interest rate for COLOTRUST, which was 2.6% for 2008 compared to 5.1% for 2007.

The WPCRF interest on investments decreased \$3.7 million in 2008, and was the major factor in the \$5.8 million total decrease in 2008. Although the Water Operations Fund restricted assets decreased by \$11.6 million in 2008 and \$94.2 million in 2007, the earnings on the investments in the SWRP and WRBP are recorded as accounts payable-borrowers, as explained in the following Water Operations Fund section, and therefore, do not affect interest on investments.

Interest on loans totaled \$38.4 million, \$39.1 million, and \$38.2 million for 2008, 2007, and 2006, respectively. The decrease in 2008, as compared to the increase in 2007, is the result of a general decrease in new loans executed in all programs. In the years subsequent to the year of execution, new loans produce a full year's interest income, generally increasing loan interest income. However, other factors such as decreasing loan interest due to normal amortization, and credits to loan interest from refunding savings and additional earnings may affect loan interest income. Loan interest in the Water Operations Fund and the WPCRF decreased by \$0.8 million and \$0.3 million, respectively, while loan interest income increased by \$0.4 in the DWRF, resulting in a total decrease of \$0.7 million.

Total bond interest expense decreased \$1.0 million in 2008. Although bonds totaling \$32.4 million and \$35.3 million were issued in 2008 and 2007, respectively, the decrease resulting from normal amortization exceeded the additional expense added by the bonds issued in 2008 and 2007.



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Chart 5 compares the major sources of total operating revenues among the years and illustrates the effects of investment and loan interest earnings discussed above. Note the decrease in interest on investments, interest on loans, and EPA grants in 2008 from 2007. Leveraged loans in the WPCRF and the DWRF are subsidized by investment income earned in the debt service reserve funds (reserve fund financing model). The reserve fund earnings make up a portion of total interest on investments. The investment income plus loan interest income provides the funds to pay the bond interest expense in each corresponding year.

As expected, loan administrative fee income increased in proportion to the additional WPCRF and DWRF loans executed in previous years. The EPA grant revenue shown in operating income is comprised of grant funds drawn for program administration, and for funding the DWRF set aside activities as discussed in the notes to basic financial statements. EPA capitalization grants used for the loan programs are not part of operating income.

EPA capitalization grants totaled \$14.6 million, \$18.9 million, and \$12.5 million, for 2008, 2007, and 2006, respectively. As explained earlier in this section, grant funds are drawn as requisitions are paid to borrowers with projects financed with capitalization grant monies. These grant amounts are consistent with the project draws made in WPCRF and the DWRF for those years. Since DWRF and WPCRF grant-funded loans executed decreased in 2007, total capitalization grant revenue decreased in 2008 after an increase in 2007. The Water Operations Fund loans are not subsidized by EPA capitalization grants. Capitalization grant revenue contributed 59.7%, 53.7%, and 55.6% of the total change in net assets for 2008, 2007, and 2006, respectively.

The discussion below describes the changes to each of the three-enterprise fund's summary schedule of changes in net assets and associated charts to provide visual information of the components of income and expense that impact the change in net assets for 2008 and 2007.

Water Operations Fund

The Summary of Net Assets (Schedule 2) for the Water Operations Fund reflects that noncurrent loans receivable and bonds payable amounts both decreased by \$14.8 million (3.4%). No bonds were issued or leveraged loans executed in this fund during 2008. The decrease in loan interest in the Water Operations Fund in 2008 is attributed to normal amortization in both programs and early loan payoffs that occurred in the SWRP. Accordingly, both loan interest income and bond interest expense, as shown in Schedule 6, decreased by 3.5% and 2.9%, respectively.

The largest source of investment income in the Water Operations Fund is generated by the investment pool managed by the Colorado State Treasurer. Additional investment income is earned from investments in the COLOTRUST accounts. The average interest rates on these accounts decreased by 1.2% and 2.5%, respectively, and contributed \$1.1 million to the decrease in interest on investments from 2007.

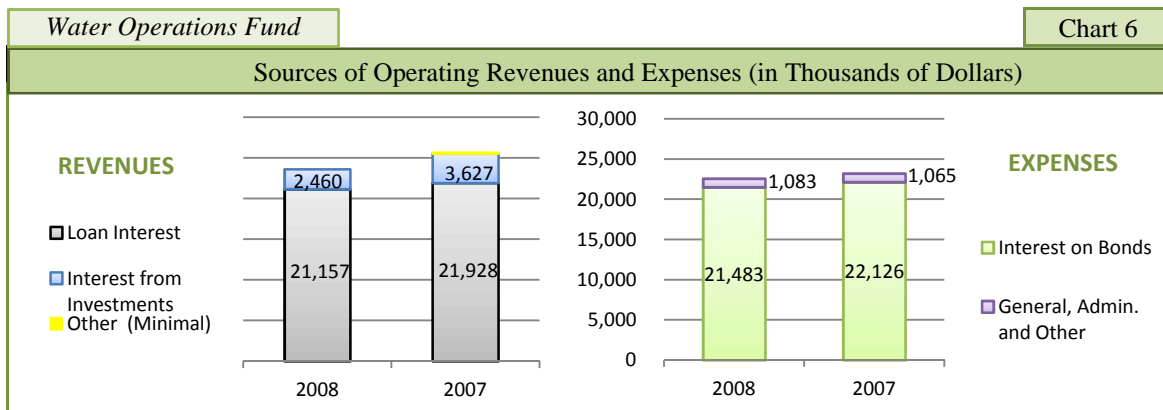
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Water Operations Fund	Summary of Changes in Net Assets as of December 31			
	2008	2007	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 2,460,256	\$ 3,626,834	\$ (1,166,578)	(32.2%)
Interest on loans	21,157,105	21,927,594	(770,489)	(3.5%)
Other income	-	100	(100)	(100.0%)
Total operating revenues	23,617,361	25,554,528	(1,937,167)	(7.6%)
Operating expenses:				
Interest on bonds	21,482,809	22,126,089	(643,280)	(2.9%)
General, administrative, and other expenses	1,082,734	1,065,448	17,286	1.6%
Total operating expenses	22,565,543	23,191,537	(625,994)	(2.7%)
Operating income	1,051,818	2,362,991	(1,311,173)	(55.5%)
Change in net assets	1,051,818	2,362,991	(1,311,173)	(55.5%)
Net assets – beginning of year	89,575,360	87,212,369	2,362,991	2.7%
Net assets – end of year	\$ 90,627,178	\$ 89,575,360	\$ 1,051,818	1.2%

The structure of the WRBP program allows borrowers to requisition accumulated investment income to pay for project costs, or to reduce their loan interest payable. The earnings on these investments are recorded as a liability (accounts payable – borrower) rather than as income. If a borrower elects to reduce scheduled loan interest payments by applying investment earnings from its project account, those earnings are recorded as loan interest income. However, if a borrower elects to use these earnings for payment of project costs, the reimbursement to the borrower reduces the liability accordingly.

The Animas-La Plata account is contractually committed for payment to the Bureau. In exchange for the payments, the Authority will receive rights to an average annual depletion of 2,600 acre-feet of water from the reservoir project. During 2008, \$0.1 million in investment income earned on the escrow account affected the changes in net assets. Payments of \$0.8 million to the Bureau were recorded as additions to water depletion rights on the Statement of Net Assets in the basic financial statements.



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As shown in Chart 6, investment and loan interest income are the principal sources of operating revenues in the Water Operations Fund. Investment income decreased 32.2% while loan interest income decreased by 3.5% in 2008. General, administrative and other expenses increased 1.6%. The increase is a combination of annual inflationary type costs and the portion of costs allocated to other funds. Operating income for 2008 decreased \$1.3 million (55.5%) due to lower interest rates on unrestricted investments. The average interest rate earned on funds invested with the State Treasurer decreased by 1.2%, while the COLOTRUST rate decreased by 2.5%.

Water Pollution Control Fund

Interest on loans is affected by several factors; additional interest resulting from new loans executed, declining interest due to normal loan amortization, and various credits, in addition to normal subsidy credits, that adjust loan interest from time to time. The net effect of these factors resulted a decrease of \$0.3 million in 2008.

The decrease in investment income for 2008 of \$3.7 million (24.1%) can be attributed to several factors. First, while 2008 cash and equivalents (COLOTRUST) balances increased \$20.9 million (49.4%) over the 2007 year-end balances, investments decreased by \$25.6 million (11.0%). Second, the average annual COLOTRUST interest rate decreased to 2.6% in 2008 from 5.1% in 2007.

				Schedule 7
<i>Water Pollution Control Fund</i>	Summary of Changes in Net Assets as of December 31			
	2008	2007	Change	Pct Chg
Operating revenues:				
Interest on investments	\$ 11,791,740	\$ 15,533,261	\$ (3,741,521)	(24.1%)
Interest on loans	11,976,186	12,325,893	(349,707)	(2.8%)
Administrative fee and other income	5,896,526	5,805,659	90,867	1.6%
EPA grants-administrative	190,135	171,303	18,832	11.0%
Total operating revenues	<u>29,854,587</u>	<u>33,836,116</u>	<u>(3,981,529)</u>	<u>(11.8%)</u>
Operating expenses:				
Interest on bonds	22,552,646	22,794,027	(241,381)	(1.1%)
Grant administration	1,891,365	1,276,115	615,250	48.2%
General, administrative, and other expenses	329,534	360,934	(31,400)	(8.7%)
Total operating expenses	<u>24,773,545</u>	<u>24,431,076</u>	<u>342,469</u>	<u>1.4%</u>
Operating income	5,081,042	9,405,040	(4,323,998)	(46.0%)
EPA capitalization grants	6,529,661	11,809,677	(5,280,016)	(44.7%)
Transfers in (out)	(122,605)	-	(122,605)	100.0%
Change in net assets	11,488,098	21,214,717	(9,726,619)	(45.8%)
Net assets – beginning of year	261,134,240	239,919,523	21,214,717	8.8%
Net assets – end of year	<u>\$ 272,622,338</u>	<u>\$ 261,134,240</u>	<u>\$ 11,488,098</u>	<u>4.4%</u>

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Similar to interest on loans, interest on bonds is affected by several factors; additional interest expense resulting from new bonds issued, declining interest expense due to normal bond amortization and refunding cost amortization. The net effect of these factors resulted in a decrease of \$0.2 million in 2008.

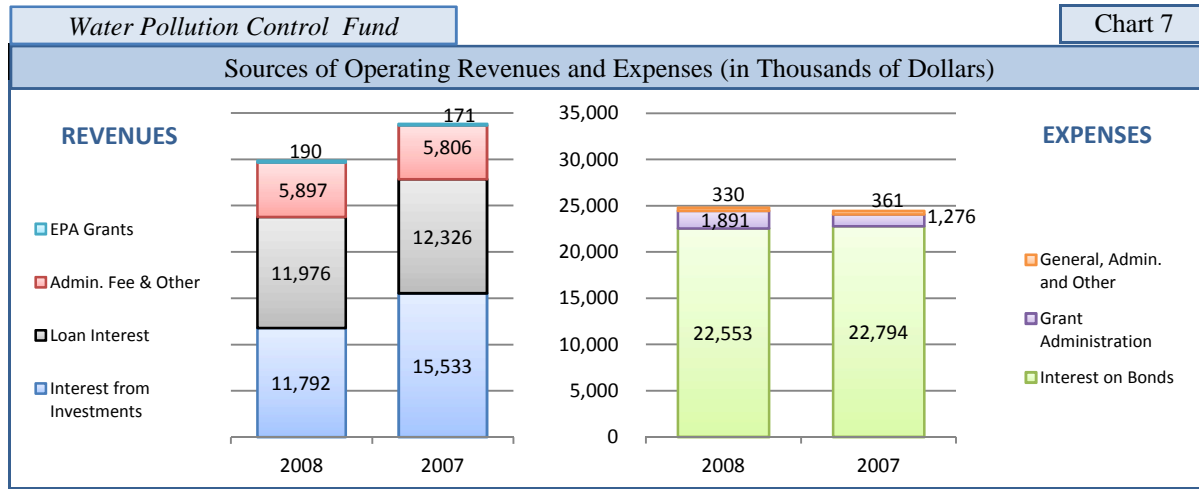


Chart 7 shows the components of operating income and expenses in a comparative format. As discussed above, loan interest income decreased \$0.3 million, bond interest expense decreased \$0.2 million and investment income decreased \$3.7 million. Loan administrative fee income, which is computed based upon the original loan balances, increased 1.6%, due to the addition of the 2008 loans. Interest on investments plus interest on loans comprised 79.6% of operating revenues in 2008 and 82.3% in 2007. Bond interest expense contributed 91.0% and 93.3% to operating expense in 2008 and 2007, respectively.

The cost to administer the WPCRF for 2008 was \$1.9 million. Included in this amount are reimbursed costs paid to the Water Quality Control Division of the Colorado Department of Public Health and Environment (\$1.1 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, outreach and financial analysis services in operating the WPCRF Program. As previously discussed, a proportionate amount of EPA capitalization grant revenue is recognized for each borrower project requisition. EPA capitalization grant revenue totaled \$6.5 million in 2008.

Drinking Water Fund

In 2008, interest on investments decreased \$0.9 million (14.7%). The overall decrease in investment interest in the DWRF, subject to the same interest rate decrease effect as the other funds, was mitigated by the income generated from the investment of 2008 bond proceeds included in restricted assets (\$0.2 million).

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Interest on loans is affected by several factors; additional interest resulting from new loans executed, declining interest due to normal loan amortization, and various credits, in addition to normal subsidy credits, that adjust loan interest from time to time. The net effect of these factors in the DWRF resulted in a \$0.4 million (9.5%) increase in interest on loans.

Similar to interest on loans, interest on bonds is affected by several factors; additional interest expense resulting from new bonds issued, declining interest expense due to normal bond amortization and refunding cost amortization. The net effect of these factors in the DWRF resulted in a \$0.1 million (1.2%) decrease in interest on bonds.

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 amount of set aside program income and expense is dependent upon the actions of the Water Quality Control Division. The set aside activity between 2008 and 2007 decreased by \$0.5 million, a 10.5% decrease in expenses.

<i>Drinking Water Fund</i>		Summary of Changes in Net Assets as of December 31			
	2008	2007	Change	Pct Chg	
Operating revenues:					
Interest on investments	\$ 5,362,948	\$ 6,289,099	\$ (926,151)	(14.7%)	
Interest on loans	5,311,492	4,850,948	460,544	9.5%	
Administrative fee and other income	2,271,823	2,186,653	85,170	3.9%	
EPA grants	4,436,646	4,817,477	(380,831)	(7.9%)	
Total operating revenues	<u>17,382,909</u>	<u>18,144,177</u>	<u>(761,268)</u>	<u>(4.2%)</u>	
Operating expenses:					
Interest on bonds	8,102,346	8,201,924	(99,578)	(1.2%)	
Grant administration	1,432,657	938,401	494,256	52.7%	
General, administrative, and other expenses	221,790	100,584	121,206	120.5%	
EPA set asides	3,940,376	4,404,102	(463,726)	(10.5%)	
Total operating expenses	<u>13,697,169</u>	<u>13,645,011</u>	<u>52,158</u>	<u>0.4%</u>	
Operating income	3,685,740	4,499,166	(813,426)	(18.1%)	
EPA capitalization grants	8,045,489	7,095,314	950,175	13.4%	
Transfers in (out)	122,605	-	122,605	100.0%	
Change in net assets	<u>11,853,834</u>	<u>11,594,480</u>	<u>259,354</u>	<u>2.2%</u>	
Net assets – beginning of year	126,911,799	115,317,319	11,594,480	10.1%	
Net assets – end of year	<u>\$ 138,765,633</u>	<u>\$ 126,911,799</u>	<u>\$ 11,853,834</u>	<u>9.3%</u>	

The cost to administer the DWRF for 2008 was \$1.4 million, a 52.7% increase from 2007. Included in this amount are reimbursed costs paid to the Water Quality Control Division of the Colorado Department of Public Health and Environment (\$0.8 million), and the Division of Local Government of the Colorado Department of Local Affairs (\$0.1 million). These State agencies provide environmental, technical, outreach and financial analysis services in operating the DWRF.

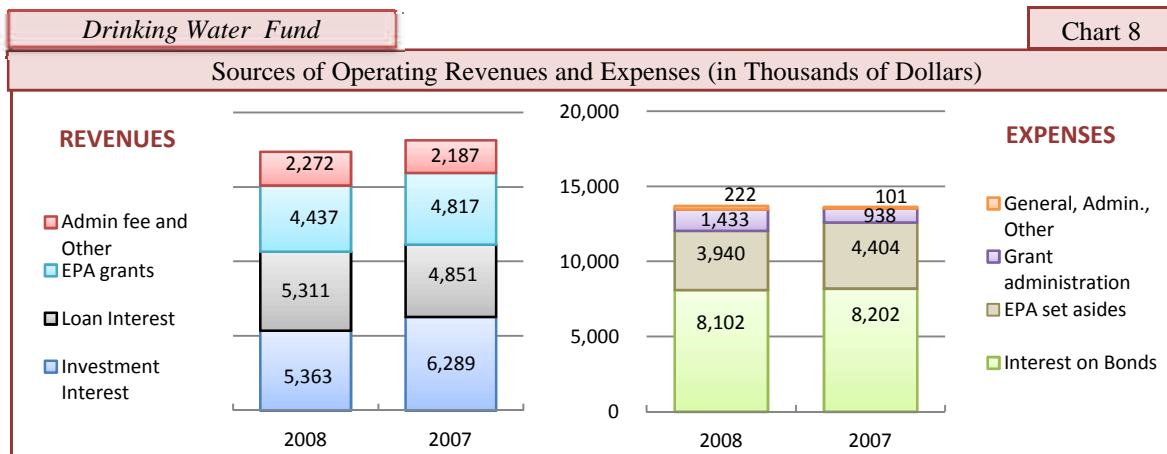
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EPA capitalization grant revenues increased \$1.0 million (13.4%) in 2008. As discussed at the beginning of this section, a proportionate amount of EPA capitalization grant revenue is recognized for each borrower project requisition funded with grant dollars. Project requisitions for leveraged loans funded with grants increased from \$15.8 million in 2007 to \$19.2 million in 2008. The increase in EPA capitalization grant revenue was the net effect of the \$2.9 million (16.8%) increase in project requisitions of grant funded loans.

Operating income of \$3.7 million, EPA capitalization grant revenue of \$8.0 million, and interfund transfers of \$0.1 million resulted in an \$11.9 million (9.3%) increase in total net assets in the DWRF.

Chart 8 shows the components of operating income and expenses in a comparative format. Interest on investments plus interest on loans comprised 61.4% of operating income in 2008 and 61.4% in 2007. Bond interest expense contributed 59.2% and 60.1% to operating expenses in 2008 and 2007, respectively.



Economic Factors:

The demand for financing water and wastewater infrastructure projects is not affected by general economic conditions. The primary factors that affect demand are:

- More stringent, federal water quality standards often mandate the replacement of or upgrades to infrastructure.
- Colorado's population continues to increase, requiring plant expansions.
- The need to replace aging infrastructure is expanding.
- Periods of drought affecting Colorado for the past few years have created interest in building additional reservoir storage, transmission projects and acquisition of water rights.
- Low interest rates on municipal bonds issued by the Authority result in lower loan interest rates, especially those loans subsidized by the WPCRF and DWRF, thereby making project financing more affordable for local communities.

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The Authority plans to continue subsidizing loan interest rates for borrowers in both the WPCRF and DWRF in 2009. As of December 31, 2008, out of the total amount of EPA capitalization grant funds awarded to the DWRF through 2008, \$14.2 million remains unobligated and available for loans. As of December 31, 2008, out of the total amount of EPA capitalization grant funds awarded to the WPCRF through 2008, \$0.3 million remains unobligated and available for loans.

During 2005 and 2006, disadvantaged community (DC) loan programs were implemented in the DWRF and WPCRF programs. These programs are explained in note 1 in the basic financial statements. Both revolving fund programs strongly support assistance to small communities. By the end of 2008, 38 DC loans had been executed, 24 in the DWRF and 14 in the WPCRF with original principal amounts of \$14.6 million and \$10.0 million, respectively. Of the 38 loans, 26 contain zero percent interest rates, and 12 contain reduced rates. Administrative fees are not assessed on zero percent loans. The foregone loan interest and administrative fees reduce the funds available for new loans and to pay administrative expenses; however, the financial impact to the programs is currently deemed acceptable in light of the benefits to the disadvantaged communities.

Congress has appropriated funds for EPA Clean Water and Drinking Water State Revolving Fund capitalization grants for 2009. The Authority anticipates that it will receive a \$5.4 million Clean Water capitalization grant and a \$14.3 million Drinking Water capitalization grant. Both grant applications have been prepared and will be submitted to the EPA after final state allotments have been approved. From all available resources, including the 2009 capitalization grants, any remaining unobligated grant funds and reloan funds, and with some leveraging, the estimated 2009 loan capacity for the WPCRF is \$90 million and for the DWRF is \$90 million.

During 2008, the United States financial markets were adversely impacted by mortgage defaults. Many financial-related companies, including bond insurers and banks, were impacted due to their ownership of collateralized debt obligations (bundled mortgages) or due to their insuring such obligations. Because of a rating downgrade of MBIA, counterparty to three repurchase agreements, the Authority terminated the three agreements in 2009 and will be reinvesting the funds in eligible securities in accordance with the bond resolutions and Authority investment policy. The Authority continues to closely monitor the ratings of the counterparties of the remaining repurchase agreements and the collateral that secures the repurchase agreements, as described in the notes to the basic financial statements, and the Authority will take appropriate action, as allowed under the terms of the agreements, if needed, to be reasonably assured that funds will be available when needed and/or that the ratings on the respective bonds are not lowered.

Also, as a result of the adverse impact of the financial markets on bond insurers, the Authority provided a number of material event notices to the appropriate repositories regarding the changes in ratings of Financial Guaranty Insurance Corporation, MBIA, Financial Security Assurance, and Assured Guaranty Corporation.

In February 2009, P.L. 111-5, the American Recovery and Reinvestment Act of 2009 (ARRA), was enacted and monies were appropriated to the EPA to award additional capitalization grants to the states through the

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State Revolving Fund programs. The terms of ARRA provide that no state match is required for these grants. Pursuant to the established allocation formula the Authority, on behalf of the State of Colorado, is eligible to receive a Clean Water State Revolving Fund grant totaling \$31.3 million and a Drinking Water Revolving Fund grant totaling \$34.4 million. The Authority and WQCD are in the process of completing all the required steps to submit grant applications for both programs. Of the amounts awarded, approximately \$2 million will be allocated for eligible set-asides for the DWRF and approximately \$1.25 million will be allocated for WPCRF grant administration. The remaining funds will be used to provide direct loans for eligible projects. The loans may contain principal forgiveness of amounts up to \$2 million per borrower and/or contain a loan interest rate of 0%.

The ARRA funding contains more stringent regulatory requirements than the annual capitalization grants received in past years such as: no less than one-half of the ARRA funding shall be used to provide additional loan subsidies, including principal forgiveness, no less than 20% of the funds will be used for "green infrastructure" projects, prevailing wage rate requirements (Davis-Bacon Act) will be enforced on projects, the required use of American iron, steel and manufactured goods in the course of construction (unless qualified for a waiver), and weekly reporting will be required. Certain amounts of the total grants may be used to reimburse the State for the additional administrative costs to implement this additional loan activity. After the grants are awarded, the Authority, in conjunction with the WQCD and DLG, will expedite making loans to eligible governmental agencies that are prioritized pursuant to a process that is outlined in the respective 2009 Intended Use Plans.

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
(A Component Unit of the State of Colorado)
Statement of Net Assets
December 31, 2008**

Assets	Water Operations	Water Pollution Control	Drinking Water	Totals
Current assets:				
Cash and cash equivalents	\$ 62,797,527	\$ 33,087,925	\$ 20,621,885	\$ 116,507,337
Federal grants receivable	—	73,294	1,230,200	1,303,494
Investment income receivable	169,224	544,104	206,615	919,943
Loans receivable	12,735,687	32,541,874	12,035,324	57,312,885
Due from other funds	1,672,456	—	—	1,672,456
Accounts receivable – borrowers	5,531,015	6,573,694	2,212,699	14,317,408
Other assets	110,611	—	—	110,611
Restricted assets:				
Cash and cash equivalents	16,079,789	26,316,325	41,702,150	84,098,264
Investments	79,549	42,410,063	8,402,480	50,892,092
Investment income receivable	17,209	1,013,623	484,649	1,515,481
Total current assets	99,193,067	142,560,902	86,896,002	328,649,971
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	10,018,215	3,897,790	42,654	13,958,659
Investments	—	164,821,735	65,920,772	230,742,507
Investment income receivable	3,638	2,869,693	638,047	3,511,378
Advance receivable	158,503	—	—	158,503
Loans receivable	423,314,999	472,526,992	218,290,143	1,114,132,134
Water depletion rights – Animas-La Plata	7,671,327	—	—	7,671,327
Capital assets – equipment, net of accumulated depreciation of \$85,324	14,842	—	—	14,842
Other assets	5,078,319	—	—	5,078,319
Total noncurrent assets	446,259,843	644,116,210	284,891,616	1,375,267,669
Total assets	545,452,910	786,677,112	371,787,618	1,703,917,640
Liabilities and Net Assets				
Current liabilities:				
Project costs payable – direct loans	—	6,000,179	7,044,480	13,044,659
Project costs payable – leveraged loans	4,510,607	46,471,918	36,783,944	87,766,469
Bonds payable	12,685,000	29,400,000	9,600,000	51,685,000
Accrued interest payable	5,603,717	7,309,351	2,710,156	15,623,224
Accounts payable – borrowers	3,151,606	—	—	3,151,606
Accounts payable – other	1,479,639	—	104,282	1,583,921
Due to other funds	—	411,210	1,261,246	1,672,456
Other liabilities	—	289,008	539,791	828,799
Total current liabilities	27,430,569	89,881,666	58,043,899	175,356,134
Noncurrent liabilities:				
Project costs payable – leveraged loans	—	1,400,000	180,000	1,580,000
Bonds payable, net	424,221,828	419,357,923	173,538,364	1,017,118,115
Advance payable	—	158,503	—	158,503
Debt service reserve deposit	1,861,513	—	—	1,861,513
Deferred revenue	—	676,829	89,924	766,753
Other liabilities	1,311,822	2,579,853	1,169,798	5,061,473
Total noncurrent liabilities	427,395,163	424,173,108	174,978,086	1,026,546,357
Total liabilities	454,825,732	514,054,774	233,021,985	1,201,902,491
Net assets:				
Invested in capital assets	14,842	—	—	14,842
Restricted	27,614,783	272,622,338	135,433,562	435,670,683
Unrestricted	62,997,553	—	3,332,071	66,329,624
Total net assets	\$ 90,627,178	\$ 272,622,338	\$ 138,765,633	\$ 502,015,149

See accompanying notes to basic financial statements

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Statement of Net Assets
December 31, 2007**

Assets	Water Operations	Water Pollution Control	Drinking Water	Totals
Current assets:				
Cash and cash equivalents	\$ 63,186,435	\$ 21,843,563	\$ 20,709,428	\$ 105,739,426
Federal grants receivable	—	3,233,386	2,106,157	5,339,543
Investment income receivable	242,795	724,310	410,830	1,377,935
Loans receivable	12,669,167	30,717,122	11,217,241	54,603,530
Due from other funds	1,559,564	—	—	1,559,564
Accounts receivable – borrowers	5,621,539	6,467,836	2,027,266	14,116,641
Other assets	13,139	—	—	13,139
Restricted assets:				
Cash and cash equivalents	13,770,188	19,335,988	15,034,092	48,140,268
Investments	10,078,165	54,734,990	29,892,142	94,705,297
Investment income receivable	154,055	1,187,230	663,685	2,004,970
Total current assets	<u>107,295,047</u>	<u>138,244,425</u>	<u>82,060,841</u>	<u>327,600,313</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	13,715,290	11,229,809	265,711	25,210,810
Investments	—	178,106,213	59,404,510	237,510,723
Investment income receivable	55,872	3,384,845	881,495	4,322,212
Advance receivable	3,078,683	—	—	3,078,683
Loans receivable	438,118,332	486,712,543	200,435,242	1,125,266,117
Water depletion rights – Animas-La Plata	6,871,308	—	—	6,871,308
Capital assets – equipment, net of accumulated depreciation of \$96,787	22,101	1,697	1,697	25,495
Other assets	5,436,987	—	—	5,436,987
Total noncurrent assets	<u>467,298,573</u>	<u>679,435,107</u>	<u>260,988,655</u>	<u>1,407,722,335</u>
Total assets	<u>574,593,620</u>	<u>817,679,532</u>	<u>343,049,496</u>	<u>1,735,322,648</u>
Liabilities and Fund Net Assets				
Current liabilities:				
Project costs payable – direct loans	—	8,348,512	4,392,848	12,741,360
Project costs payable – leveraged loans	13,948,641	45,394,484	28,147,340	87,490,465
Bonds payable	13,110,000	27,320,000	9,080,000	49,510,000
Accrued interest payable	5,741,481	7,573,436	2,656,096	15,971,013
Accounts payable – borrowers	5,569,447	—	—	5,569,447
Accounts payable – other	1,480,424	—	—	1,480,424
Due to other funds	—	242,089	1,317,475	1,559,564
Other liabilities	—	584,593	180,252	764,845
Total current liabilities	<u>39,849,993</u>	<u>89,463,114</u>	<u>45,774,011</u>	<u>175,087,118</u>
Noncurrent liabilities:				
Project costs payable – leveraged loans	2,966,399	23,728,000	5,594,011	32,288,410
Bonds payable, net	439,033,061	436,495,331	163,051,485	1,038,579,877
Advance payable	—	3,078,683	—	3,078,683
Debt service reserve deposit	1,861,513	—	—	1,861,513
Deferred revenue	—	626,380	96,503	722,883
Other liabilities	1,307,294	3,153,784	1,621,687	6,082,765
Total noncurrent liabilities	<u>445,168,267</u>	<u>467,082,178</u>	<u>170,363,686</u>	<u>1,082,614,131</u>
Total liabilities	<u>485,018,260</u>	<u>556,545,292</u>	<u>216,137,697</u>	<u>1,257,701,249</u>
Fund net assets:				
Invested in capital assets	22,101	1,697	1,697	25,495
Restricted	23,876,658	261,132,543	122,520,764	407,529,965
Unrestricted	65,676,601	—	4,389,338	70,065,939
Total fund net assets	<u>\$ 89,575,360</u>	<u>\$ 261,134,240</u>	<u>\$ 126,911,799</u>	<u>\$ 477,621,399</u>

See accompanying notes to basic financial statements

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Statement of Revenues, Expenses and Changes in Fund Net Assets
Year Ended December 31, 2008**

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Operating revenues:				
Interest on loans	\$ 21,157,105	\$ 11,976,186	\$ 5,311,492	\$ 38,444,783
Interest on investments	2,460,256	11,791,740	5,362,948	19,614,944
Loan administrative fees	—	5,896,526	2,269,309	8,165,835
EPA grants	—	190,135	4,436,646	4,626,781
Other	—	—	2,514	2,514
Total operating revenues	<u>23,617,361</u>	<u>29,854,587</u>	<u>17,382,909</u>	<u>70,854,857</u>
Operating expenses:				
Interest on bonds	21,482,809	22,552,646	8,102,346	52,137,801
Grant administration	—	1,891,365	1,432,657	3,324,022
Project expenses	373,988	—	—	373,988
General and administrative	708,746	1,697	1,697	712,140
EPA set asides	—	—	3,940,376	3,940,376
Other	—	327,837	220,093	547,930
Total operating expenses	<u>22,565,543</u>	<u>24,773,545</u>	<u>13,697,169</u>	<u>61,036,257</u>
Operating income	1,051,818	5,081,042	3,685,740	9,818,600
EPA capitalization grants	—	6,529,661	8,045,489	14,575,150
Transfers in(out)	—	(122,605)	122,605	—
Change in net assets	1,051,818	11,488,098	11,853,834	24,393,750
Net assets – beginning of year	<u>89,575,360</u>	<u>261,134,240</u>	<u>126,911,799</u>	<u>477,621,399</u>
Net assets – end of year	<u>\$ 90,627,178</u>	<u>\$ 272,622,338</u>	<u>\$ 138,765,633</u>	<u>\$ 502,015,149</u>

See accompanying notes to basic financial statements

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Statement of Revenues, Expenses and Changes in Fund Net Assets
Year Ended December 31, 2007**

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Operating revenues:				
Interest on loans	\$ 21,927,594	\$ 12,325,893	\$ 4,850,948	\$ 39,104,435
Interest on investments	3,626,834	15,533,261	6,289,099	25,449,194
Administrative fee	—	5,761,742	2,144,811	7,906,553
EPA grants	—	171,303	4,817,477	4,988,780
Other	100	43,917	41,842	85,859
	<u>25,554,528</u>	<u>33,836,116</u>	<u>18,144,177</u>	<u>77,534,821</u>
Total operating revenues				
Operating expenses:				
Interest on bonds	22,126,089	22,794,027	8,201,924	53,122,040
Grant administration	—	1,276,115	938,401	2,214,516
Project expenses	276,495	—	—	276,495
General and administrative	8,239	3,393	3,393	15,025
EPA set asides	—	—	4,404,102	4,404,102
Other	780,714	357,541	97,191	1,235,446
	<u>23,191,537</u>	<u>24,431,076</u>	<u>13,645,011</u>	<u>61,267,624</u>
Total operating expenses				
Operating income	2,362,991	9,405,040	4,499,166	16,267,197
EPA capitalization grants	—	11,809,677	7,095,314	18,904,991
Change in fund net assets	2,362,991	21,214,717	11,594,480	35,172,188
Fund net assets – beginning of year	<u>87,212,369</u>	<u>239,919,523</u>	<u>115,317,319</u>	<u>442,449,211</u>
Fund net assets – end of year	<u>\$ 89,575,360</u>	<u>\$ 261,134,240</u>	<u>\$ 126,911,799</u>	<u>\$ 477,621,399</u>

See accompanying notes to basic financial statements

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Statement of Cash Flows
Year Ended December 31, 2008**

	<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	\$ —	\$ 5,764,745	\$ 2,227,684	\$ 7,992,429
Federal funds received	—	154,872	4,566,714	4,721,586
Cash payments for salaries and related benefits	(628,533)	(365,429)	(254,452)	(1,248,414)
Cash payments to other state agencies for services	—	(1,040,984)	(859,635)	(1,900,619)
Cash payments to vendors	(668,652)	(376,543)	(4,408,194)	(5,453,389)
Net cash provided (used) by operating activities	<u>(1,297,185)</u>	<u>4,136,661</u>	<u>1,272,117</u>	<u>4,111,593</u>
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	—	12,402,765	20,164,069	32,566,834
Deposits for option to purchase water depletion rights	3,770	—	—	3,770
Federal funds received	—	9,725,016	8,792,533	18,517,549
Principal paid on bonds	(15,355,000)	(27,320,000)	(9,080,000)	(51,755,000)
Interest paid on bonds	(21,124,177)	(22,859,139)	(8,066,406)	(52,049,722)
Cash payment for bond issuance costs	—	(165,489)	(261,544)	(427,033)
Net cash provided (used) by noncapital financing activities	<u>(36,475,407)</u>	<u>(28,216,847)</u>	<u>11,548,652</u>	<u>(53,143,602)</u>
Cash flows from investing activities:				
Proceeds from sales or maturities of investments	10,062,395	48,552,811	38,745,930	97,361,136
Interest received on investments	3,091,570	14,313,277	6,097,445	23,502,292
Interest received on loans	21,247,632	12,052,558	5,105,124	38,405,314
Principal repayments from localities on loans	17,053,797	32,582,866	11,214,779	60,851,442
Cash received from (paid to) other accounts	2,722,071	(3,042,785)	122,605	(198,109)
Purchase of investments	(63,780)	(24,889,169)	(23,772,529)	(48,725,478)
Investment in water rights	(800,019)	—	—	(800,019)
Cash disbursed to localities for loans	(14,721,416)	(43,968,562)	(23,776,976)	(82,466,954)
Cash payment for arbitrage rebate	(2,184)	(628,130)	(199,689)	(830,003)
Cash payments of interest to borrowers	(2,593,856)	—	—	(2,593,856)
Net cash provided (used) by investing activities	<u>35,996,210</u>	<u>34,972,866</u>	<u>13,536,689</u>	<u>84,505,765</u>
Net increase (decrease) in cash and cash equivalents	(1,776,382)	10,892,680	26,357,458	35,473,756
Cash and cash equivalents, beginning of year	<u>90,671,913</u>	<u>52,409,360</u>	<u>36,009,231</u>	<u>179,090,504</u>
Cash and cash equivalents, end of year	<u>\$ 88,895,531</u>	<u>\$ 63,302,040</u>	<u>\$ 62,366,689</u>	<u>\$ 214,564,260</u>

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Statement of Cash Flows (Continued)
Year Ended December 31, 2008**

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets				
Unrestricted cash & equivalents	\$ 62,797,527	\$ 33,087,925	\$ 20,621,885	\$ 116,507,337
Current Restricted cash & equivalents	16,079,789	26,316,325	41,702,150	84,098,264
Noncurrent Restricted cash & equivalents	10,018,215	3,897,790	42,654	13,958,659
Total Cash and Cash Equivalents	<u>\$ 88,895,531</u>	<u>\$ 63,302,040</u>	<u>\$ 62,366,689</u>	<u>\$ 214,564,260</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 1,051,818	\$ 5,081,042	\$ 3,685,740	\$ 9,818,600
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	7,259	1,697	1,697	10,653
Accrued sick leave expense	10,500	—	—	10,500
Interest on bonds	21,482,809	22,552,646	8,102,346	52,137,801
Cost of issuance adjustments	—	—	(2,514)	(2,514)
Interest on loans	(21,157,105)	(11,976,186)	(5,311,492)	(38,444,783)
Interest on investments	(2,460,256)	(11,791,740)	(5,362,948)	(19,614,944)
Put fees on Treasury bonds	—	49,985	—	49,985
Loan principal forgiven	—	215,039	128,228	343,267
Amortization of deferred revenue	—	(56,509)	(6,579)	(63,088)
Change in assets and liabilities:				
(Increase) in due from other funds	(114,992)	—	—	(114,992)
(Increase) in accounts receivable – borrowers	—	(75,271)	(35,045)	(110,316)
(Increase) in other receivables	(116,433)	(35,263)	128,913	(22,783)
Increase in accounts payable – other	(785)	—	—	(785)
Increase in due to other funds	—	171,221	(56,229)	114,992
Net cash provided (used) by operating activities	<u>\$ (1,297,185)</u>	<u>\$ 4,136,661</u>	<u>\$ 1,272,117</u>	<u>\$ 4,111,593</u>
Supplemental Cash Flows Information				
Noncash investing activities				
Loans receivable issued related to projects payable	\$ —	\$ 20,437,107	\$ 30,015,992	\$ 50,453,099
Fair market value adjustment on U.S. Treasury bonds	—	1,945,762	—	1,945,762
Amortization of deferred loan interest income	—	22,776	—	22,776
Noncash noncapital financing activities				
Amortization of deferred amount from refunding	118,767	42,408	18,121	179,296
Amortization of bond issuance costs	377,627	—	—	377,627

See accompanying notes to basic financial statements

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Statement of Cash Flows
Year Ended December 31, 2007**

	<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	\$ —	\$ 5,543,469	\$ 2,052,755	\$ 7,596,224
Federal funds received	—	133,272	4,119,213	4,252,485
Miscellaneous Income	200	—	—	200
Cash payments for salaries and related benefits	(510,566)	(405,090)	(247,887)	(1,163,543)
Cash payments to other state agencies for services	—	(585,937)	(631,102)	(1,217,039)
Cash payments to vendors	(614,632)	(374,516)	(3,902,751)	(4,891,899)
Net cash provided (used) by operating activities	<u>(1,124,998)</u>	<u>4,311,198</u>	<u>1,390,228</u>	<u>4,576,428</u>
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	—	37,340,427	—	37,340,427
Deposits for option to purchase water depletion rights	4,703	—	—	4,703
Federal funds received	—	9,573,270	7,063,219	16,636,489
Principal paid on bonds	(12,620,000)	(26,465,000)	(9,145,000)	(48,230,000)
Interest paid on bonds	(21,661,541)	(22,559,644)	(8,066,707)	(52,287,892)
Cash payment for bond issuance costs	(77,818)	(478,496)	(84,951)	(641,265)
Net cash provided (used) by noncapital financing activities	<u>(34,354,656)</u>	<u>(2,589,443)</u>	<u>(10,233,439)</u>	<u>(47,177,538)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	<u>(17,089)</u>	<u>—</u>	<u>—</u>	<u>(17,089)</u>
Cash flows from investing activities:				
Proceeds from sales or maturities of investments	18,604,321	63,478,579	20,300,324	102,383,224
Interest received on investments	5,615,852	14,700,784	6,571,714	26,888,350
Interest received on loans	21,973,000	11,776,410	4,696,752	38,446,162
Principal repayments from localities on loans	14,468,333	29,060,865	11,456,119	54,985,317
Cash received from (paid to) other accounts	2,290,420	(2,290,420)	—	—
Purchase of investments	(352,678)	(55,093,323)	(6,071,031)	(61,517,032)
Investment in water rights	(1,737,455)	—	—	(1,737,455)
Cash disbursed to localities for loans	(88,978,816)	(46,559,192)	(20,353,411)	(155,891,419)
Cash payment for arbitrage rebate	(235,436)	(961,153)	(409,428)	(1,606,017)
Cash payments of interest to borrowers	(4,995,000)	—	—	(4,995,000)
Net cash provided (used) by investing activities	<u>(33,347,459)</u>	<u>14,112,550</u>	<u>16,191,039</u>	<u>(3,043,870)</u>
Net increase (decrease) in cash and cash equivalents	(68,844,202)	15,834,305	7,347,828	(45,662,069)
Cash and cash equivalents, beginning of year	<u>159,516,115</u>	<u>36,575,055</u>	<u>28,661,403</u>	<u>224,752,573</u>
Cash and cash equivalents, end of year	<u>\$ 90,671,913</u>	<u>\$ 52,409,360</u>	<u>\$ 36,009,231</u>	<u>\$ 179,090,504</u>

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Statement of Cash Flows (Continued)
Year Ended December 31, 2007**

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets				
Unrestricted cash & equivalents	\$ 63,186,435	\$ 21,843,563	\$ 20,709,428	\$ 105,739,426
Current Restricted cash & equivalents	13,770,188	19,335,988	15,034,092	48,140,268
Noncurrent Restricted cash & equivalents	13,715,290	11,229,809	265,711	25,210,810
Total Cash and Cash Equivalents	<u>\$ 90,671,913</u>	<u>\$ 52,409,360</u>	<u>\$ 36,009,231</u>	<u>\$ 179,090,504</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 2,362,991	\$ 9,405,040	\$ 4,499,166	\$ 16,267,197
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	8,239	3,393	3,393	15,025
Accrued sick leave expense	700	—	—	700
Interest on bonds	22,126,089	22,794,027	8,201,924	53,122,040
Cost of issuance adjustments	—	(43,917)	(41,842)	(85,759)
Reduction in office lease deposit	260	—	—	260
Interest on loans	(21,927,594)	(12,325,893)	(4,850,948)	(39,104,435)
Interest on investments	(3,626,834)	(15,533,261)	(6,289,099)	(25,449,194)
Put fees on Treasury bonds	—	49,985	—	49,985
Loan principal forgiven	—	229,087	35,463	264,550
Amortization of deferred revenue	—	(56,510)	(6,580)	(63,090)
Change in assets and liabilities:				
(Increase) in due from other funds	(611,533)	—	—	(611,533)
(Increase) in accounts receivable – borrowers	—	(161,764)	(85,475)	(247,239)
(Increase) in other receivables	75,610	(38,031)	(698,265)	(660,686)
Increase in accounts payable – other	467,074	—	—	467,074
Increase in due to other funds	—	(10,958)	622,491	611,533
Net cash provided (used) by operating activities	<u>\$ (1,124,998)</u>	<u>\$ 4,311,198</u>	<u>\$ 1,390,228</u>	<u>\$ 4,576,428</u>
Supplemental cash flow information				
Noncash investing activities				
Loans receivable issued related to projects payable	\$ —	\$ 42,348,024	\$ 1,592,396	\$ 43,940,420
Fair market value adjustment on U.S. Treasury bonds	—	197,707	—	197,707
Amortization of deferred loan interest income	—	56,510	6,580	63,090
Noncash noncapital financing activities				
Amortization of deferred amount from refunding	136,415	—	—	136,415
Amortization of bond issuance costs	389,308	30,825	18,122	438,255

See accompanying notes to basic financial statements

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Note 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 (the Board) 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 that 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, or 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 basic financial statements issued by the State.

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.

Water Operations Enterprise Fund

One of the activities of the Water Operations Enterprise Fund is to administer the Small Water Resources Projects Program (SWRP). Although the Authority is statutorily authorized to finance individual water resources project loans up to \$500 million, the SWRP is currently limited by contract to \$150 million of total outstanding debt (excluding refunding bonds). 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 governmental agencies. 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 governmental agencies participating in the SWRP are structured 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.

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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 Enterprise Fund. The WRBP was created to fund those projects that cannot be approved under the SWRP and are not eligible for funding or there is insufficient loan capacity under the Drinking Water Revolving Fund (DWRF) or the Water Pollution Control Revolving Fund (WPCRF), two other funds administered by the Authority. The Authority is authorized to finance individual water resources project loans of \$500 million or less without approval from the State legislature. All costs of project development may be financed through the WRBP. Each local government evidences its obligations 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 governmental agencies, are sufficient to pay the principal and interest on the bonds issued by the Authority. During the construction period, investment interest earned in the borrowers' project accounts may be requisitioned for project costs or to decrease loan interest payable to the Authority. Therefore, the Authority records investment interest as a liability in the accounts payable – borrowers account in the Statement of Net Assets.

During 2008, two new loan programs were created in the Water Operations Fund. Senate Bill 08-221 (the Act) was enacted and authorized the Authority to issue bonds within the Watershed Protection and Forest Health Projects program (WPFHP). Issued bonds are limited to a maximum of \$50 million and the proceeds would be used to fund loans to local governments. The loans will be made for approved projects, subject to the terms specified in the Act. One of the primary purposes for the program is to mitigate the effects of the pine bark beetle infestation in the Colorado forests. In June 2008, the Authority's Board of Directors approved a Small Hydropower Loan Program (SHLP) for implementation in 2009. Loans for this program will be funded from unrestricted Authority cash and are limited to a maximum of \$2 million per borrower, up to a combined total of \$10 million. The maximum loan term is 20 years and will bear an interest rate of 2%.

Animas-La Plata Project

In a 2001 contract with the Animas-La Plata Water Conservancy District (the District) the Authority agreed to fund the District's payment of the non-tribal water capital obligation of the reconfigured Animas-La Plata Project in exchange for the District's 2,600 ac-ft of average annual 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. The Authority makes construction progress payments to the Bureau for the construction of Animas-La Plata Project facilities. Payments to the Bureau totaled \$800,019 and \$1,737,455 in 2008 and 2007, respectively. These payments are capitalized as Water depletion rights on the Statement of Net Assets.

In 2002 the Authority entered into a marketing agreement with the District to promote the sale of these water depletion rights. In early 2005, the 2,600 ac-ft of average annual depletion was committed to two entities. The District contracted to purchase 700 ac-ft of average annual depletion and provided an earnest money deposit of \$90,453. In addition, the City of Durango executed an agreement giving it the option to purchase 1,900 ac-ft of average annual depletion and provided an option payment of \$1,051,175. Both parties will be required to pay the remaining amounts due at project completion. It is currently anticipated that the project will be completed in 2012.

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Water Pollution Control Enterprise Fund

The Water Pollution Control Enterprise Fund includes the operations of the WPCRF, also known as the State Revolving Fund, and the 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 governmental agencies for the construction of publicly owned wastewater treatment projects and nonpoint source 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 Agreement under which each has agreed to assume specified responsibilities in connection with the operation of the WPCRF. In 2008 and 2007, the Authority paid the two agencies \$1,180,865 and \$583,350, respectively, in accordance with the agreement. 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 by 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, bond proceeds and reloan funds (recycled grant funds). The matching requirement for the federal grants is provided by the Authority in the form of cash.

When a loan to a local governmental agency is funded 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. In lieu of federal grant funds, the Authority may deposit a predetermined amount of "reloan" funds (recycled grant funds) to the reserve account upon bond closing. Earnings on such reserve are used to reduce the loan interest payable by the borrower.

Each local governmental agency 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 loan repayments made by the local governmental agencies pursuant to direct loan agreements are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (which includes an administrative surcharge). The loan repayments made by the local governmental agencies pursuant to leveraged loan agreements are structured, in the aggregate, to provide amounts sufficient to repay principal, premium (if any) and interest (less certain expected investment earnings) on the bonds issued by the Authority for the leveraged loans, as well as cash advances or bonds issued to provide the state matching requirements (if needed), and an administrative surcharge.

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Loans are made at or below market interest rates (at terms generally not exceeding 20 years plus the construction period) with principal and interest payments commencing not later than one year after completion of the borrowers' projects. During 2005, the Board approved a Disadvantaged Community Loan Program, whereby local governmental entities, with populations of 5,000 or less, may receive loans up to \$2 million for a term of 20 years. This program became effective January 1, 2006. These loans carry a 0% interest rate if the community's median household income is less than or equal to 60% of the State's median household income, and an interest rate of 50% of the approved direct loan rate if the community's median household income is 61% to 80% of the State's median household income.

Drinking Water Enterprise Fund

Drinking Water Revolving Fund

The Drinking Water Enterprise Fund includes the operations of the 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 fund 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 Agreement under which each has agreed to assume specified responsibilities in connection with the operation of the DWRF. In 2008 and 2007, the Authority paid the two agencies \$4,911,466 and \$4,204,271, respectively, in accordance with the agreement, which includes set-asides paid to the Water Quality Control Division of the Colorado Department of Public Health and Environment as discussed below. 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 by 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 agencies, either individually or in pools. Loans/grants to borrowers may be provided from federal grants, bond proceeds, reloan funds and state funds. The matching requirement for the federal grants is provided by the Authority in the form of cash.

When a loan to a local governmental agency is funded 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. In lieu of federal grant funds, the Authority may deposit a predetermined amount of reloan funds to

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the reserve account upon bond closing. Earnings on such reserve are used to reduce the loan interest payable by the borrower.

Each local governmental agency 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 loan repayments made by the local governmental agencies pursuant to direct loan agreements are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (which includes an administrative surcharge). The loan repayments made by the local governmental agencies pursuant to leveraged loan agreements are structured, in the aggregate, to provide amounts sufficient to repay principal, premium (if any) and interest (less certain expected investment earnings) on the bonds issued by the Authority for the leveraged loans, as well as cash advances or bonds issued to provide the state matching requirements (if needed), and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years plus the construction period) with principal and interest payments commencing not later than one year after completion of the borrowers' project(s). During 2005, the Board approved a Disadvantaged Community Loan Program, whereby local governmental entities, with populations of 5,000 or less, may receive loans up to \$2 million for a term of up to 30 years. These loans carry a 0% interest rate if the community's median household income is less than or equal to 60% of the State's median household income, and an interest rate of 50% of the approved direct loan rate if the community's median household income is 61% to 80% of the State's median household income.

Set Asides

The SDWA allows the State to "set aside" up to 31% of the annual capitalization grant for water quality 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 DWRP'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. Up to 4% of the Authority's capitalization grants may be used for administration, and up to 2% of the capitalization 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 DWRP loaned State-funded monies directly to local governmental agencies.

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Note 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 activities. To account for these activities, the accounts of the Authority are organized on the basis of three separate enterprise funds, each of which is considered a separate accounting entity. 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 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

(b) Basis of Accounting

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting where revenues are recognized when earned and expenses when incurred for all exchange transactions, while those from government-mandated nonexchange transactions (principally federal grants) are recognized when all applicable eligibility requirements are met. As permitted by 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.

(c) Cash Equivalents

The Authority considers cash deposits held by the 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 and wastewater projects. An allowance for uncollectible loans receivable has not been established since historical collection experience has shown amounts to be fully collected when due.

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(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, state match holding accounts and the Animas-La Plata earnest money deposits and escrow accounts. Leveraged loans receivable provide security for the associated bonds; and loan payments received, net of state match principal and administrative fees, are restricted for payment of bond debt service.

(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 effective 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. The cost of issuing bonds in the Water Operations Fund are recorded as other assets, and are being amortized over the life of the bonds, and amortization is a component of bond interest expense. 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. Prepaid loan interest, resulting from a negotiated early loan pay off, is amortized over the number of years for which interest was prepaid.

Depending on the bond pricing structure, original issue discounts or premiums subtract from, or add to, net bond proceeds. The net proceeds are deposited in borrowers' project accounts and are made available for requisitions. Because the monetary effects of the discounts and premiums are passed through to the borrowers, the Authority makes no provision for amortization of these amounts.

(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 and are recorded in other liabilities in the statement of net assets.

(i) Project Costs Payable

Project costs payable represents the liability of amounts loaned to borrowers that have not been requisitioned by the borrowers for their projects as of year-end. Project costs payable – leveraged loans is the liability for loans funded from bond proceeds, while project costs payable – direct loans is the liability for loans funded with available cash (reloan) or federal grant dollars, within the respective fund.

(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.

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(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 EPA capitalization grants 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) Advance Refunding of Bonds

When favorable market conditions develop, the Authority considers advance refunding earlier bond issues having higher interest rates. The Authority's refunding policy includes a targeted 5% present value savings rate before the refunding process is considered cost beneficial. Proceeds from the refunding bonds are used to pay bond issuance costs, including estimated future administrative costs of the Authority, and the balance of the proceeds is deposited into the refunded bonds escrow account. Transferring the bonds to an escrow account constitutes a legal defeasance; therefore, the refunded bonds are removed from the financial statements. The Authority's current policy is to pass the refunding benefits through to respective leveraged loan borrowers. The reduction in bond debt service is credited to the loan repayments of the borrowers.

(o) Resource Use

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

(p) Arbitrage Rebate Payable

The Authority accrues a liability for its estimated arbitrage rebate liability due the Federal government. An arbitrage rebate liability is created when, in certain circumstances, the Authority reinvests the proceeds of tax-exempt securities in higher yielding taxable securities. The amount the Authority will be required to remit to the Federal government could differ materially from the estimated liability in the near term. Arbitrage rebate payable is included in other liabilities on the statement of net assets.

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Note 3: Deposits and Investments

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of Colorado government deposit cash in eligible public depositories. State regulators determine the eligibility of depositories. 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 102% of 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, 2008 and 2007, the Authority's deposits had a bank balance of \$1,537,082 and \$12,362,393, respectively, and a carrying amount of \$1,246,807 and \$12,209,775, respectively. The differences between the bank balances and carrying amounts are due to outstanding reconciling items (primarily outstanding checks) at year-end. Of the bank balances, \$250,000 and \$100,000 was insured by federal depository insurance at December 31, 2008 and 2007, respectively.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's investment policy (the policy) does not limit the amount of deposit custodial credit risk. Under the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3* (GASB 40), deposits collateralized under PDPA are not deemed to be exposed to custodial credit risk. Accordingly, \$1,128,875 and \$11,994,053 was deemed to be exposed to custodial credit risk in 2008 and 2007, respectively.

	2008	2007
Collateralized by bank's single collateral pool for all public entities, but not held in the Authority's name	\$ 158,207	\$ 318,340
Collateralized with securities held by bank's trust department or agent, but not held in the Authority's name	<u>1,128,875</u>	<u>11,944,053</u>
	<u>\$ 1,287,082</u>	<u>\$ 12,262,393</u>

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

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- Commercial paper
- Written repurchase agreements collateralized at no less than 102% by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools

The Authority's investment policy authorizes similar investments to those detailed above, although certain investments such as guaranteed investment contracts are not authorized by the policy. The policy also differentiates the allowable investments for operating funds and the investment of bond proceeds and contributions to debt service reserve funds.

Colorado Local Government Liquid Asset Trust (the COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds and is considered a 2a7-like investment pool. 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.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is evidenced by a rating issued by a nationally recognized statistical rating organization (NRSRO), which regularly rate such obligations. The table below shows the minimum rating required by State statutes, the policy, debt agreements or investment agreements, and the actual rating at year-end. The investment in pooled funds managed by the State Treasurer is not rated and direct obligations of the U.S. government and other debt guaranteed by the U.S. government are exempt from credit risk disclosure.

Although the policy requires repurchase agreements to be collateralized by authorized securities with a market value no less than 102% of the carrying value of the investment, all existing repurchase agreements specify a collateralization rate of 103% if the securities are direct obligations of the U.S. government and most agreements specify a 105% collateralization rate for authorized agency securities, if allowed. Repurchase agreements provide the flexibility needed by the Authority's loan programs for on-demand principal redemption from borrower project accounts as well as scheduled annual redemptions, over a twenty-year period, from bond debt service reserve funds. The ratings of the repurchase agreements below, as of December 31, 2008 and 2007, reflect the rating of the underlying securities held as collateral.

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2008

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Not Rated	NRSRO Rating
Deposits	\$ 1,246,807		X		
Cash held by State Treasurer (see below)	69,950,826	N/A		X	
COLOTRUST PLUS	143,366,627	N/A			AAA
Total cash and cash equivalents	<u>214,564,260</u>				
U.S. Treasury Notes - SLGS	36,645,978	N/A	X		
U.S. Treasury Bonds	7,234,431	N/A	X		
Repurchase Agreements-collateralized	237,754,190				See Detail Below
Total Investments	<u>281,634,599</u>				
Total cash and invested funds	<u>\$ 496,198,859</u>				

2007

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Not Rated	NRSRO Rating
Deposits	\$ 12,209,775		X		
Cash held by State Treasurer (see below)	60,429,626	N/A		X	
COLOTRUST PLUS	106,451,103	N/A			AAA
Total cash and cash equivalents	<u>179,090,504</u>				
U.S. Treasury Notes - SLGS	11,305,435	N/A	X		
U.S. Treasury Bonds	9,227,134	N/A	X		
Repurchase Agreements-collateralized	311,683,451				See Detail Below
Total Investments	<u>332,216,020</u>				
Total cash and invested funds	<u>\$ 511,306,524</u>				

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Below is a schedule that summarizes the credit quality of the securities held as collateral for the repurchase agreements, as of December 31, 2008 and 2007:

		2008		
		Collateral Securities		
		Custodian		
	Exempt From Disclosure	Portfolio Percent	NRSRO Rating	
U.S. Treasuries and other direct obligations	X	7.8%		
Government agencies		92.2%	AAA	
Total		100.0%		

		2007		
		Collateral Securities		
		Custodian		
	Exempt From Disclosure	Portfolio Percent	NRSRO Rating	
U.S. Treasuries and other direct obligations	X	5.1%		
Government agencies		94.9%	AAA	
Total		100.0%		

The cash held by the State Treasurer is invested in the types of securities shown below as disclosed in the State Treasurer's report as of December 31, 2008 and 2007:

		2008						
		Credit Rating of Pool Securities						
	A1/P1	AAA	AA	A	BBB	Other	Portfolio Percent	
Asset Backed		100.0%					13.3%	
Corporates		10.9%	25.6%	48.6%	13.8%	1.1%	8.1%	
Mortgage Securities		100.0%					5.9%	
Commercial Paper	100.0%						2.6%	
Treasuries		100.0%					8.3%	
Federal Agencies		100.0%					50.3%	
Treasury Bills	100.0%						1.8%	
Certificates of Deposit						100.0%	1.4%	
Money Market Funds						100.0%	8.3%	
Total Portfolio	4.4%	78.7%	2.1%	3.9%	1.1%	9.8%	100.0%	

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	2007						Portfolio Percent
	Credit Rating of Pool Securities						
	A1/P1	AAA	AA	A	BBB	Other	
Asset Backed		100.0%					15.0%
Corporates		10.6%	43.1%	42.4%	3.9%		9.1%
Mortgage Securities		100.0%					3.6%
Commercial Paper	100.0%					*	20.9%
Treasuries		100.0%					9.3%
Federal Agencies		100.0%					33.8%
Certificates of Deposit						100.0%	1.2%
Money Market Funds						100.0%	7.1%
Total Portfolio	20.9%	62.6%	3.9%	3.9%	0.4%	8.3%	100.0%

* The senior debt of the issuers are Ba1 & B1, but the asset backed commercial paper programs are rated A1+, P1

Custodial Credit Risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The schedules below show repurchase agreements totaling \$237,754,190 and \$311,683,451 as of December 31, 2008 and 2007, respectively, were acquired by the Authority's trustee, and the investments are held in the trustee's bank account at the Federal Reserve in book entry form. Consequently, the trustee is considered to be the purchaser as well as the custodian of the investments. Because the investments are not held in the Authority's name, the entire balance of repurchase agreements is subject to custodial credit risk. The policy does not limit custodial credit risk; however, the Board approves each repurchase agreement in conjunction with an associated bond resolution.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Pooled investments and direct obligations of the U.S. government are exempt from concentration of credit risk disclosure. Investments that represent 5% or more of total investments are shown in the tables below.

The schedules below show that five repurchase agreement providers (eligible providers) exceed 5% of total funds invested as of December 31, 2008 and 2007. Only a limited number of eligible providers offer this type of investment agreement, which results in a higher level of investment concentration. To ensure a price that equals fair market value the Authority makes a good faith effort to meet the safe harbor provision of Treasury Regulation Sec. 1.148-5(d)(6)(iii), which requires a minimum of three bids be obtained from eligible providers. The fair market value is then used to determine the yield for arbitrage purposes. The policy does not limit the concentration of repurchase agreements with any one eligible provider.

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2008

Investment Type	Fair Value	Exempt From Disclosure	Pct of Total Invest.
Cash held by State Treasurer	\$ 69,950,826		14.1%
COLOTRUST PLUS	143,366,627	X	N/A
U.S. Treasury Notes - SLGS	36,645,978	X	N/A
U.S. Treasury Bonds	7,234,431	X	N/A
Repurchase Agreements-collateralized			
Trinity Plus Funding Company LLC	64,344,440		13.0%
MBIA Asset Management LLC	14,461,729	X	N/A
HSBC Bank USA N.A.	970,392	X	N/A
Westdeutsche Landesbank	838,160	X	N/A
Salomon Reinvestment Co./Citigroup Global	39,371,540		8.0%
American International Group	63,298,351		12.8%
FSA Capital Management Services LLC	26,460,514		5.3%
Societe Generale	28,009,064		5.7%
Total funds invested	<u>\$ 494,952,052</u>		

2007

Investment Type	Fair Value	Exempt From Disclosure	Pct of Total Invest.
Cash held by State Treasurer	\$ 60,429,626		12.1%
COLOTRUST PLUS	106,451,103	X	N/A
U.S. Treasury Notes - SLGS	11,305,435	X	N/A
U.S. Treasury Bonds	9,227,134	X	N/A
Repurchase Agreements-collateralized			
Trinity Plus Funding Company LLC	67,913,436		13.6%
MBIA Asset Management LLC	19,387,449	X	N/A
HSBC Bank USA N.A.	919,393	X	N/A
Westdeutsche Landesbank	931,135	X	N/A
Salomon Reinvestment Co./Citigroup Global	41,556,358		8.3%
American International Group	74,037,684		14.8%
FSA Capital Management Services LLC	62,374,415		12.5%
Societe Generale	44,563,581		8.9%
Total funds invested	<u>\$ 499,096,749</u>		

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy, in accordance with Colorado law, limits the purchase of investments to securities with maturity dates of five years or less, unless the Board authorizes maturities in excess of five years. Pursuant to the terms of bond resolutions, the Board approves investments, held in debt service reserve funds, with maturities coinciding with bond maturities, normally of twenty years or more. These investments are exposed to interest rate risk; however, that risk is considered acceptable because the fixed earnings from these investments, included in the cash flow model, is required for future bond debt service.

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As of December 31, 2008 and 2007, the Authority had the following investments and maturities:

Maturity	2008			Total Investments
	U.S. Treasury Notes - SLGS	U.S. Treasury Bonds	Repurchase Agreements	
2009	\$ 13,265,494	\$ 362,621	\$ 37,994,978	\$ 51,623,093
2010	4,078,279	1,316,338	12,933,975	18,328,592
2011	1,724,555	2,752,162	13,585,037	18,061,754
2012	1,141,124	1,781,507	14,122,229	17,044,860
2013	806,492	720,429	14,405,250	15,932,171
2014-2018	4,620,207	301,374	67,406,048	72,327,629
2019-2023	4,417,143	-	48,317,906	52,735,049
2024-2028	5,304,259	-	28,988,767	34,293,026
2029-2030	1,288,425	-	-	1,288,425
Total	\$ <u>36,645,978</u>	\$ <u>7,234,431</u>	\$ <u>237,754,190</u>	\$ <u>281,634,599</u>

Maturity	2007			Total Investments
	U.S. Treasury Notes - SLGS	U.S. Treasury Bonds	Repurchase Agreements	
2008	\$ 3,572,453	\$ 51,918	\$ 91,080,926	\$ 94,705,297
2009	3,559,249	410,428	33,533,849	37,503,526
2010	2,489,256	1,657,313	12,283,907	16,430,476
2011	1,047,857	3,231,260	12,596,746	16,875,863
2012	377,353	2,330,397	12,972,904	15,680,654
2013-2017	259,267	1,545,818	65,536,960	67,342,045
2018-2022	-	-	54,399,954	54,399,954
2023-2027	-	-	27,878,342	27,878,342
2028-2029	-	-	1,399,863	1,399,863
Total	\$ <u>11,305,435</u>	\$ <u>9,227,134</u>	\$ <u>311,683,451</u>	\$ <u>332,216,020</u>

The U.S. Treasury Bonds, with maturity dates after 2008, are held in debt service reserve funds that secure certain revenue bonds in the WPCRF, and are subject to put agreements. These agreements allow the Authority to sell or “put” treasury bonds to the counterparty in the event of a loan receivable default, and the proceeds would be used to pay bond debt service. The agreements include schedules containing put prices that correspond to the WPCRF bond debt service dates. Each agreement also contains mandatory put dates and prices that allow for the sale of the treasury bonds, thereby allowing the Authority to use the proceeds to fund future loans.

As previously discussed, the Authority had \$69,950,826 and \$60,429,626 as of December 31, 2008 and 2007, respectively, invested in the pool maintained by the State Treasurer, and that pool had an average maturity of 13.8 and 13.3 months as of December 31, 2008 and 2007, respectively. The Authority’s investment represents approximately 1.2% and 1.3% of the total pool as of December 31, 2008 and 2007, respectively.

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Note 4: Loans Receivable

The following is an analysis of changes in loans receivable for the years ended December 31, 2008 and 2007:

	<u>Balance January 1, 2008</u>	<u>New loans</u>	<u>Repayments/ loans canceled</u>	<u>Balance December 31, 2008</u>
Water Operations Fund:				
Small Water Resources Program	\$ 90,377,499	\$ —	\$ 8,675,000	\$ 81,702,499
Water Revenue Bond Program	360,410,000	—	6,340,000	354,070,000
Interim loans	—	2,316,984	2,038,797	278,187
Water Pollution Control Fund:				
Direct loans	28,927,381	7,044,662	2,634,584	33,337,459
Leveraged loans	488,502,284	13,392,445	30,163,322	471,731,407
Drinking Water Fund:				
Direct loans	24,805,479	7,186,200	1,319,330	30,672,349
Leveraged loans	186,847,004	22,829,792	10,023,678	199,653,118
	<u>1,179,869,647</u>	<u>\$ 52,770,083</u>	<u>\$ 61,194,711</u>	<u>1,171,445,019</u>
Less current portion	<u>54,603,530</u>			<u>57,312,885</u>
Noncurrent portion	<u>\$ 1,125,266,117</u>			<u>\$ 1,114,132,134</u>

	<u>Balance January 1, 2007</u>	<u>New loans</u>	<u>Repayments/ loans canceled</u>	<u>Balance December 31, 2007</u>
Water Operations Fund:				
Small Water Resources Program	\$ 96,685,833	\$ —	\$ 6,308,334	\$ 90,377,499
Water Revenue Bond Program	366,570,000	—	6,160,000	360,410,000
Interim loans	1,817,060	182,940	2,000,000	—
Water Pollution Control Fund:				
Direct loans	25,378,837	5,225,000	1,676,456	28,927,381
Leveraged loans	478,992,755	37,123,024	27,613,495	488,502,284
Drinking Water Fund:				
Direct loans	24,554,279	1,592,397	1,341,197	24,805,479
Leveraged loans	196,997,390	—	10,150,386	186,847,004
	<u>1,190,996,154</u>	<u>\$ 44,123,361</u>	<u>\$ 55,249,868</u>	<u>1,179,869,647</u>
Less current portion	<u>54,321,779</u>			<u>54,603,530</u>
Noncurrent portion	<u>\$ 1,136,674,375</u>			<u>\$ 1,125,266,117</u>

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Scheduled maturities of the loans receivable are as follows as of December 31, 2008:

	<u>Water operations</u>		<u>WPCRF</u>		<u>DWRF</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 12,735,687	\$ 20,450,174	\$ 32,541,874	\$ 12,785,089	\$ 12,035,324	\$ 5,276,858	\$ 57,312,885	\$ 38,512,121
2010	14,638,332	20,008,019	33,463,229	12,598,623	13,425,196	5,095,283	61,526,757	37,701,925
2011	16,975,834	19,367,449	34,241,001	11,758,033	14,624,246	4,777,086	65,841,081	35,902,568
2012	17,576,667	18,592,247	32,905,498	10,833,396	15,068,225	4,445,301	65,550,390	33,870,944
2013	16,660,000	17,839,964	32,126,187	9,946,866	15,350,264	4,068,786	64,136,451	31,855,616
2014-2018	79,425,834	77,327,310	147,828,658	37,123,752	77,121,735	14,430,515	304,376,227	128,881,577
2019-2023	75,238,332	59,398,626	127,246,388	17,991,604	54,671,348	5,882,588	257,156,068	83,272,818
2024-2028	49,995,000	44,082,269	63,343,744	3,843,720	23,257,887	1,322,848	136,596,631	49,248,837
2029-2033	66,665,000	31,887,781	1,372,287	41,558	3,326,262	55,732	71,363,549	31,985,071
2034-2038	59,070,000	13,255,425	—	—	1,418,227	4,678	60,488,227	13,260,103
2039-2043	27,070,000	4,408,688	—	—	26,753	—	27,096,753	4,408,688
Total	<u>\$ 436,050,686</u>	<u>\$ 326,617,952</u>	<u>\$ 505,068,866</u>	<u>\$ 116,922,641</u>	<u>\$ 230,325,467</u>	<u>\$ 45,359,675</u>	<u>\$ 1,171,445,019</u>	<u>\$ 488,900,268</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 Projects Program loans receivable have interest rates of 3.96% to 7.19% and have scheduled final maturity dates of 2009 to 2023. The Water Revenue Bond Program loans receivable have interest rates of 1.92% to 7.08% and have scheduled maturity dates of 2009 to 2043.

The WPCRF direct loans receivable have interest rates of 0.00% to 5.17% and have maturity dates of 2010 to 2029. The WPCRF leveraged loans receivable have interest rates of 3.21% to 5.20% and have scheduled final maturity dates of 2009 to 2030.

The Drinking Water Fund direct loans receivable have interest rates of 0.00% to 4.50% and have scheduled final maturity dates of 2012 to 2039. The Drinking Water Fund leveraged loans receivable have interest rates of 3.03% to 4.60% and have scheduled final maturity dates of 2014 to 2030.

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Note 5: Capital Assets

Capital assets activity for the years ended December 31, 2008 and 2007 was as follows:

	2008			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$ 122,282	\$ -	\$ 22,116	\$ 100,166
Less accumulated depreciation for equipment	<u>(96,787)</u>	<u>(10,653)</u>	<u>(22,116)</u>	<u>(85,324)</u>
	<u><u>\$ 25,495</u></u>	<u><u>\$ (10,653)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,842</u></u>
	2007			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$ 165,169	\$ 17,089	\$ 59,976	\$ 122,282
Less accumulated depreciation for equipment	<u>(141,738)</u>	<u>(15,025)</u>	<u>(59,976)</u>	<u>(96,787)</u>
	<u><u>\$ 23,431</u></u>	<u><u>\$ 2,064</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,495</u></u>

Depreciation expense for the years ended December 31, 2008 and 2007 was \$10,653 and \$15,025, respectively.

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Note 6: Noncurrent Liabilities

Other than Bonds

Noncurrent liability activity, other than bonds, for the year ended December 31, 2008, was as follows:

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2008</u>	<u>Current portion</u>
Water operations:					
Project costs payable – leveraged loans	\$ 16,915,040	\$ —	\$ 12,404,433	\$ 4,510,607	\$ 4,510,607
Debt service reserve deposit	1,861,513	—	—	1,861,513	—
Other liabilities	1,307,294	91,859	87,331	1,311,822	—
Total water operations	<u>\$ 20,083,847</u>	<u>\$ 91,859</u>	<u>\$ 12,491,764</u>	<u>\$ 7,683,942</u>	<u>\$ 4,510,607</u>
Water pollution control:					
Project costs payable – direct loans	\$ 8,348,512	\$ 7,044,662	\$ 9,392,995	\$ 6,000,179	\$ 6,000,179
Project costs payable – leveraged loans	69,122,484	13,325,000	34,575,566	47,871,918	46,471,918
Advance payable	3,078,683	1,079,820	4,000,000	158,503	—
Deferred revenue	626,380	106,958	56,509	676,829	—
Other liabilities	3,738,377	969,364	1,838,880	2,868,861	289,008
Total water pollution control	<u>\$ 84,914,436</u>	<u>\$ 22,525,804</u>	<u>\$ 49,863,950</u>	<u>\$ 57,576,290</u>	<u>\$ 52,761,105</u>
Drinking water:					
Project costs payable – direct loans	\$ 4,392,848	\$ 7,186,200	\$ 4,534,568	\$ 7,044,480	\$ 7,044,480
Project costs payable – leveraged loans	33,741,351	22,465,000	19,242,407	36,963,944	36,783,944
Deferred revenue	96,503	—	6,579	89,924	—
Other liabilities	1,801,939	611,677	704,027	1,709,589	539,791
Total drinking water	<u>\$ 40,032,641</u>	<u>\$ 30,262,877</u>	<u>\$ 24,487,581</u>	<u>\$ 45,807,937</u>	<u>\$ 44,368,215</u>
Total enterprise funds:					
Project costs payable – direct loans	\$ 12,741,360	\$ 14,230,862	\$ 13,927,563	\$ 13,044,659	\$ 13,044,659
Project costs payable – leveraged loans	119,778,875	35,790,000	66,222,406	89,346,469	87,766,469
Debt service reserve deposit	1,861,513	—	—	1,861,513	—
Advance payable	3,078,683	1,079,820	4,000,000	158,503	—
Deferred revenue	722,883	106,958	63,088	766,753	—
Other liabilities	6,847,610	1,672,900	2,630,238	5,890,272	828,799
Total enterprise funds	<u>\$ 145,030,924</u>	<u>\$ 52,880,540</u>	<u>\$ 86,843,295</u>	<u>\$ 111,068,169</u>	<u>\$ 101,639,927</u>

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Noncurrent liability activity, other than bonds, for the year ended December 31, 2007, was as follows:

	<u>Balance January 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2007</u>	<u>Current portion</u>
Water operations:					
Project costs payable –					
leveraged loans	\$ 105,805,897	\$ —	\$ 88,890,857	\$ 16,915,040	\$ 13,948,641
Debt service reserve deposit	1,861,513	—	—	1,861,513	—
Other liabilities	<u>1,840,957</u>	<u>336,314</u>	<u>869,977</u>	<u>1,307,294</u>	<u>—</u>
Total water operations	<u>\$ 109,508,367</u>	<u>\$ 336,314</u>	<u>\$ 89,760,834</u>	<u>\$ 20,083,847</u>	<u>\$ 13,948,641</u>
Water pollution control:					
Project costs payable –					
direct loans	\$ 7,392,220	\$ 5,225,000	\$ 4,268,708	\$ 8,348,512	\$ 8,348,512
Project costs payable –					
leveraged loans	72,700,969	38,712,000	42,290,485	69,122,484	45,394,484
Advance payable	5,369,103	1,709,580	4,000,000	3,078,683	—
Deferred revenue	682,890	—	56,510	626,380	—
Other liabilities	<u>4,785,433</u>	<u>1,054,241</u>	<u>2,101,297</u>	<u>3,738,377</u>	<u>584,593</u>
Total water pollution control	<u>\$ 90,930,615</u>	<u>\$ 46,700,821</u>	<u>\$ 52,717,000</u>	<u>\$ 84,914,436</u>	<u>\$ 54,327,589</u>
Drinking water:					
Project costs payable –					
direct loans	\$ 7,377,430	\$ 1,592,397	\$ 4,576,979	\$ 4,392,848	\$ 4,392,848
Project costs payable –					
leveraged loans	49,517,784	—	15,776,433	33,741,351	28,147,340
Deferred revenue	103,083	—	6,580	96,503	—
Other liabilities	<u>1,666,532</u>	<u>780,009</u>	<u>644,602</u>	<u>1,801,939</u>	<u>180,252</u>
Total drinking water	<u>\$ 58,664,829</u>	<u>\$ 2,372,406</u>	<u>\$ 21,004,594</u>	<u>\$ 40,032,641</u>	<u>\$ 32,720,440</u>
Total enterprise funds:					
Project costs payable –					
direct loans	\$ 14,769,650	\$ 6,817,397	\$ 8,845,687	\$ 12,741,360	\$ 12,741,360
Project costs payable –					
leveraged loans	228,024,650	38,712,000	146,957,775	119,778,875	87,490,465
Debt service reserve deposit	1,861,513	—	—	1,861,513	—
Advance payable	5,369,103	1,709,580	4,000,000	3,078,683	—
Deferred revenue	785,973	—	63,090	722,883	—
Other liabilities	<u>8,292,922</u>	<u>2,170,564</u>	<u>3,615,876</u>	<u>6,847,610</u>	<u>764,845</u>
Total enterprise funds	<u>\$ 259,103,811</u>	<u>\$ 49,409,541</u>	<u>\$ 163,482,428</u>	<u>\$ 145,030,924</u>	<u>\$ 100,996,670</u>

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Bonds Payable

The following is an analysis of changes in bonds payable for the year ended December 31, 2008:

	<u>Balance January 1, 2008</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2008</u>
Water Operations:				
Small Water Resources Program:				
1992 Series B	\$ 255,000	\$ —	\$ 255,000	\$ —
1993 Series A	2,445,000	—	780,000	1,665,000
1994 Series A	2,180,000	—	420,000	1,760,000
1996 Series A	3,415,000	—	2,490,000	925,000
1997 Series A	2,880,000	—	245,000	2,635,000
1997 Series B	6,165,000	—	1,210,000	4,955,000
1998 Series A	5,220,000	—	375,000	4,845,000
1998 Series B	7,920,000	—	1,430,000	6,490,000
2000 Series A	10,875,000	—	805,000	10,070,000
2001 Series A	13,870,000	—	270,000	13,600,000
2002 Series A	13,765,000	—	185,000	13,580,000
2003 Series A	8,960,000	—	225,000	8,735,000
2006 Series A	13,820,000	—	340,000	13,480,000
	<u>91,770,000</u>	<u>—</u>	<u>9,030,000</u>	<u>82,740,000</u>
Water Revenue Bonds Program:				
1998 Taxable Series	1,605,000	—	225,000	1,380,000
2003 Series A	11,740,000	—	540,000	11,200,000
2003 Series B	1,375,000	—	680,000	695,000
2004 Series A	12,820,000	—	540,000	12,280,000
2004 Series B	19,700,000	—	5,000	19,695,000
2004 Series C	16,200,000	—	1,800,000	14,400,000
2004 Series D	102,415,000	—	1,105,000	101,310,000
2004 Series E	3,135,000	—	140,000	2,995,000
2005 Series A	52,235,000	—	905,000	51,330,000
2005 Series B	2,135,000	—	85,000	2,050,000
2005 Series C	7,870,000	—	155,000	7,715,000
2005 Series D	100,000,000	—	—	100,000,000
2005 Series E	26,270,000	—	—	26,270,000
2005 Series F	3,450,000	—	145,000	3,305,000
	<u>360,950,000</u>	<u>—</u>	<u>6,325,000</u>	<u>354,625,000</u>
Total Water Operations	452,720,000	\$ —	\$ 15,355,000	437,365,000
Less deferred costs	(576,939)			(458,172)
Less current portion	(13,110,000)			(12,685,000)
Noncurrent bonds payable – Water Operations	<u>\$ 439,033,061</u>			<u>\$ 424,221,828</u>

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	<u>Balance January 1, 2008</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2008</u>
Water Pollution Control Revolving Fund – Clean Water Revenue Bonds:				
1989 Series A	\$ 165,000	\$ —	\$ 65,000	\$ 100,000
1990 Series A	45,000	—	25,000	20,000
1991 Series A	755,000	—	260,000	495,000
1991 Series B	465,000	—	190,000	275,000
1992 Series A	335,000	—	90,000	245,000
1992 Series B	1,005,000	—	235,000	770,000
1994 Series A	545,000	—	135,000	410,000
1995 Series A	870,000	—	170,000	700,000
1996 Series A	265,000	—	45,000	220,000
1997 Series A	2,680,000	—	340,000	2,340,000
1998 Series A	3,010,000	—	1,655,000	1,355,000
1998 Series B	2,095,000	—	705,000	1,390,000
1999 Series A	5,620,000	—	2,180,000	3,440,000
2000 Series A	6,275,000	—	1,500,000	4,775,000
2001 Series A	16,495,000	—	3,090,000	13,405,000
2002 Series A	45,515,000	—	2,520,000	42,995,000
2002 Series B	20,310,000	—	685,000	19,625,000
2003 Series A	12,620,000	—	660,000	11,960,000
2004 Series A	57,380,000	—	110,000	57,270,000
2005 Series A	37,305,000	—	1,460,000	35,845,000
2005 Series B	15,975,000	—	685,000	15,290,000
2006 Series A	22,370,000	—	785,000	21,585,000
2006 Series B	13,630,000	—	535,000	13,095,000
2007 Series A	35,330,000	—	205,000	35,125,000
2008 Series A	—	12,305,000	—	12,305,000
	<u>301,060,000</u>	<u>12,305,000</u>	<u>18,330,000</u>	<u>295,035,000</u>
Wastewater Revolving Fund Refunding Revenue Bonds:				
1996 Series A	14,425,000	—	2,895,000	11,530,000
2001 Series A	34,060,000	—	4,605,000	29,455,000
2004 Series A	35,450,000	—	1,490,000	33,960,000
2005 Series A and A2	78,040,000	—	—	78,040,000
	<u>161,975,000</u>	<u>—</u>	<u>8,990,000</u>	<u>152,985,000</u>
Total Water Pollution Control Revolving Fund	463,035,000	\$ <u>12,305,000</u>	\$ <u>27,320,000</u>	448,020,000
Deferred (costs) benefits	780,331			737,923
Less current portion	<u>(27,320,000)</u>			<u>(29,400,000)</u>
Noncurrent bonds payable – Water Pollution Control Revolving Fund	\$ <u>436,495,331</u>			\$ <u>419,357,923</u>

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Drinking Water Revolving Fund:				
Revenue Bonds:				
1997 Series A	\$ 14,535,000	\$ —	\$ 1,180,000	\$ 13,355,000
1998 Series A	9,940,000	—	715,000	9,225,000
1999 Series A	29,005,000	—	2,500,000	26,505,000
2000 Series A	6,835,000	—	1,475,000	5,360,000
2002 Series A	13,340,000	—	730,000	12,610,000
2003 Series A	19,555,000	—	320,000	19,235,000
2003 Series B	11,150,000	—	535,000	10,615,000
2006 Series A	10,895,000	—	435,000	10,460,000
2006 Series B	36,575,000	—	1,185,000	35,390,000
2008 Series A	—	11,235,000	—	11,235,000
2008 Series B	—	8,870,000	—	8,870,000
	<u>151,830,000</u>	<u>20,105,000</u>	<u>9,075,000</u>	<u>162,860,000</u>
Drinking Water Revolving Fund Refunding Revenue Bonds				
2005 Series A	<u>20,120,000</u>	<u>—</u>	<u>5,000</u>	<u>20,115,000</u>
Total Drinking Water Revolving Fund	171,950,000	<u>\$ 20,105,000</u>	<u>\$ 9,080,000</u>	182,975,000
Deferred (costs) benefits	181,485			163,364
Less current portion	<u>(9,080,000)</u>			<u>(9,600,000)</u>
Noncurrent bonds payable – Drinking Water Revolving Fund	<u>\$ 163,051,485</u>			<u>\$ 173,538,364</u>
Total enterprise funds:				
Revenue bonds at par	\$ 1,087,705,000	<u>\$ 32,410,000</u>	<u>\$ 51,755,000</u>	\$ 1,068,360,000
Deferred (costs) benefits	384,877			443,115
Current portion	<u>(49,510,000)</u>			<u>(51,685,000)</u>
Noncurrent bonds payable, net	<u>\$ 1,038,579,877</u>			<u>\$ 1,017,118,115</u>

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The following is an analysis of changes in bonds payable for the year ended December 31, 2007:

	<u>Balance January 1, 2007</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2007</u>
Water Operations:				
Small Water Resources Program:				
1992 Series B	\$ 495,000	\$ —	\$ 240,000	\$ 255,000
1993 Series A	3,190,000	—	745,000	2,445,000
1994 Series A	2,495,000	—	315,000	2,180,000
1996 Series A	3,735,000	—	320,000	3,415,000
1997 Series A	3,340,000	—	460,000	2,880,000
1997 Series B	7,320,000	—	1,155,000	6,165,000
1998 Series A	5,580,000	—	360,000	5,220,000
1998 Series B	9,290,000	—	1,370,000	7,920,000
2000 Series A	11,560,000	—	685,000	10,875,000
2001 Series A	14,145,000	—	275,000	13,870,000
2002 Series A	13,945,000	—	180,000	13,765,000
2003 Series A	9,180,000	—	220,000	8,960,000
2006 Series A	13,970,000	—	150,000	13,820,000
	<u>98,245,000</u>	<u>—</u>	<u>6,475,000</u>	<u>91,770,000</u>
Water Revenue Bonds Program:				
1998 Taxable Series	1,815,000	—	210,000	1,605,000
2003 Series A	12,270,000	—	530,000	11,740,000
2003 Series B	2,040,000	—	665,000	1,375,000
2004 Series A	13,345,000	—	525,000	12,820,000
2004 Series B	19,705,000	—	5,000	19,700,000
2004 Series C	17,965,000	—	1,765,000	16,200,000
2004 Series D	103,465,000	—	1,050,000	102,415,000
2004 Series E	3,275,000	—	140,000	3,135,000
2005 Series A	53,115,000	—	880,000	52,235,000
2005 Series B	2,220,000	—	85,000	2,135,000
2005 Series C	8,020,000	—	150,000	7,870,000
2005 Series D	100,000,000	—	—	100,000,000
2005 Series E	26,270,000	—	—	26,270,000
2005 Series F	3,590,000	—	140,000	3,450,000
	<u>367,095,000</u>	<u>—</u>	<u>6,145,000</u>	<u>360,950,000</u>
Total Water Operations	465,340,000	\$ —	\$ <u>12,620,000</u>	452,720,000
Less deferred costs	(713,354)			(576,939)
Less current portion	<u>(12,620,000)</u>			<u>(13,110,000)</u>
Noncurrent bonds				
payable – Water Operations	\$ <u>452,006,646</u>			\$ <u>439,033,061</u>

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	<u>Balance January 1, 2007</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2007</u>
Water Pollution Control Revolving Fund – Clean Water Revenue Bonds:				
1989 Series A	\$ 240,000	\$ —	\$ 75,000	\$ 165,000
1990 Series A	80,000	—	35,000	45,000
1991 Series A	1,055,000	—	300,000	755,000
1991 Series B	695,000	—	230,000	465,000
1992 Series A	435,000	—	100,000	335,000
1992 Series B	1,265,000	—	260,000	1,005,000
1994 Series A	700,000	—	155,000	545,000
1995 Series A	1,055,000	—	185,000	870,000
1996 Series A	310,000	—	45,000	265,000
1997 Series A	4,365,000	—	1,685,000	2,680,000
1998 Series A	4,625,000	—	1,615,000	3,010,000
1998 Series B	2,770,000	—	675,000	2,095,000
1999 Series A	7,745,000	—	2,125,000	5,620,000
2000 Series A	7,730,000	—	1,455,000	6,275,000
2001 Series A	19,510,000	—	3,015,000	16,495,000
2002 Series A	47,640,000	—	2,125,000	45,515,000
2002 Series B	20,990,000	—	680,000	20,310,000
2003 Series A	13,275,000	—	655,000	12,620,000
2004 Series A	57,490,000	—	110,000	57,380,000
2005 Series A	38,715,000	—	1,410,000	37,305,000
2005 Series B	16,640,000	—	665,000	15,975,000
2006 Series A	23,270,000	—	900,000	22,370,000
2006 Series B	14,195,000	—	565,000	13,630,000
2007 Series A	—	35,330,000	—	35,330,000
	<u>284,795,000</u>	<u>35,330,000</u>	<u>19,065,000</u>	<u>301,060,000</u>
Wastewater Revolving Fund Refunding Revenue Bonds:				
1996 Series A	17,085,000	—	2,660,000	14,425,000
2001 Series A	38,450,000	—	4,390,000	34,060,000
2004 Series A	35,800,000	—	350,000	35,450,000
2005 Series A and A2	78,040,000	—	—	78,040,000
	<u>169,375,000</u>	<u>—</u>	<u>7,400,000</u>	<u>161,975,000</u>
Total Water Pollution Control Revolving Fund	454,170,000	\$ <u>35,330,000</u>	\$ <u>26,465,000</u>	463,035,000
Deferred (costs) benefits	811,156			780,331
Less current portion	<u>(26,465,000)</u>			<u>(27,320,000)</u>
Noncurrent bonds payable – Water Pollution Control Revolving Fund	<u>\$ 428,516,156</u>			<u>\$ 436,495,331</u>

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	<u>Balance January 1, 2007</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2007</u>
Drinking Water Revolving Fund:				
Revenue Bonds:				
1997 Series A	\$ 15,690,000	\$ —	\$ 1,155,000	\$ 14,535,000
1998 Series A	10,640,000	—	700,000	9,940,000
1999 Series A	31,435,000	—	2,430,000	29,005,000
2000 Series A	8,275,000	—	1,440,000	6,835,000
2002 Series A	14,055,000	—	715,000	13,340,000
2003 Series A	19,875,000	—	320,000	19,555,000
2003 Series B	11,680,000	—	530,000	11,150,000
2006 Series A	11,275,000	—	380,000	10,895,000
2006 Series B	38,045,000	—	1,470,000	36,575,000
	<u>160,970,000</u>	<u>—</u>	<u>9,140,000</u>	<u>151,830,000</u>
Drinking Water Revolving Fund Refunding Revenue Bonds				
2005 Series A	20,125,000	—	5,000	20,120,000
Total Drinking Water Revolving Fund	181,095,000	\$ <u>—</u>	\$ <u>9,145,000</u>	171,950,000
Deferred (costs) benefits	199,607			181,485
Less current portion	<u>(9,145,000)</u>			<u>(9,080,000)</u>
Noncurrent bonds payable – Drinking Water Revolving Fund	\$ <u>172,149,607</u>			\$ <u>163,051,485</u>
Total enterprise funds:				
Revenue bonds at par	\$ 1,100,605,000	\$ <u>35,330,000</u>	\$ <u>48,230,000</u>	\$ 1,087,705,000
Deferred (costs) benefits	297,409			384,877
Current portion	<u>(48,230,000)</u>			<u>(49,510,000)</u>
Noncurrent bonds payable, net	\$ <u>1,052,672,409</u>			\$ <u>1,038,579,877</u>

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All of the 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 Water Resources Revenue Bonds Series 2003A, Series 2003B, Series 2004A, Series 2004B, Series 2004C, Series 2004D, Series 2004E, Series 2005A, Series 2005E and Series 2005F are insured as to payment of principal and interest by MBIA Insurance Corporation. The Water Resources Revenue Bonds Series 2005B and Series 2005C are insured as to payment of principal and interest by Assured Guaranty Corp. The Water Resources Revenue Bonds Series 2005D are insured as to payment of principal and interest by Financial Security Assurance Inc.

As of December 31, 2008, the outstanding bonds of the Authority had original principal amounts of \$141,460,000 for the Small Water Resources Program, \$378,170,000 for the Water Revenue Bonds Program, \$667,980,000 for the Clean Water Revenue Bonds, \$196,140,000 for the Wastewater Revolving Fund Refunding Revenue Bonds, \$240,540,000 for the Drinking Water Revolving Fund Bonds and \$20,305,000 for Drinking Water Revolving Fund Refunding Revenue Bonds, for a total of \$1,644,595,000. Principal payments on the bonds are made annually and interest on the bonds is payable semiannually with interest rates ranging from 1.3% to 7.4% and serial and term principal maturities, including mandatory sinking fund call provisions, extend through the year 2043. All bonds, except the Small Water Resources Series 2006A, the Water Revenue Bonds Series 2003B, the Wastewater Revolving Fund Refunding Revenue Bonds Series 1996A, 2001A, 2005 A and A-2 and the Drinking Water Revolving Fund Refunding Revenue Bonds Series 2005A, have optional initial call provisions, generally eight to ten 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 as of December 31, 2008:

	Water operations		WPCRF		DWRF		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 12,685,000	\$ 20,518,696	\$ 29,400,000	\$ 21,928,054	\$ 9,600,000	\$ 8,322,197	\$ 51,685,000	\$ 50,768,947
2010	14,690,000	20,004,444	29,700,000	20,480,198	10,760,000	7,998,345	55,150,000	48,482,987
2011	16,910,000	19,372,418	30,335,000	18,976,142	11,720,000	7,518,251	58,965,000	45,866,811
2012	17,700,000	18,630,459	29,410,000	17,453,279	12,155,000	7,010,563	59,265,000	43,094,301
2013	16,630,000	17,848,845	28,180,000	15,990,955	12,370,000	6,469,030	57,180,000	40,308,830
2014-2018	78,985,000	77,655,467	131,650,000	60,191,821	63,025,000	23,552,902	273,660,000	161,400,190
2019-2023	75,930,000	59,752,062	113,555,000	28,649,745	44,250,000	9,945,782	233,735,000	98,347,589
2024-2028	51,030,000	44,106,850	54,590,000	5,876,834	17,845,000	2,505,606	123,465,000	52,489,290
2029-2033	66,665,000	31,887,781	1,200,000	74,700	1,250,000	89,950	69,115,000	32,052,431
2034-2038	59,070,000	13,255,425	—	—	—	—	59,070,000	13,255,425
2039-2043	27,070,000	4,408,688	—	—	—	—	27,070,000	4,408,688
Total	\$ 437,365,000	\$ 327,441,135	\$ 448,020,000	\$ 189,621,728	\$ 182,975,000	\$ 73,412,626	\$ 1,068,360,000	\$ 590,475,489

Total interest expense for 2008 and 2007 amounted to \$21,482,809, \$22,552,646, \$8,102,346 and \$22,126,089, \$22,794,027, \$8,201,924 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.

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The Authority has provided a Debt Service Bond Reserve Account at least equal to the debt service reserve requirement under the Small Water Resources Bond Resolution. At December 31, 2008 and 2007, the Small Water Resources Debt Service Reserve Account 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 (excluding refunding bonds) of outstanding Small Water Resources Revenue Bonds at the current funding level for the Small Water Resources Debt Service Reserve Account. At December 31, 2008 and 2007, the Authority had \$82,740,000 and \$91,770,000 of outstanding Small Water Resources Revenue Bonds, respectively.

Note 7: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2008 and 2007 is as follows:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>2008 Amount</u>	<u>2007 Amount</u>
Water Operations	Water Pollution Control	\$ 411,210	\$ 242,089
	Drinking Water	<u>1,261,246</u>	<u>1,317,475</u>
Total		<u>\$ 1,672,456</u>	<u>\$ 1,559,564</u>

The outstanding balances between funds result from the Water Operations Fund paying certain operating expenses of the Water Pollution Control Fund and Drinking Water Fund for which it is reimbursed.

Interfund Transfers

<u>Transfer Out</u>	<u>2008 Transfer In</u>
Water Pollution Control	<u>Drinking Water</u>
\$	<u>122,605</u>

Administrative fees collected in the Water Pollution Control Fund were transferred to the Drinking Water Fund to pay certain administrative expenses.

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Note 8: Board-Designated Accounts

Included in the balance of unrestricted net assets of the Water Operations Enterprise Fund are monies designated by 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:

	2008	2007
Self-insurance account	\$ 800,000	\$ 800,000
La Plata River escrow account	18,285,262	17,818,029
Total Board-designated accounts	\$ 19,085,262	\$ 18,618,029

Note 9: EPA Capitalization Grants

The following table details the EPA capitalization grants and matching requirements of \$1 of state match for every \$5 of capitalization grants recognized by project during 2008:

	Federal grants recognized in 2008	Matching requirement for 2008
Water Pollution Control Revolving Fund Projects:		
2003A – Town of Milliken	\$ 40,197	\$ 8,039
2004A – City of Englewood	46,142	9,228
2004A – City of Littleton	47,060	9,412
2006A – Donala Water and Sanitation District	441,301	88,260
2006A – Triview Metropolitan District	277,011	55,402
2006B – Cherokee Metropolitan District	1,568,557	313,711
2007A – Town of Eagle	2,405,563	481,113
2007A – City of Rifle	1,543,844	308,769
2008A – Town of Elizabeth	159,986	31,997
	6,529,661	1,305,931
Drinking Water Revolving Fund Projects:		
2003A – Fountain Valley Authority	6,927	1,385
2003A – Town of Lyons	59,427	11,885
2006A – City of Craig	446,167	89,233
2006B – City of Alamosa	1,127,039	225,408
2006B – Arapahoe County Water and Sanitation District	2,062,682	412,536
2006B – Cottonwood Water and Sanitation District	1,081,648	216,330
2008A – Town of Estes Park	614,119	122,824
2008A – Pagosa Area Water & Sanitation District	379,522	75,904
2008B – Project 7 Water Authority	2,267,958	453,592
	8,045,489	1,609,097
Total	\$ 14,575,150	\$ 2,915,028

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The following table details the EPA capitalization grants and matching requirements of \$1 of state match for every \$5 of capitalization grants recognized by the project during 2007:

	Federal grants recognized in 2007	Matching requirement for 2007
Water Pollution Control Revolving Fund Projects:		
2001A – City of Lafayette	\$ 65,909	\$ 13,182
2003A – City of Pueblo	151,619	30,324
2004A – City of Englewood	2,316,949	463,390
2004A – City of Littleton	2,362,953	472,591
2005A – Town of Eaton	40,447	8,089
2005B – City of Glendale	844,852	168,970
2006A – Donala Water and Sanitation District	1,082,499	216,500
2006A – Granby Sanitation District	1,630,059	326,012
2006A – Triview Metropolitan District	1,107,734	221,547
2006B – Cherokee Metropolitan District	988,393	197,679
2007A – Town of Eagle	995,950	199,190
2007A – City of Rifle	222,313	44,463
	<u>11,809,677</u>	<u>2,361,937</u>
Drinking Water Revolving Fund Projects:		
FDL – Town of Palisade	614,950	122,990
2003A – Fountain Valley Authority	58,451	11,690
2003A – Town of Lyons	30,568	6,114
2006A – City of Craig	1,817,033	363,407
2006A – Little Thompson Water District	231,358	46,272
2006B – City of Alamosa	2,840,654	568,131
2006B – Town of Palisade	1,502,300	300,460
	<u>7,095,314</u>	<u>1,419,064</u>
Total	<u>\$ 18,904,991</u>	<u>\$ 3,781,001</u>

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Note 10: Defined Benefit Pension Plan, Health Care Program and Life Insurance Program

Defined Benefit Pension Plan – Plan Description

The Authority's employees and Board members participate in a defined benefit pension plan. The plan's purpose is to provide income to members and their families at retirement or in case of death or disability. The plan is a cost sharing multiple employer plan administered by the Public Employees' Retirement Association (PERA). PERA was established by state statute in 1931. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require an actuarial assessment and legislation by the General Assembly. The Authority contributes to the State Division Trust Fund, which is included in PERA's financial statements. Copies of these statements may be obtained by writing PERA, P.O. at PO Box 5800, Denver, Colorado 80217, or by calling PERA at 1-800-759-PERA (7372), or by visiting www.copera.org.

Employees hired by the Authority after January 1, 2006, are allowed 60 days to elect to participate in a defined contribution retirement plan administered by the state's Deferred Compensation Committee rather than becoming a member of PERA. If that election is not made, the employee becomes a member of PERA, and the member is allowed 60 days from commencing employment to elect to participate in a defined contribution plan administered by PERA rather than the defined benefit plan.

PERA members electing the defined contribution plan are allowed an irrevocable election between the second and fifth year to use their defined contribution account to purchase service credit and be covered under the defined benefit retirement plan. However, making this election subjects the member to the rules in effect for those hired on or after January 1, 2007, as discussed below. Employer contributions to both defined contribution plans are the same as the contributions to the PERA defined benefit plan.

Defined benefit plan members vest after five years of service and are eligible for full retirement based on their original hire date as follows:

- Hired before July 1, 2005 -- age 50 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired between July 1, 2005 and December 31, 2006 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 20 years of service, or age 65 with 5 years of service.
- Hired on or after January 1, 2007 – any age with 35 years of service, age 55 with 30 years of service, age 60 with 25 years of service, or age 65 with 5 years of service.

Members are also eligible for retirement benefits without a reduction for early retirement based on their original hire date as follows:

- Hired before January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 80 or more.
- Hired on or after January 1, 2007 – age 55 with a minimum of 5 years of service credit and age plus years of service equals 85 or more.

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Members automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement. Defined benefits are calculated as 2.5 percent times the number of years of service times the highest average salary (HAS). For retirements before January 1, 2009, HAS is calculated as one-twelfth of the average of the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit and limited to a 15 percent increase between periods. For retirements after January 1, 2009 or persons hired on or after January 1, 2007, more restrictive limits are placed on salary increases between periods used in calculating HAS.

Retiree benefits are increased annually based on their original hire date as follows:

- Hired before July 1, 2005 – 3.5 percent, compounded annually.
- Hired between July 1, 2005 and December 31, 2006 – the lesser of 3 percent or the actual increase in the national Consumer Price Index.
- Hired on or after January 1, 2007 – the lesser of 3 percent or the actual increase in the national Consumer Price Index, limited to a 10 percent reduction in a reserve established for cost of living increases related strictly to those hired on or after January 1, 2007. (The reserve is funded by 1 percent of the employer contributions for this population.).

Members disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled. If members die before retirement, their eligible children under the age of 18 (23 if a full time student) or their spouse may be entitled to a single payment or monthly benefit payments. If a member does not have eligible children or a spouse, then financially dependent parents, beneficiaries, or the member's estate, may be entitled to a survivor's benefit.

Defined Benefit Pension Plan – Funding Policy

The contribution requirements for plan members and their employers are established, and may be amended, by the General Assembly. The amount of an employee's salary that is subject to PERA contribution is his or her gross earnings less any voluntary reduction in pay contribution to the Authority's flexible benefit plan established under Section 125 of the Internal Revenue Code.

All employees are required to contribute 8.0% percent of their salary, as defined in CRS 24-51-101(42), to an individual account in the plan. The Authority's contribution rates were 12.05%, 11.15% and 10.65% in 2008, 2007 and 2006, respectively. Included in the 2008, 2007 and 2006 rates were an additional 1.4%, 1.0% and 0.5% for the Amortization Equalization Disbursement. Beginning in 2008, a 0.5% supplemental amortization equalization disbursement was added to the Authority's rate. These rate adjustments are discussed below. Also included in these rates was 1.02 % that was allocated to the Health Care Trust Fund, discussed herein.

Per Colorado Revised Statutes, an amortization period of 30 years for a defined benefit pension plan is deemed actuarially sound. At December 31, 2005, the division of PERA in which the Authority participates contained an infinite amortization period, meaning that the unfunded actuarially accrued liability would never be fully funded at the current contribution rate.

In the 2004 legislative session, the General Assembly authorized an Amortization Equalization Disbursement (AED) to address a pension-funding shortfall. The AED required PERA employers to contribute an additional 0.5% of eligible salary beginning January 1, 2006, another 0.5 % in 2007, and subsequent year increases of 0.4 % until the additional AED rate reaches 3.0 % in 2012.

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In the 2006 legislative session, the general assembly authorized a Supplemental Amortization Equalization Disbursement (SAED) that requires PERA employers to pay an additional 0.5% of eligible salaries beginning January 1, 2008. The SAED is scheduled to increase by 0.5% annually, through 2013, resulting in a cumulative increase of three percentage points. For the Authority, each year's one half percentage point increase in the SAED will be deducted from the amount of changes to its employees' salaries, and used by the Authority to pay the SAED. Both the AED and SAED will terminate when funding levels reach 100 percent.

Historically, members have been allowed to purchase service credit at reduced rates. However, legislation passed in the 2006 session required that future agreements to purchase service credit be sufficient to fund the related actuarial liability.

The Authority's contributions to the Defined Benefit Plan for 2008, 2007 and 2006 were \$119,265, \$103,338 and \$93,647, respectively. These contributions met the contribution requirement for each year.

Health Care Program

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund; the program was converted to a trust fund in 1999. Under this program, PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from his or her monthly retirement benefit. Effective July 1, 2000, the maximum monthly subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; and \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum subsidy is based on the recipient having 20 years of service credit, and is subject to reduction by 5% for each year less than 20 years.

The Health Care Trust Fund is maintained by an employer's contribution rate as discussed above. The Authority's contributions to the Health Care Trust Fund for 2008, 2007 and 2006 were \$10,250, \$9,555, and \$9,088, respectively. These contributions met the contribution requirement for each year.

Monthly premium costs for participants depend on the health care plan selected, the number of persons covered, Medicare eligibility, and the number of years of service credit. PERA contracts with a major medical indemnity carrier to administer claims for self-insured medical benefit plans, and another carrier for prescription benefits, and with several health maintenance organizations providing services within Colorado. As of December 31, 2007, there were 44,214 enrollees in the plan.

Note 11: 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 healthcare 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 online at www.copera.org or 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).

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The financial statements of the HCTF are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which the employer pays compensation to the member and the employer is statutorily committed to pay these contributions to the HCTF. Benefits are recognized when due and payable in accordance with the terms of 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 1.02% 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. For the years ending December 31, 2008, 2007 and 2006, the Authority's employer contributions to the HCTF were \$10,250, \$9,555 and \$9,088, respectively, equal to their required contributions for each year.

Note 12: Defined Contribution Pension Plan

Employees 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 (\$15,500 in 2008 and 2007 and up to an additional \$5,000 for participants over age 50). The contribution requirements for the Authority are established under Title 24, Article 51, and Section 1402 of the CRS, as amended. For the years ended December 31, 2008 and 2007, the 401(k) Plan member contributions from the Authority were \$74,975 and \$72,095, respectively.

Note 13: Commitments

Leases

The Authority leases office facilities under an operating lease that expires December 31, 2012. Rent expense totaled \$119,951 and \$126,697 for 2008 and 2007, respectively. Below is a schedule of the non-cancelable lease payments due as of December 31, 2008:

<u>Year</u>	<u>Rent</u>
2009	\$ 102,298
2010	102,298
2011	105,952
2012	<u>109,605</u>
Total	<u>\$ 420,153</u>

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Note 14: 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 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 governmental agencies.

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 governmental agencies combined, are excluded from the provisions of TABOR. The Authority's management believes that its operations qualify for this exclusion. However, TABOR is complex and subject to interpretation. Many of the provisions, including the qualification as an Enterprise, may require judicial interpretation.

Note 15: 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. The Authority is fully insured for employee healthcare through PERA.

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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Note 16: Significant Estimates and Concentrations

Current Economic Conditions

In 2008, the U.S. economy experienced uncertainty and instability in the financial markets and a number of other sectors of the economy. The Congress, U.S. Treasury and the Federal Reserve System have taken a number of actions in an attempt to provide liquidity to the credit markets, to save and create jobs and to stabilize the overall economy. At this time the impacts of these actions cannot be determined.

Existing collateralized investments and counterparty financial institutions are being closely monitored to ensure contractual obligations are being met and contingency plans are being developed, should action be required. The present turmoil in the financial markets limits the qualifying investment alternatives for existing cash, bond proceeds and grant funds. The interest rates on secure investments are near historic lows and the long-term investments required by the Authority's financing model in the WPCRF and DWRF may subject those programs to additional investment interest rate risk. Lower investment interest rates also reduce the Authority's loan capacity, the dollars available to fund new loans, while maintaining the same rate of loan interest subsidy.

Like other areas of the country, Colorado's economy is contracting. The impact of this contraction on the Authority's borrowers and their ability to continue to make timely loan repayments is difficult to determine; however, the loans are secured predominantly by revenues from essential water and sewer services.

Note 17: Subsequent Event

On January 7, 2009, the Authority issued Water Resources Revenue Bonds 2008 Series A in the principal amount of \$8,795,000 dated January 7, 2009. The bond proceeds were used to fund a loan to the City of Fountain, a local government. The bonds consist of serial bonds in the amount of \$2,920,000 maturing through December 1, 2023 and term bonds in the amount of \$5,875,000 due December 1, 2030 through December 1, 2038. Interest on the bonds is payable semiannually with rates ranging from 3.0% to 5.55%. The bonds maturing on or after December 1, 2019 are subject to optional redemption on or after December 1, 2018 at a redemption price equal to the principal amount of the bonds to be redeemed plus accrued interest to the redemption date.

SUPPLEMENTARY INFORMATION

**Colorado Water Resources
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Regulatory Basis
Combining Schedule of Net Assets
Water Pollution Control Fund
December 31, 2008**

Assets	State Revolving Fund	Nonrevolving Fund	Water Pollution Control Fund
	<u> </u>	<u> </u>	<u> </u>
Current assets:			
Cash and cash equivalents	\$ 25,912,692	\$ 7,175,233	\$ 33,087,925
Federal grants receivable	—	73,294	73,294
Investment income receivable	32,902	511,202	544,104
Loans receivable	32,541,874	—	32,541,874
Accounts receivable – borrowers	4,605,191	1,968,503	6,573,694
Restricted assets:			
Cash and cash equivalents	26,248,880	67,445	26,316,325
Investments	42,410,063	—	42,410,063
Investment income receivable	1,013,623	—	1,013,623
Total current assets	<u>132,765,225</u>	<u>9,795,677</u>	<u>142,560,902</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	3,897,790	—	3,897,790
Investments	164,821,735	—	164,821,735
Investment income receivable	2,869,693	—	2,869,693
Loans receivable	472,526,992	—	472,526,992
Total noncurrent assets	<u>644,116,210</u>	<u>—</u>	<u>644,116,210</u>
Total assets	<u>776,881,435</u>	<u>9,795,677</u>	<u>786,677,112</u>
Liabilities and Net Assets			
Current liabilities:			
Project costs payable – direct loans	6,000,179	—	6,000,179
Project costs payable – leveraged loans	46,471,918	—	46,471,918
Bonds payable	29,400,000	—	29,400,000
Accrued interest payable	7,309,351	—	7,309,351
Due to other funds	—	411,210	411,210
Other liabilities	—	289,008	289,008
Total current liabilities	<u>89,181,448</u>	<u>700,218</u>	<u>89,881,666</u>
Noncurrent liabilities:			
Project costs payable – leveraged loans	1,400,000	—	1,400,000
Bonds payable, net	419,357,923	—	419,357,923
Advance payable	—	158,503	158,503
Deferred revenue	106,958	569,871	676,829
Other liabilities	—	2,579,853	2,579,853
Total noncurrent liabilities	<u>420,864,881</u>	<u>3,308,227</u>	<u>424,173,108</u>
Total liabilities	<u>510,046,329</u>	<u>4,008,445</u>	<u>514,054,774</u>
Net assets:			
Restricted	266,835,106	5,787,232	272,622,338
Total net assets	<u>\$ 266,835,106</u>	<u>\$ 5,787,232</u>	<u>\$ 272,622,338</u>

See accompanying notes to regulatory basis schedules

**Colorado Water Resources
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Regulatory Basis**

**Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Water Pollution Control Fund
Year Ended December 31, 2008**

	<u>State Revolving Fund</u>	<u>Nonrevolving Fund</u>	<u>Water Pollution Control Fund</u>
Operating revenues:			
Interest on loans	\$ 11,976,186	\$ —	\$ 11,976,186
Interest on investments	9,952,679	1,839,061	11,791,740
Loan administrative fees			
Program revenue	—	1,154,381	1,154,381
Non-program revenue	—	4,742,145	4,742,145
EPA grants	—	190,135	190,135
Total operating revenues	<u>21,928,865</u>	<u>7,925,722</u>	<u>29,854,587</u>
Operating expenses:			
Interest on bonds	22,552,646	—	22,552,646
Grant administration	—	1,891,365	1,891,365
General and administrative	—	1,697	1,697
Other	265,024	62,813	327,837
Total operating expenses	<u>22,817,670</u>	<u>1,955,875</u>	<u>24,773,545</u>
Operating income (loss)	(888,805)	5,969,847	5,081,042
EPA capitalization grants	6,529,661	—	6,529,661
Transfers in (out)	1,142,573	(1,265,178)	(122,605)
Change in net assets	6,783,429	4,704,669	11,488,098
Net assets – beginning of year	<u>260,051,677</u>	<u>1,082,563</u>	<u>261,134,240</u>
Net assets – end of year	<u>\$ 266,835,106</u>	<u>\$ 5,787,232</u>	<u>\$ 272,622,338</u>

See accompanying notes to regulatory basis schedules

**Colorado Water Resources
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Regulatory Basis**

**Notes to the 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, 2008**

Note 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 Nonrevolving Fund. The State Revolving Fund and Nonrevolving Fund are activities within the Water Pollution Control enterprise fund, a major fund for accounting purposes. The State Revolving Fund and Nonrevolving Fund, individually, do not constitute a fund for reporting purposes under generally accepted accounting principles. The regulatory basis in the aggregate is consistent with generally accepted accounting principles.

Note 2: Grant Administration

All loan administrative fees revenues and expenses related to the operation of the Water Pollution Control Fund, including the administration of EPA capitalization grants, are accounted for in the Nonrevolving Fund.

Note 3: Advance Payable

The Nonrevolving Fund accounts for the advance from the Water Operations Fund. A cash advance is made, as needed, to the Nonrevolving Fund to meet the state match requirement of EPA capitalization grants. The cash transferred to the State Revolving Fund is included in the net transfers line item. The advance is periodically repaid to the Water Operations Fund with revenue generated from loan administrative fees paid by borrowers.

**Colorado Water Resources
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Regulatory Basis
Combining Schedule of Net Assets
Drinking Water Fund
December 31, 2008**

Assets	State Revolving Fund	Nonrevolving Fund	Drinking Water Fund
Current assets:			
Cash and cash equivalents	\$ 10,804,579	\$ 9,817,306	\$ 20,621,885
Federal grants receivable	196,101	1,034,099	1,230,200
Investment income receivable	18,971	187,644	206,615
Loans receivable	11,782,431	252,893	12,035,324
Accounts receivable – borrowers	1,537,093	675,606	2,212,699
Restricted assets:			
Cash and cash equivalents	36,045,269	5,656,881	41,702,150
Investments	8,402,480	—	8,402,480
Investment income receivable	484,649	—	484,649
Total current assets	<u>69,271,573</u>	<u>17,624,429</u>	<u>86,896,002</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	42,654	—	42,654
Investments	65,920,772	—	65,920,772
Investment income receivable	638,047	—	638,047
Loans receivable	216,255,200	2,034,943	218,290,143
Total noncurrent assets	<u>282,856,673</u>	<u>2,034,943</u>	<u>284,891,616</u>
Total assets	<u>352,128,246</u>	<u>19,659,372</u>	<u>371,787,618</u>
Liabilities and Net Assets			
Current liabilities:			
Project costs payable – direct loans	7,044,480	—	7,044,480
Project costs payable – leveraged loans	36,783,944	—	36,783,944
Bonds payable	9,600,000	—	9,600,000
Accrued interest payable	2,710,156	—	2,710,156
Accounts payable - other	—	104,282	104,282
Due to other funds	—	1,261,246	1,261,246
Other liabilities	—	539,791	539,791
Total current liabilities	<u>56,138,580</u>	<u>1,905,319</u>	<u>58,043,899</u>
Noncurrent liabilities:			
Project costs payable – leveraged loans	180,000	—	180,000
Bonds payable	173,538,364	—	173,538,364
Deferred Revenue	—	89,924	89,924
Other liabilities	—	1,169,798	1,169,798
Total noncurrent liabilities	<u>173,718,364</u>	<u>1,259,722</u>	<u>174,978,086</u>
Total liabilities	<u>229,856,944</u>	<u>3,165,041</u>	<u>233,021,985</u>
Net assets:			
Restricted	122,271,302	13,162,260	135,433,562
Unrestricted	—	3,332,071	3,332,071
Total fund net assets	<u>\$ 122,271,302</u>	<u>\$ 16,494,331</u>	<u>\$ 138,765,633</u>

See accompanying notes to regulatory basis schedules

**Colorado Water Resources
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Regulatory Basis**

**Combining Schedule of Revenues, Expenses and Changes in Fund Net Assets
Drinking Water Fund
Year Ended December 31, 2008**

	<u>State Revolving Fund</u>	<u>Nonrevolving Fund</u>	<u>Drinking Water Fund</u>
Operating revenues:			
Interest on loans	\$ 5,231,615	\$ 79,877	\$ 5,311,492
Interest on investments	4,376,293	986,655	5,362,948
Loan administrative fees	—	2,269,309	2,269,309
EPA set aside grants:			
Administrative	—	496,270	496,270
Small Systems Training and Technical Assistance Program	—	76,063	76,063
Capacity Development	—	2,302,114	2,302,114
Wellhead Protection	—	329,547	329,547
Public Water System Supervision	—	1,232,652	1,232,652
Other	2,514	—	2,514
	<u>9,610,422</u>	<u>7,772,487</u>	<u>17,382,909</u>
Operating expenses:			
Interest on bonds	8,102,346	—	8,102,346
Grant administration – state funded	—	936,387	936,387
General and administrative	—	1,697	1,697
EPA set asides:			
Administrative	—	496,270	496,270
Small Systems Training and Technical Assistance Program	—	76,063	76,063
Capacity Development	—	2,302,114	2,302,114
Wellhead Protection	—	329,547	329,547
Public Water System Supervision	—	1,232,652	1,232,652
Other	128,229	91,864	220,093
	<u>8,230,575</u>	<u>5,466,594</u>	<u>13,697,169</u>
Operating income	1,379,847	2,305,893	3,685,740
EPA capitalization grants	8,045,489	—	8,045,489
Transfers in (out)	2,889,982	(2,767,377)	122,605
Change in net assets	12,315,318	(461,484)	11,853,834
Net assets – beginning of year	<u>109,955,984</u>	<u>16,955,815</u>	<u>126,911,799</u>
Net assets – end of year	<u>\$ 122,271,302</u>	<u>\$ 16,494,331</u>	<u>\$ 138,765,633</u>

See accompanying notes to regulatory basis schedules

**Colorado Water Resources
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Regulatory Basis**

**Notes to the 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, 2008**

Note 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 Nonrevolving Fund. The State Revolving Fund and Nonrevolving Fund are activities within the Drinking Water enterprise fund, a major fund for accounting purposes. The State Revolving Fund and Nonrevolving Fund, individually, do not constitute a fund for reporting purposes under generally accepted accounting principles. The regulatory basis in the aggregate is consistent with generally accepted accounting principles.

Note 2: Nonrevolving Fund

The Authority issues direct loans to eligible municipalities which are funded with money from sources other than the State Revolving Funds. These loans are accounted for in the Nonrevolving Fund. The Drinking Water Fund nonfederal direct loans receivable amounted to \$2,287,836 at December 31, 2008. There are currently 15 loans outstanding at year-end that mature in years 2015 to 2017.

Note 3: Grant Administration

All administrative expenses, both federally and State (loan surcharge fees) funded, related to the operation of the Drinking Water Fund, including the administration of EPA capitalization grants and set aside programs, are accounted for in the Nonrevolving Fund.

Note 4: Set Aside Revenue and Expenses

The set aside activities of the Drinking Water Fund are recorded in the Nonrevolving 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 State Revolving Fund by the Authority.

**Colorado Water Resources
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Schedule of Revenues, Expenditures and Changes in Funds Available -
Actual (Non-GAAP Budgetary Basis) and Budget
Water Operations Fund
Year Ended December 31, 2008**

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 2,460,256	\$ 2,678,000	\$ —	\$ 2,678,000	\$ (217,744)
WPCRF state match loan repayment	4,000,000	3,000,000	—	3,000,000	1,000,000
Loan principal payments – SWRP	8,675,000	6,737,000	—	6,737,000	1,938,000
Loan principal payments – WRBP	6,340,000	7,440,000	—	7,440,000	(1,100,000)
Loan principal payments – interim	2,038,797	17,000,000	—	17,000,000	(14,961,203)
Bond proceeds – SWRP	—	25,000,000	—	25,000,000	(25,000,000)
Bond proceeds – WRBP	—	110,000,000	—	110,000,000	(110,000,000)
Refunding bond proceeds – SWRP	—	25,000,000	—	25,000,000	(25,000,000)
Refunding bond proceeds – WRBP	—	110,000,000	—	110,000,000	(110,000,000)
Loan interest income – SWRP	4,433,946	5,036,000	—	5,036,000	(602,054)
Loan interest income – WRBP	16,699,461	19,560,000	—	19,560,000	(2,860,539)
Loan interest income – interim loans	23,698	122,000	—	122,000	(98,302)
Total revenues	<u>44,671,158</u>	<u>331,573,000</u>	<u>—</u>	<u>331,573,000</u>	<u>(286,901,842)</u>
Expenditures:					
WPCRF state match loans	1,079,820	4,100,000	—	4,100,000	3,020,180
General/administrative	701,488	1,102,300	—	1,102,300	400,812
Interim loans made	2,316,984	17,000,000	—	17,000,000	14,683,016
Bond principal payments – SWRP	9,030,000	7,000,000	2,100,000	9,100,000	70,000
Bond principal payments – WRBP	6,325,000	7,425,000	—	7,425,000	1,100,000
Bond interest expense – SWRP	4,403,695	5,000,000	—	5,000,000	596,305
Bond interest expense – WRBP	17,079,113	20,240,000	—	20,240,000	3,160,887
Loans made – SWRP	—	25,000,000	(2,100,000)	22,900,000	22,900,000
Loans made – WRBP	—	110,000,000	—	110,000,000	110,000,000
Refunding Bonds Escrow Deposit-SWRP	—	24,550,000	—	24,550,000	24,550,000
Refunding Issuance Costs-SWRP	—	450,000	—	450,000	450,000
Refunding Bonds Escrow Deposit-WRBP	—	108,300,000	—	108,300,000	108,300,000
Refunding Issuance Costs-WRBP	—	1,700,000	—	1,700,000	1,700,000
Project expenditures	1,174,007	6,277,000	—	6,277,000	5,102,993
Arbitrage rebate - SWRP	—	100,000	—	100,000	100,000
Total expenditures	<u>42,110,107</u>	<u>338,244,300</u>	<u>—</u>	<u>338,244,300</u>	<u>296,134,193</u>
Excess of revenues over (under) expenditures	<u>\$ 2,561,051</u>	<u>\$ (6,671,300)</u>	<u>\$ —</u>	<u>\$ (6,671,300)</u>	<u>\$ 9,232,351</u>

See accompanying notes to budgetary basis reconciliation

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Reconciliation and Note of Non-GAAP Budgetary Basis (Actual) to
Statement of Revenues, Expenses and Changes in Fund Net Assets
Water Operations Fund
Year Ended December 31, 2008**

Revenues (budgetary basis)	\$	44,671,158
WPCRF advance repayment – state match (a.)		(4,000,000)
Loan principal payments – SWRP (b.)		(8,675,000)
Loan principal payments – WRBP (b.)		(6,340,000)
Loan principal payments – interim (b.)		(2,038,797)
		<u>23,617,361</u>
Revenues (GAAP basis)		<u>23,617,361</u>
Expenditures (budgetary basis)		42,110,107
Depreciation (c.)		7,259
Acquisition of water depletion rights – Animas-La Plata Project (d.)		(800,019)
WPCRF advance – state match provided (e.)		(1,079,820)
Bond principal payments – SWRP (f.)		(9,030,000)
Bond principal payments – WRBP (f.)		(6,325,000)
Interim loans made (g.)		(2,316,984)
		<u>22,565,543</u>
Expenses (GAAP basis)		<u>22,565,543</u>
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$	<u>1,051,818</u>

The budget for the Water Operations Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:

- a. WPCRF advance repayment – state match is treated as revenue when loan administrative fees are transferred from WPCRF.
- b. Leveraged and interim loan principal payments are recorded as revenue when received from the borrower.
- c. Depreciation of equipment is not budgeted.
- d. Acquisitions of water depletion rights – Animas-La Plata Project are treated as expenditures when paid to the Bureau.
- e. WPCRF advance – state match provided is treated as expenditure when transferred to WPCRF.
- f. Bond principal payments are treated as expenditures when paid.
- g. Interim loans are treated as expenditures when draws are made from project accounts.

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Revenues, Expenditures and Changes in Funds Available -
Actual (Non-GAAP Budgetary Basis) and Budget
Water Pollution Control Fund
Year Ended December 31, 2008**

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 11,791,739	\$ 13,470,000	\$ —	\$ 13,470,000	\$ (1,678,261)
Administrative fee	5,896,526	5,763,000	—	5,763,000	133,526
Loan interest income	11,976,186	14,170,500	—	14,170,500	(2,194,314)
EPA grants	6,719,797	27,800,000	—	27,800,000	(21,080,203)
Colorado state match	1,079,820	4,100,000	—	4,100,000	(3,020,180)
Loan principal repayments	32,582,866	29,900,000	—	29,900,000	2,682,866
Bond proceeds	12,402,765	90,200,000	—	90,200,000	(77,797,235)
Total revenues	<u>82,449,699</u>	<u>185,403,500</u>	<u>—</u>	<u>185,403,500</u>	<u>(102,953,801)</u>
Expenditures:					
Grant administration	1,891,365	2,105,950	—	2,105,950	214,585
Bond principal payments	27,320,000	27,500,000	—	27,500,000	180,000
Advance repayments – state match	4,000,000	3,000,000	1,000,000	4,000,000	—
Transfer Administrative to DWRF	122,605	1,000,000	—	1,000,000	877,395
Project costs paid – direct loans	9,392,995	31,805,000	—	31,805,000	22,412,005
Loans made – leveraged loans	13,392,445	94,000,000	(1,000,000)	93,000,000	79,607,555
Planning and design grants to small local governments	62,813	325,000	—	325,000	262,187
Other	678,115	750,000	—	750,000	71,885
Bond interest expense	22,552,646	24,487,000	—	24,487,000	1,934,354
Capital asset acquisitions	—	5,000	—	5,000	5,000
Total expenditures	<u>79,412,984</u>	<u>184,977,950</u>	<u>—</u>	<u>184,977,950</u>	<u>105,564,966</u>
Excess of revenues over expenditures	<u>\$ 3,036,715</u>	<u>\$ 425,550</u>	<u>\$ —</u>	<u>\$ 425,550</u>	<u>\$ 2,611,165</u>

See accompanying notes to budgetary basis reconciliation

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Reconciliation and Note 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, 2008**

Revenues (budgetary basis)	\$	82,449,699
Bond proceeds (a.)		(12,402,765)
Loan principal payments (b.)		(32,582,866)
Advance – state match provided (c.)		(1,079,820)
		<u>36,384,248</u>
Revenues (GAAP basis)		<u>36,384,248</u>
Expenditures (budgetary basis)		79,412,984
Depreciation expense (d.)		1,697
Loan principal forgiveness (offset by investment earnings) (e.)		215,039
Project costs paid – direct loans (f.)		(9,392,995)
Bond principal payments (g.)		(27,320,000)
Arbitrage rebate payments (h.)		(628,130)
Advance repayment – state match (i.)		(4,000,000)
Loans made – leveraged loans (j.)		(13,392,445)
		<u>24,896,150</u>
Expenses (GAAP basis)		<u>24,896,150</u>
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$	<u>11,488,098</u>

The budget for the Water Pollution Control Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:

- a. Bond proceeds are treated as revenue when issued.
- b. Loan principal payments are recorded as revenue when received from the borrower.
- c. Advance – state match is treated as revenue when transferred from Water Operations.
- d. Depreciation of equipment is not budgeted.
- e. Loan principal forgiveness is not budgeted.
- f. Direct loans are treated as expenditures when draws are made from project accounts.
- g. Bond principal payments are treated as expenditures when paid.
- h. Arbitrage rebate payments are treated as expenditures when paid to the United States Treasury.
- i. Advance repayment – state match is treated as expenditure when paid from loan administrative fees to Water Operations.
- j. Leveraged loans are treated as expenditures when loans are executed.

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Revenues, Expenditures and Changes in Funds Available -
Actual (Non-GAAP Budgetary Basis) and Budget
Drinking Water Fund
Year Ended December 31, 2008**

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
Revenues:					
Interest on investments	\$ 5,362,948	\$ 4,200,000	\$ —	\$ 4,200,000	\$ 1,162,948
Loan interest income	5,311,492	5,584,000	—	5,584,000	(272,508)
Loan principal repayments	11,214,779	11,249,000	—	11,249,000	(34,221)
Bond proceeds	20,164,069	28,259,300	—	28,259,300	(8,095,231)
Refunding bond proceeds	—	25,000,000	—	25,000,000	(25,000,000)
Capital contributions – EPA	8,045,489	27,763,000	—	27,763,000	(19,717,511)
EPA capitalization grant set asides revenue	4,436,646	6,509,000	—	6,509,000	(2,072,354)
Transfer Administrative Fees -WPCRF	122,605	1,000,000	—	1,000,000	(877,395)
Administrative fee income	2,269,309	2,213,000	—	2,213,000	56,309
Other	2,514	—	—	—	2,514
Total revenues	56,929,851	111,777,300	—	111,777,300	(54,847,449)
Expenditures:					
Grant administration – State funded	1,432,657	1,627,706	—	1,627,706	195,049
Project costs paid – direct loans	4,534,569	24,323,000	—	24,323,000	19,788,431
Loans made – leveraged	22,829,792	30,650,000	(1,000,000)	29,650,000	6,820,208
Bond principal payments made	9,080,000	9,200,000	—	9,200,000	120,000
Payment to refunded bond escrow	—	24,550,000	—	24,550,000	24,550,000
Refunding bonds issuance cost	—	450,000	—	450,000	450,000
Bond interest expense	8,102,346	9,000,000	1,000,000	10,000,000	1,897,654
EPA capitalization grant set asides	3,940,376	5,961,600	—	5,961,600	2,021,224
Planning and design grants to small local governments	91,864	250,000	—	250,000	158,136
Arbitrage rebate payments	199,689	250,000	—	250,000	50,311
Capital asset acquisitions	—	5,000	—	5,000	5,000
Total expenditures	50,211,293	106,267,306	—	106,267,306	56,056,013
Excess of revenues over expenditures	\$ 6,718,558	\$ 5,509,994	\$ —	\$ 5,509,994	\$ 1,208,564

See accompanying notes to budgetary basis reconciliation

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Reconciliation and Note of Non-GAAP Budgetary Basis (Actual) to
Statement of Revenues, Expenses and Changes in Fund Net Assets
Drinking Water Fund
Year Ended December 31, 2008**

Revenues (budgetary basis)	\$	56,929,851
Loan principal payments (a.)		(11,214,779)
Bond proceeds (b.)		(20,164,069)
Revenues (GAAP basis)		25,551,003
Expenditures (budgetary basis)		50,211,293
Depreciation expense (c.)		1,697
Loan principal forgiveness (offset by investment earnings) (d.)		128,229
Loans made – leveraged (e.)		(22,829,792)
Project costs paid – direct loans (f.)		(4,534,569)
Bond principal payments made (g.)		(9,080,000)
Arbitrage rebate payments (h.)		(199,689)
Expenses (GAAP basis)		<u>13,697,169</u>
Change in net assets per statement of revenues, expenses, and changes in fund net assets	\$	<u><u>11,853,834</u></u>

The budget for the Drinking Water Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:

- a. Loan principal payments are recorded as revenue when received from the the borrower.
- b. Bond proceeds are treated as revenue when issued.
- c. Depreciation of equipment is not budgeted.
- d. Loan principal forgiveness is not budgeted.
- e. Leveraged loans are treated as expenditures when loans are executed.
- f. Direct loans are treated as expenditures when draws are made from project accounts.
- g. Bond principal payments are treated as expenditures when paid.
- h. Arbitrage rebate payments are treated as expenditures when paid to the United States Treasury.

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Projects Costs Payable – By Borrower
December 31, 2008**

The following pages contain information, by borrower, showing balances in project costs payable (loan proceeds remaining) and loans receivable. To identify the type of loan made, the following codes are used:

Leveraged loans are funded by bond proceeds and may be partially funded by EPA Capitalization Grants and Authority resources. These loans are designated by the year and series of bonds providing the related capital, such as 2006A.

Both WPCRF and DWRF have direct loan programs. Each direct loan coding contains the year of loan execution and the designation DLF (a federal loan funded by EPA Capitalization Grants and Authority resources or reloan monies) or DC (also a federal loan, but made to a borrower that qualified as a Disadvantaged Community).

Direct loans designated DLS were made only in the DWRF and were funded from Authority cash.

	<u>Project costs payable</u>
Water Operations Fund:	
2004A – Town of Erie – WRBP	\$ 435,063
2005E – Arapahoe County Water and Wastewater Public Improvement District – WRBP	4,075,544
	4,510,607
 Water Pollution Control Revolving Fund:	
2003A – Town of Milliken	179,974
2004A – Town of Berthoud	2,901
2005B – Breckenridge Sanitation District	8,000,000
2005B – City of Glendale	2,029,914
2006A – Granby Sanitation District	303,157
2006B – Cherokee Metropolitan District	7,726,913
2006DLF – Boulder County	285,960
2006DC – Town of Haxton	37,961
2006DC – Town of Pierce	887,100
2006DLF – Ralston Valley Water & Sanitation District	826,610
2006DC – Town of Stratton	68,826
2006DC – Town of Sugar City	254,052
2007DLF – Town of Elizabeth	23,075
2007DLF – Town of Romeo	168,448
2006DLF – Donala Water and Sanitation District	373,005
2007A – Bayfield Sanitation District	2,573,716
2007A – Town of Eagle	2,679,850
2007A – City of Rifle	11,436,093
2008A – Town of Elizabeth	4,739,400
2008A – Town of New Castle	8,200,000
2008DC – Town of Manzanola	70,040
2008DC – Town of Pagosa Springs General Improvement District	2,000,000
2008DC – Penrose Sanitation District	114,782
2008DLF – Triview Metropolitan District	243,169
2008DLF – Larimer County Local Improvement District	370,181
2008DLF – City of Las Animas	276,970
	53,872,097

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Projects Costs Payable – By Borrower (Continued)
December 31, 2008**

	Project costs payable
Drinking Water Revolving Fund:	
2003A – Town of Lyons	44,012
2003A – Fountain Valley Authority	29,168
2003DLF – City of Ouray	144,740
2005DLF - Olde Stage Water District	65,347
2006B – City of Alamosa	1,834,698
2006B – Arapahoe County Water & Sanitation District	11,244,623
2006B – Cottonwood Water & Sanitation District	7,500,218
2006DLF – Ralston Valley Water & Sanitation District	936,194
2006DC – Town of Sedgwick	252,697
2006DC – Town of Walden	1,269
2007DC – Town of Hillrose	595,097
2007DC – Town of Stratton	82,294
2008A – Town of Estes Park	4,249,538
2008A – Pagosa Area Water & Sanitation District	6,175,741
2008B – Project 7 Water Authority	5,885,946
2008DC – Town of Del Norte	934,000
2008DC – East Alamosa Water & Sanitation District	755,515
2008DC – Town of Hotchkiss	925,000
2008DC – Town of Kim	76,000
2008DC – Town of La Veta	531,048
2008DC – City of Las Animas	736,104
2008DC – Town of Paonia	448,200
2008DLF – Olde Stage Water District	150,000
2008DLF – Platte Canyon Water & Sanitation District	320,975
2008DC – Town of Stratton	90,000
	44,008,424
Total project costs payable	\$ 102,391,128

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Loans Receivable – By Borrower
December 31, 2008**

	Loans Receivable
Water Operations Fund – Interim Loans:	
2008I - La Plata West Water Authority	\$ 278,187
Water Operations Fund – Small Water Resources Projects:	
1990A – Town of Estes Park	370,000
1990A – Fort Collins – Loveland Water District	409,167
1990A – North Weld County Water District	466,250
1990A – Eagle River Water and Sanitation District	303,750
1991A – Edwards Metropolitan District	210,000
1991A – Town of Estes Park	290,000
1991A – Town of Minturn	100,000
1991A – City of Steamboat Springs	285,000
1992A – City of Brush	310,000
1992A – City of Fort Lupton	930,000
1992A – Town of LaSalle	565,000
1992A – City of Louisville	2,222,500
1992B – Central Weld County Water District	442,500
1992B – City of Glenwood Springs	805,000
1992B – Town of Minturn	20,000
1992B – Mt. Werner Water and Sanitation District	1,327,500
1992B – North Weld County Water District	292,500
1994A – City of Fort Morgan	1,020,000
1994A – Town of Gypsum	288,750
1994A – Parker Water and Sanitation District	244,167
1994A – Town of Platteville	400,000
1994B – Town of Carbondale	902,500
1994B – Project 7 Water Authority	1,950,833
1994B – City of Rifle	516,250
1996A – Town of Johnstown	909,166
1997A – Town of Monument	1,025,000
1997A – Parker Water and Sanitation District	2,778,333
1997A – Roxborough Water and Sanitation District	1,610,000
1998A – Morgan County Quality Water District	1,795,000
1998A – North Weld County Water District	2,988,750
2000A – Parker Water and Sanitation District	10,957,500
2000A – Upper Eagle Regional Water Authority	9,170,000
2001A – North Weld County Water District	13,530,000
2002A – Eagle River Water and Sanitation District	3,525,000
2002A – Parker Water and Sanitation District	10,055,000
2003A – Clifton Water District	5,307,500
2003A – Town of Eaton	2,170,833
2003A – City of Rifle	1,208,750
Total Water Operations Fund loans receivable – SWRP	81,702,499

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Loans Receivable – By Borrower (Continued)
December 31, 2008**

	<u>Loans Receivable</u>
Water Operations Fund – Water Revenue Bond Program:	
1998A – Rio Blanco Water Conservancy District	1,380,000
2003A – City of Louisville	11,200,000
2003B – City of Longmont	695,000
2004A – Town of Erie	11,725,000
2004B – City of Englewood	19,695,000
2004C – City of Littleton	14,400,000
2004D – Parker Water and Sanitation District	101,310,000
2004E – Copper Mountain Consolidated Metropolitan District	2,995,000
2005A – East Cherry Creek Valley Water and Sanitation District	51,330,000
2005B – City of Fort Lupton	2,050,000
2005C – City of Fountain	7,715,000
2005D – City of Aurora	100,000,000
2005E – Arapahoe County Water and Wastewater Public Improvement District	26,270,000
2005F – Copper Mountain Consolidated Metropolitan District	3,305,000
	354,070,000
Total Water Operations Fund loans receivable – WRBP	354,070,000
	436,050,686
Water Pollution Control Revolving Fund:	
Direct loans:	
1990DLF – Mountain Water and Sanitation District	18,824
1991DLF – Durango West Metropolitan District	86,035
1992DLF – Nucla Sanitation District	35,818
1992DLF – City of Ouray	197,953
1994DLF – City of Fort Lupton	68,219
1994DLF – St. Mary’s Glacier Water and Sanitation District	55,942
1995DLF – City of Fruita	39,478
1995DLF – Town of Log Lane Village	119,318
1996DLF – Town of Ordway	179,758
1996DLF – City of Broomfield	1,235,735
1996DLF – Town of Lyons	268,034
1997DLF – Town of Vona	44,615
1997DLF – Town of Manzanola	43,628
1997DLF – Town of Pagosa Springs Sanitation GID	335,926
1997DLF – Town of Erie	286,016
1998DLF – Byers Water and Sanitation District	259,949
1998DLF – City of Las Animas	653,845
1998DLF – City of Evans	252,156
1999DLF – Town of Kersey	111,079
1999DLF – City of La Junta	244,238
1999DLF – City of Monte Vista	621,248
1999DLF – Town of New Castle	300,286
1999DLF – Left Hand Water and Sanitation District	78,631
2000DLF – Columbine Water and Sanitation District	237,866
2000DLF – Left Hand Water and Sanitation District	36,032
2000DLF – Town of Springfield	139,835
2001DLF – Baca Grande Water and Sanitation District	605,867

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Loans Receivable – By Borrower (Continued)
December 31, 2008**

	Loans Receivable
2002DLF – Town of Julesburg	625,855
2003DLF – Pike’s Peak-America's Mountain	772,041
2003DLF – City of Salida	302,140
2004DLF – Garden Valley Water and Sanitation District	260,259
2005DLF – Kremmling Sanitation District	845,949
2006DC – Town of Ault	1,247,678
2006DLF – Town of Bennett	151,550
2006DLF – Boulder County	1,551,778
2006CD – Clifton Sanitation District #2 (formerly Clifton Sanitation District #1)	1,809,524
2006DLF – Cucharas Sewer and Water District	732,271
2006DC – Town of Haxtun	288,926
2006DLF – Town of Kersey	1,670,860
2006DC – Town of La Jara	656,250
2006DC – Town of Ordway	554,075
2006DC – Town of Pierce	876,455
2006DLF – Ralston Valley Water & Sanitation District	1,116,031
2006DC – Town of Springfield	493,950
2006DC – Town of Stratton	415,727
2006DC – Town of Sugar City	290,700
2007DLF – Cortez Sanitation District	1,893,883
2007DLF – Town of Elizabeth	1,028,567
2007DC – Town of Romeo	170,625
2007DLF – Donala Water and Sanitation District	1,988,661
2008DC – City of Las Animas	377,000
2008DC – Town of Manzanola	96,000
2008DC – Town of Pagosa Springs Sanitation GID	2,000,000
2008DC – Penrose Sanitation District	128,000
2008DLF – Triview Metropolitan District	2,000,000
2008DLF – Fairplay Sanitation District	2,000,000
2008DLF – Larimer County Local Improvement District	436,373
Total WPCRF direct loans	33,337,459
Leveraged loans:	
1989A – Denver Southeast Suburban Water and Sanitation District	1,586,185
1990A – Town of Castle Rock	571,813
1991A – City of Englewood	3,877,378
1991A – City of Littleton	3,877,589
1991B – Metro Wastewater Reclamation District	4,621,212
1992A – City of Fort Lupton	1,383,184
1992A – Eagle River Water and Sanitation District	2,482,575
1992B – City of Fort Collins	7,594,866
1992B – City of Longmont	773,061
1994A – Genesee Water and Sanitation District	565,139
1994A – City of Greeley	6,324,139
1994A – Parker Water and Sanitation District	668,875
1994A – Town of Windsor	369,775
1995A – City of Brighton	2,395,461
1995A – City of Craig	460,129

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Loans Receivable – By Borrower (Continued)
December 31, 2008**

	Loans Receivable
1995A – City of Fort Morgan	4,071,099
1995A – City of Steamboat Springs	661,707
1995A – Eagle River Water and Sanitation District	2,582,681
1995A – Winter Park Water and Sanitation District	1,377,249
1996A – Town of Crested Butte	1,238,880
1996A – City of Idaho Springs	767,952
1997A – Breckenridge Sanitation District	4,298,063
1997A – Town of Eagle	1,234,318
1997A – Town of Erie	966,938
1997A – Parker Water and Sanitation District	1,734,557
1997A – City of Sterling	1,236,381
1997A – City of Westminster	7,414,887
1998A – Buena Vista Sanitation District	2,105,930
1998A – Eagle River Water and Sanitation District	9,116,848
1998A – City of Evans	643,850
1998A – City of Trinidad	3,898,930
1998A – City of Westminster	2,083,221
1998B – City of Colorado Springs	16,026,340
1999A – City of Aurora	10,861,885
1999A – Fremont Sanitation District	5,238,924
1999A – Grand County Water and Sanitation District	2,368,762
1999A – City of Steamboat Springs	1,826,737
2000A – Parker Water and Sanitation District	8,217,198
2000A – Summit County	11,582,848
2000A – Three Lakes Water and Sanitation District	4,275,936
2001A – Cortez Sanitation District	6,900,000
2001A – City of Fort Collins	6,830,000
2001A – City of Lafayette	6,319,002
2001A – Mt. Crested Butte Water and Sanitation District	3,689,155
2001A – Parker Water and Sanitation District	3,524,148
2001A – Plum Creek Wastewater Authority	18,525,000
2001A – City of Steamboat Springs	4,210,408
2002A – Town of Berthoud	5,480,000
2002A – Blackhawk-Central City Sanitation District	18,477,505
2002A – Mesa County	9,280,000
2002A – South Adams County Water and Sanitation District	5,745,000
2002A – Town of Wellington	3,667,107
2002A – Winter Park West Water and Sanitation District	1,789,817
2002B – Denver Southeast Suburban Water and Sanitation District	5,255,000
2002B – Parker Water and Sanitation District	12,853,504
2002B – Plum Creek Wastewater Authority	2,530,000
2003A – Colorado City Metropolitan District	1,466,578
2003A – Town of Milliken	5,061,054
2003A – City of Pueblo	6,589,105
2004A – Town of Berthoud	1,985,000
2004A – City of Englewood	29,542,871
2004A – City of Littleton	29,656,352
2005A – Town of Breckenridge	3,840,000

**Colorado Water Resources
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Schedule of Loans Receivable – By Borrower (Continued)
December 31, 2008**

	Loans Receivable
2005A – Denver Southeast Suburban Water and Sanitation District	4,285,000
2005A – Town of Eaton	4,540,641
2005A – Plum Creek Wastewater Authority	1,345,000
2005A – Roxborough Water and Sanitation District	8,570,000
2005A – City of Westminster	13,330,000
2005B – Breckenridge Sanitation District	7,170,000
2005B – City of Glendale	8,866,229
2006A – Clifton Sanitation District #2	9,115,000
2006A – Donala Water and Sanitation District	4,543,636
2006A – Granby Sanitation District	4,451,556
2006A – Triview Metropolitan District	4,543,636
2006B – Cherokee Metropolitan District	14,067,960
2007A – Bayfield Sanitation District	4,775,000
2007A – Town of Eagle	11,408,496
2007A – Town of Mead	2,885,000
2007A – City of Rifle	17,841,700
2008A – Town of Elizabeth	5,145,273
2008A – Town of New Castle	8,247,172
	471,731,407
Total WPCRF leveraged loans	471,731,407
Total Water Pollution Control Revolving Fund loans receivable	505,068,866
 Drinking Water Fund:	
Direct loans:	
1995DLS – Idledale Water and Sanitation District	108,246
1995DLS – Town of Fairplay	107,456
1995DLS – Town of Minturn	138,263
1995DLS – Town of Empire	152,749
1995DLS – Town of Elizabeth	232,719
1996DLS – Lake Creek Metropolitan District	221,884
1996DLS – Town of Nunn	167,567
1996DLS – Town of Lyons	267,499
1996DLS – Town of Bayfield	177,629
1997DLS – Town of Fairplay	112,115
1997DLS – City of Idaho Springs	275,947
1997DLS – Westlake Water and Sanitation District	92,517
1997DLF – Town of Grand Lake	279,394
1998DLS – Redstone Water and Sanitation District	233,245
1998DLF – Chatfield South Water District	436,535
1998DLF – Left Hand Water and Sanitation District	112,145
1999DLF – Thunderbird Water and Sanitation District	201,661
2000DLF – Sedalia Water and Sanitation District	219,921
2000DLF – Springfield Water and Sanitation District	237,796
2001DLF – Town of Wellington	760,922
2002DLF – Town of Basalt	748,039
2002DLF – Town of Dillon	464,027
2002DLF – Town of Hayden	710,411
2002DLF – Thunderbird Water and Sanitation District	264,113
2002DLF – City of Woodland Park	614,060

**Colorado Water Resources
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Schedule of Loans Receivable – By Borrower (Continued)
December 31, 2008**

	Loans Receivable
2003DLF – Mustang Water Authority	586,953
2003DLF – Town of Oak Creek	732,584
2003DLF – City of Ouray	845,563
2003DLF – Westwood Lakes Water District	399,269
2004DLF – Pinewood Springs Water District	104,887
2004DLF – Town of Swink	561,070
2005DLF – City of Florence	686,706
2005DC – Town of La Jara	165,000
2005DC – Town of Log Lane Village	920,423
2005DLF – Olde Stage Water District	88,099
2005DC – City of Victor	198,100
2006DC – Town of Bethune	390,133
2006DC – Town of Boone	480,011
2006DC – Bristol Water and Sanitation District	180,000
2006DLF – Castle Pines Metropolitan District	1,886,873
2006DLF – Castle Pines Metropolitan District	238,370
2006DLF – Cucharas Sanitation and Water District	256,486
2006DC – Town of Genoa	166,250
2006DC – Town of Ordway	190,000
2006DC – Town of Palisade	1,866,667
2006DLF – Pinewood Springs Water District	684,352
2006DLF – Platte Canyon Water and Sanitation District Subdistrict #1	370,938
2006DC – Town of Pritchett	183,334
2006DLF – Ralston Valley Water and Sanitation District	1,239,521
2006DC – Town of Sedgwick	384,173
2006DC – Town of Walden	841,534
2007DC – Town of Hillrose	945,342
2007DC – Town of Ordway	110,490
2007DC – Town of Stratton	481,994
2008DC – East Alamosa Water & Sanitation District	1,966,667
2008DC – Town of Del Norte	934,000
2008DC – Town of Eckley	97,500
2008DC – Town of Hotchkiss	925,000
2008DC – Town of Kim	118,000
2008DC – Town of La Veta	1,134,000
2008DC – City of Las Animas	812,000
2008DC – Town of Paonia	448,200
2008DLF – Olde Stage Water District	150,000
2008DLF – Platte Canyon Water & Sanitation District Subdistrict #2	475,000
2008DC – Town of Stratton	90,000
Total Drinking Water Fund direct loans	30,672,349
 Leveraged loans:	
1997A – Arapahoe Estates Water District	540,719
1997A – City of Englewood	8,498,195
1997A – City of Fort Collins	5,178,085
1998A – Town of Buena Vista	739,300
1998A – City of Fort Morgan	9,058,349
1999A – City of Aurora	6,804,963

**Colorado Water Resources
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Schedule of Loans Receivable – By Borrower (Continued)
December 31, 2008**

	Loans Receivable
1999A – City of Fort Collins	2,964,227
1999A – City of Glenwood Springs	2,831,517
1999A – Grand County Water and Sanitation District	1,772,126
1999A – City of Greeley	9,290,530
1999A – Town of Julesburg	612,061
1999A – Left Hand Water District	3,936,470
2000A – Evergreen Metropolitan District	3,744,050
2000A – Fountain Valley Authority	5,081,113
2000A – Town of Limon	969,567
2000A – Pueblo Board of Waterworks	8,209,318
2000A – City of Westminster	9,726,092
2002A – Evergreen Metropolitan District	1,520,237
2002A – City of Grand Junction	2,796,110
2002A – City of Idaho Springs	1,739,708
2002A – City of La Junta	7,660,696
2003A – City of Longmont	14,970,403
2003A – Town of Lyons	3,853,069
2003A – Fountain Valley Authority	2,521,457
2003B – City of Florence	11,498,556
2006A – City of Craig	5,622,996
2006A – Little Thompson Water District	5,790,322
2006B – City of Alamosa	10,982,492
2006B – Arapahoe County Water and Wastewater PID	14,590,887
2006B – Cottonwood Water and Sanitation District	9,616,828
2006B – Town of Palisade	3,772,849
2008A – Town of Estes Park	5,494,410
2008A – Pagosa Area Water & Sanitation District	7,088,904
2008B – Project 7 Water Authority	10,176,512
Total DWRP leveraged loans	199,653,118
Total Drinking Water Fund loans receivable	230,325,467
Total loans receivable	\$ 1,171,445,019

**Colorado Water Resources
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Schedule of Bonds Payable – By Issue
Year Ended December 31, 2008**

<u>Water Operations Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>	<u>Due dates</u>	<u>Early redemption</u>
Small Water Resources Program Revenue Bonds:					
1993 Series A	6,585,000	1,665,000	2.7% – 5.0%	Term bonds subject to mandatory redemption 2007 – 2010	After 2003 at par
1994 Series A	5,835,000	1,760,000	3.4% – 5.875%	Serial Bonds through 2003, term bonds subject to mandatory redemption 2004 – 2014. Serial bonds totaling \$315,000 from 2007 to 2014 were refunded by the 2006A bond issue	After 2004 at par
1996 Series A	6,385,000	925,000	3.7% – 5.45%	Serial Bonds through 2010, term bonds subject to redemption 2011 – 2016	After 2006 at par
1997 Series A	9,725,000	2,635,000	4.1% – 5.6%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2017. Various bonds totaling \$3,060,000 from 2008 to 2017 were refunded by the 2006A bond issue	2007 – 2008 at 101% of par, 2008 – 2009 at 100.5% of par, after 2009 at par
1997 Series B	12,500,000	4,955,000	3.8% – 4.9%	Serial Bonds through 2010, term bonds subject to mandatory redemption in 2011 and 2012	2008 – 2009 at 101%, after 2009 at par
1998 Series A	8,765,000	4,845,000	3.35% – 4.88%	Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 through 2018	2009 – 2010 at 100.5%, after 2010 at par
1998 Series B	13,850,000	6,490,000	3.35% – 4.75%	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
2000 Series A	24,110,000	10,070,000	4.3% – 5.8%	Serial Bonds through 2017, term bonds subject to mandatory redemption in 2018 through 2020. Various bonds totaling \$10,245,000 from 2011 to 2020 were refunded by the 2006A bond issue	2011 – 2020 at par
2001 Series A	15,510,000	13,600,000	3.9% – 4.875%	Serial Bonds through 2016, term bonds subject to mandatory redemption in 2017 through 2023	2012 – 2023 at par
2002 Series A	14,615,000	13,580,000	1.3% – 5.375%	Serial Bonds through 2022, term bonds subject to mandatory redemption in 2019 through 2020	2013 – 2022 at par
2003 Series A	9,610,000	8,735,000	2.0% – 4.50%	Serial Bonds through 2023	2014 – 2023 at par
2006 Series A	13,970,000	13,480,000	3.75% - 5.00%	Serial Bonds through 2019	The bonds are not subject to early redemption
Total Small Water Resources Program Revenue Bonds	<u>141,460,000</u>	<u>82,740,000</u>			

**Colorado Water Resources
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Schedule of Bonds Payable – By Issue
Year Ended December 31, 2008**

Water Operations Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Water Revenue Bonds Program:					
1998 Taxable Rio Blanco Water Conservancy District	\$ 3,140,000	\$ 1,380,000	6.0% – 7.125%	Serial Bonds through 2013	2009 – 2010 at 101%, after 2010 at par
2003 Series A	13,800,000	11,200,000	2.0% – 4.125%	Serial Bonds through 2024	2014 – 2024 at par
2003 Series B	3,960,000	695,000	2.0% – 2.125%	Serial Bonds through 2009	The bonds are not subject to early redemption
2004 Series A	14,500,000	12,280,000	2.0% – 5.0%	Serial Bonds through 2024	2014 – 2024 at par
2004 Series B	19,715,000	19,695,000	3.0% – 5.0%	Serial Bonds through 2017	2014 – 2017 at par
2004 Series C	19,695,000	14,400,000	3.0% – 5.5%	Serial Bonds through 2015	2014 – 2015 at par
2004 Series D	105,420,000	101,310,000	1.6% – 5.25%	Serial Bonds through 2026, term bonds subject to mandatory redemption 2027 – 2043	2014 – 2015 at par
2004 Series E	3,540,000	2,995,000	2.0% – 4.54%	Serial Bonds through 2024	2014 – 2024 at par
2005 Series A	53,970,000	51,330,000	3.0% – 5.5%	Serial Bonds through 2032, term bonds subject to mandatory redemption 2033 - 2035	2016 – 2035 at par
2005 Series B	2,300,000	2,050,000	3.0% – 4.625%	Serial Bonds through 2017, term bonds subject to mandatory redemption 2020 - 2025	2015 – 2025 at par
2005 Series C	8,170,000	7,715,000	2.85% – 5.0%	Serial Bonds through 2017, term bonds subject to mandatory redemption 2020 - 2035	2016 – 2035 at par
2005 Series D	100,000,000	100,000,000	3.2% – 5.0%	Serial Bonds 2011 - 2025, term bonds subject to mandatory redemption 2027 - 2035	2016 – 2035 at par
2005 Series E	26,270,000	26,270,000	4.375% – 5.0%	Serial Bonds 2023 - 2024, term bonds subject to mandatory redemption 2035	2016 – 2035 at par
2005 Series F	<u>3,690,000</u>	<u>3,305,000</u>	4.0% – 4.5%	Serial Bonds through 2024	2016 – 2024 at par
Total Water Revenue Bonds Program	<u>378,170,000</u>	<u>354,625,000</u>			
Total Water Operations Fund	\$ <u>519,630,000</u>	\$ <u>437,365,000</u>			
Water Pollution Control Revolving Fund					
Clean Water Revenue Bonds:					
Clean Water 1989 Series A (Denver Southeast Suburban Water and Sanitation District)	\$ 6,905,000	\$ 100,000	5.95% – 7.0%	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 2003 at par
Clean Water 1990 Series A (Town of Castle Rock)	3,890,000	20,000	6.25% – 7.4%	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 2003 at par

**Colorado Water Resources
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Schedule of Bonds Payable – By Issue
Year Ended December 31, 2008**

Water Pollution Control Revolving Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Clean Water 1991 Series A (City of Englewood – City of Littleton)	22,915,000	495,000	5.75% – 7.0%	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	After 2003 at par
Clean Water 1991 Series B (Metro Wastewater Reclamation District)	19,685,000	275,000	4.8% – 6.9%	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	After 2003 at par
Clean Water 1992 Series A (City of Fort Lupton, Frisco Sanitation District, and Eagle River Water and Sanitation District)	15,200,000	245,000	4.15% – 6.25%	Term bonds subject to mandatory redemptions in 2007 and 2008 – 2013 \$8,725,000 of bonds maturing in 2003 and thereafter were refunded with the issuance of the 2001 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	After 2004 at par
Clean Water 1992 Series B (City of Fort Collins and City of Longmont)	25,785,000	770,000	3.75% – 6.0%	Term bonds subject to mandatory redemption 2007 – 2009 and 2010 – 2014. \$14,355,000 of bonds maturing in 2003 and thereafter were refunded with the issuance of the 2001 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	After 2004 at par
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	410,000	3.8% – 6.3%	Serial Bonds through 2008, term bonds subject to mandatory redemption 2009 – 2011 and 2012 – 2014 \$13,945,000 of bonds maturing in 2004 and thereafter were refunded with the issuance of the 2001 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	After 2004 at par
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	700,000	4.1% – 5.85%	Serial Bonds through 2009, term bonds subject to mandatory redemption 2010 – 2012 and 2013 – 2015 \$14,485,000 of bonds maturing in 2005 and thereafter were refunded with the issuance of the 2001 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	After 2005 at par
Clean Water 1996 Series A (Town of Total Small Water Butte Water and Sanitation District, Fountain Sanitation District, and City of Idaho Springs)	6,710,000	220,000	4.25% – 5.9%	Serial Bonds through 2008, term bonds subject to mandatory redemption 2009 – 2011 and 2012 – 2016 \$2,710,000 of bonds maturing in 2007 and thereafter were refunded with the issuance of the 2004 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	2007 at 101% of par, 2007 – 2008 at 100.5% of par, after 2008 at par
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	2,340,000	4.05% – 5.8%	Serial Bonds through 2011, term bonds subject to mandatory redemption 2012 – 2015 and 2016 – 2017 \$14,675,000 of bonds maturing in 2008 and thereafter were refunded with the issuance of the 2004 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	2007 – 2008 at 102% of par, 2008 – 2009 at 101% of par, after 2009 at par

**Colorado Water Resources
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Schedule of Bonds Payable – By Issue
Year Ended December 31, 2008**

Water Pollution Control Revolving Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Clean Water 1998 Series A (Eagle River Water and Sanitation District, City of Trinidad, City of Westminster, Buena Vista Sanitation District, and City of Evans)	31,190,000	1,355,000	3.7% – 5.125%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2018. \$15,375,000 of bonds maturing in 2009 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	2009 at par
Clean Water 1998 Series B (City of Colorado Springs)	20,810,000	1,390,000	3.7% – 5.375%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2016 and 2017 – 2019 \$13,630,000 of bonds maturing in 2009 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	2009 at par
Clean Water 1999 Series A (City of Aurora, Fremont Sanitation District, Grand County Water and Sanitation District, Mt. Werner Water and Sanitation District, and City of Steamboat Springs)	39,220,000	3,440,000	4.25% – 5.25%	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. \$15,435,000 of bonds maturing in 2010 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	2009 at par
Clean Water 2000 Series A (Parker Water and Sanitation District, Summit County, and Three Lakes Water and Sanitation District)	33,575,000	4,775,000	5.0% – 6.25%	Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 through 2020 \$17,900,000 of bonds maturing in 2011 and thereafter were refunded with the issuance of the 2004 Series A Wastewater Revolving Fund Refunding Revenue Bonds.	2011 – 2020 at par
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, and City of Steamboat Springs)	69,710,000	13,405,000	4.0% – 5.625%	Serial Bonds through 2019, term bonds subject to mandatory redemption in 2020 through 2021 \$37,250,000 of bonds maturing in 2012 and thereafter were refunded with the issuance of the 2005 Series A-2 Wastewater Revolving Fund Refunding Revenue Bonds.	2012 – 2021 at par
Clean Water 2002 Series A (Town of Berthoud, Blackhawk-Central City Water and Sanitation District, Mesa County, Total Small Water Sanitation District, Town of Wellington, and Winter Park West Water and Sanitation District)	55,310,000	42,995,000	3.0% – 5.25%	Serial Bonds through 2021, term bonds subject to mandatory redemption in 2022 through 2024	2013 – 2021 at par
Clean Water 2002 Series B (Denver SE Water and Sanitation District, Parker Water and Sanitation District, and Plum Creek Wastewater Authority)	23,435,000	19,625,000	2.0% – 4.75%	Serial Bonds through 2023, term bonds subject to mandatory redemption in 2024 through 2025	2013 – 2023 at par
Clean Water 2003 Series A (City of Pueblo, Colorado City Metropolitan District, and Town of Milliken)	14,750,000	11,960,000	2.0% – 4.5%	Serial Bonds through 2024	2014 – 2024 at par

**Colorado Water Resources
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Year Ended December 31, 2008**

Water Pollution Control Revolving Fund	Original issue amount	Current amount outstanding	Interest rate	Due dates	Early redemption
Clean Water 2004 Series A (Town of Berthoud, City of Englewood, and City of Littleton)	57,710,000	57,270,000	2.0% – 5.0%	Serial Bonds through 2025	2014 – 2025 at par
Clean Water 2005 Series A (Town of Breckenridge, Denver Southeast Suburban Water and Sanitation District, Town of Eaton, Plum Creek Wastewater Authority, Roxborough Park Metropolitan District, and City of Westminster)	40,090,000	35,845,000	4.0% – 5.0%	Serial Bonds through 2027	2016 – 2027 at par
Clean Water 2005 Series B (Breckenridge Sanitation District and City of Glendale)	17,350,000	15,290,000	2.8% – 4.5%	Serial Bonds through 2027	2016 – 2027 at par
Clean Water 2006 Series A (Clifton Water & Sanitation District #2, Donala Water & Sanitation District, Granby Sanitation District and Triview Metropolitan District)	23,270,000	21,585,000	4.25% - 5.0%	Serial Bonds through 2027	2017 – 2027 at par
Clean Water 2006 Series B (Cherokee Water & Sanitation District)	14,195,000	13,095,000	4.0% - 4.375%	Serial Bonds through 2025, term bond subject to mandatory redemption in 2026 and 2027.	2017 – 2027 at par
Clean Water 2007 Series A (Bayfield Sanitation District, City of Rifle, Town of Rifle, Town of Eagle, Town of Mead)	35,330,000	35,125,000	4.0% - 5.0%	Serial Bonds through 2026, term bond subject to mandatory redemption in 2027 and 2028.	2018 – 2028 at par
Clean Water 2008 Series A (Town of Elizabeth, Town of New Castle)	12,305,000	12,305,000	3.5% - 5.0%	Serial Bonds through 2028, term bond subject to mandatory redemption in 2030	2019 – 2030 at par
Total WPCRF Clean Water Revenue Bonds payable	<u>667,980,000</u>	<u>295,035,000</u>			
Wastewater Revolving Fund Refunding Revenue Bonds 1996 Series A (Partial Refunding of the following Clean W Total Small Water 1991A, and 1991B)	28,950,000	11,530,000	3.5% – 6.0%	Serial Bonds 1997 through 2012	The bonds are not subject to early redemption
Revenue Bonds 2001 Series A (Partial refunding of the following Clean Water Bonds: 1992A, 1992B, 1994A, and 1995A)	51,620,000	29,455,000	3.0% – 5.25%	Serial Bonds through 2015	The bonds are not subject to early redemption
Revenue Bonds 2004 Series A (Partial refunding of the following Clean Water Bonds: 1996A, 1997B, and 2000A)	36,705,000	33,960,000	3.0% – 5.0%	Serial Bonds through 2020	2015 – 2020 at par
Revenue Bonds 2005 Series A and A-2 (Partial refunding of the following Clean Water Bonds: 1998A, 1998B, 1999A, and 2001A)	78,865,000	78,040,000	3.0% – 5.25%	Serial Bonds through 2021	The bonds are not subject to early redemption
	<u>196,140,000</u>	<u>152,985,000</u>			
Total Water Pollution Control Revolving Fund	\$ <u>864,120,000</u>	\$ <u>448,020,000</u>			

**Colorado Water Resources
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Year Ended December 31, 2008**

<u>Drinking Water Revolving Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>	<u>Due dates</u>	<u>Early redemption</u>
Drinking Water Revenue Bonds Series 1997A (Arapahoe Estates Water District, City of Englewood, and City of Fort Collins)	\$ 24,095,000	\$ 13,355,000	3.8% – 5.3%	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
Drinking Water Revenue Bonds Series 1998A (Town of Buena Vista, and City of Fort Morgan)	15,205,000	9,225,000	3.85% – 5.0%	Serial Bonds through 2004 and 2008 – 2010, term bonds subject to mandatory redemption 2005 – 2007, 2011 – 2015, and 2016 – 2019	2008 – 2009 at 101% of par, after 2009 at par
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, and Left Hand Water District)	46,855,000	26,505,000	3.28% – 5.0%	Serial Bonds through 2017, term bonds subject to mandatory redemption 2018 – 2019	9/1/2009 – 8/31/2010 at 101% at 100.5% of par, 9/1/2011 and thereafter at par
Drinking Water Revenue Bonds Series 2000A (Evergreen Metropolitan District, Fountain Valley Authority, Town of Limon, Pueblo Board of Waterworks, and City of Westminster)	36,110,000	5,360,000	4.8% – 5.75%	Serial Bonds through 2017, term bonds subject to mandatory redemption 2018 – 2022. \$20,535,000 of bonds maturing in 2011 and thereafter were refunded with the issuance of the 2005 Series A Drinking Water Revolving Fund Refunding Revenue Bonds.	2011 – 2022 at par
Drinking Water Revenue Bonds Series 2002A (Evergreen Metro. District, City of Grand Junction, City of Idaho Springs, and City of La Junta)	16,320,000	12,610,000	3.0% – 5.125%	Serial Bonds through 2020, term bonds subject to mandatory redemption 2021 – 2022	2013 – 2020 at par
Drinking Water Revenue Bonds Series 2003A (City of Longmont, Town of Lyons, and Fountain Valley Authority)	20,835,000	19,235,000	2.0% – 4.25%	Serial Bonds through 2024	2014 – 2024 at par
Drinking Water Revenue Bonds Series 2003B (City of Florence)	11,695,000	10,615,000	3.25% – 4.75%	Serial Bonds through 2025	2014 – 2025 at par
Drinking Water Revenue Bonds Series 2006A (City of Craig and Little Thompson Water District)	11,275,000	10,460,000	4.0% - 5.0%	Serial Bonds through 2027, term bond subject to mandatory redemption in 2025 and 2026.	2017 - 2027 at par
Drinking Water Revenue Bonds Series 2006 Total Small Water Water & Wastewater PID, Cottonwood Water & Sanitation District, and Town of Palisade)	38,045,000	35,390,000	4.0% - 5.0%	Serial Bonds through 2024, term bonds subject to mandatory redemption in 2025 through 2028.	2017 - 2028 at par
Drinking Water Revenue Bonds Series 2008A (Pagosa Area Water and Sanitation District, Town of Estes Park)	11,235,000	11,235,000	3.5% - 4.25	Serial Bonds through 2029	2019 - 2029 at par
Drinking Water Revenue Bonds Series 2008B (Project 7 Water Authority)	8,870,000	8,870,000	3.0% - 5%	Serial Bonds through 2024, term bonds subject to mandatory redemption in 2026 through 2030.	2019 - 2030 at par
Total DWRP Revenue Bonds payable	<u>240,540,000</u>	<u>162,860,000</u>			
Drinking Water Revolving Fund Refunding Revenue Bonds 2005 Series A (Partial Refunding of the Drinking Water Revolving Fund Revenue Bonds Series 2000A)	<u>20,305,000</u>	<u>20,115,000</u>	3.0% – 5.5%		The bonds are not subject to early redemption
Total Drinking Water Revolving Fund	<u>\$ 260,845,000</u>	<u>\$ 182,975,000</u>			

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**

(A Component Unit of the State of Colorado)

Schedule of Cash, Cash Equivalents, and Investments Held by Trustees – By Investment Type

December 31, 2008

	Cash	Cash held by State Treasurer	Treasury Money Market Funds	COLOTRUST Local Government Investment Pool	US Treasury Notes – SLGS	US Treasury Bills, Notes, and Bonds (fair value)	Repurchase agreements	Total cash and investments by bond issue
Water Operations Fund:								
Small Water Resources Projects Program Debt Service Reserve Fund	\$ —	\$ —	\$ —	\$ 8,500,000	\$ —	\$ —	\$ —	\$ 8,500,000
Small Water Resources Projects Bonded Funds	100,879	—	—	1,513,260	—	—	—	1,614,139
Water Revenue Bonds Program	—	—	—	10,265,359	—	—	79,549	10,344,908
Animas-La Plata Account	—	1,321,725	—	—	—	—	—	1,321,725
Authority Operating	117,932	62,571,970	—	4,504,406	—	—	—	67,194,308
Subtotal – Water Operations Fund	218,811	63,893,695	—	24,783,025	—	—	79,549	88,975,080
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1989 Series A	—	—	—	878,970	922,200	—	—	1,801,170
Clean Water Revenue Bonds, 1990 Series A	—	—	—	238,791	243,800	—	—	482,591
Clean Water Revenue Bonds, 1991 Series A	—	—	—	46,716	2,088,400	2,018,146	970,392	5,123,654
Clean Water Revenue Bonds, 1991 Series B	—	—	—	732,527	875,000	1,727,466	—	3,334,993
Clean Water Revenue Bonds, 1992 Series A	—	—	—	872,602	—	1,200,875	—	2,073,477
Clean Water Revenue Bonds, 1992 Series B	—	—	—	670,922	1,720,400	2,287,944	—	4,679,266
Clean Water Revenue Bonds, 1994 Series A	—	—	—	235,147	—	—	2,349,745	2,584,892
Clean Water Revenue Bonds, 1995 Series A	—	—	—	382,595	—	—	3,514,609	3,897,204
Clean Water Revenue Bonds, 1996 Series A	—	—	—	169,343	—	—	838,160	1,007,503
Refunding Revenue Bonds, 1996 Series A	—	—	—	661,065	—	—	—	661,065
Clean Water Revenue Bonds, 1997 Series A	—	—	—	196,492	—	—	5,025,728	5,222,220
Clean Water Revenue Bonds, 1998 Series A	—	—	—	136,257	—	—	6,132,194	6,268,451
Clean Water Revenue Bonds, 1998 Series B	—	—	—	101,715	—	—	5,031,700	5,133,415
Clean Water Revenue Bonds, 1999 Series A	—	—	—	787,658	—	—	7,106,544	7,894,202
Clean Water Revenue Bonds, 2000 Series A	—	—	—	528,420	—	—	7,004,910	7,533,330
Clean Water Revenue Bonds, 2001 Series A	1	—	—	1,148,979	343,584	—	18,832,441	20,325,005
Refunding Revenue Bonds, 2001 Series A	1	—	—	2,485,357	1,319,436	—	—	3,804,794
Clean Water Revenue Bonds, 2002 Series A	—	—	—	463,177	—	—	16,908,807	17,371,984
Clean Water Revenue Bonds, 2002 Series B	—	—	—	16,203	—	—	8,810,091	8,826,294
Clean Water Revenue Bonds, 2003 Series A	—	—	—	257,368	—	—	5,705,551	5,962,919
Clean Water Revenue Bonds, 2004 Series A	—	—	—	504,138	—	—	20,512,006	21,016,144
Refunding Revenue Bonds, 2004 Series A	—	—	—	276,988	563,747	—	—	840,735
Clean Water Revenue Bonds, 2005 Series A	—	—	—	716,209	—	—	17,437,005	18,153,214
Clean Water Revenue Bonds, 2005 Series B	—	—	—	10,953,853	—	—	6,098,155	17,052,008
Refunding Revenue Bonds, 2005 Series A and A2	2	—	—	590,076	1,496,147	—	—	2,086,225
Clean Water Revenue Bonds, 2006 Series A	—	—	—	1,106,117	—	—	9,302,240	10,408,357
Clean Water Revenue Bonds, 2006 Series B	—	—	—	364,856	—	—	9,875,212	10,240,068
Clean Water Revenue Bonds, 2007 Series A	93,992	—	—	910,593	—	—	28,009,064	29,013,649
Clean Water Revenue Bonds, 2008 Series A	—	—	—	2,173,848	10,960,100	—	—	13,133,948
Direct Loan Project Accounts	—	—	—	6,000,179	—	—	—	6,000,179
WPCRF State Match Holding Account	—	67,445	—	—	—	—	—	67,445
Direct Loan Surplus Matching Account	—	—	—	819,769	—	—	—	819,769
CWSRF Reloan Account	—	—	—	25,912,692	—	—	—	25,912,692
WPCRF Administrative Fee Account	—	—	—	1,800,976	—	—	—	1,800,976
Subtotal – Water Pollution Control Revolving Fund	93,996	67,445	—	63,140,598	20,532,814	7,234,431	179,464,554	270,533,838

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**

(A Component Unit of the State of Colorado)

Schedule of Cash, Cash Equivalents, and Investments Held by Trustees – By Investment Type

December 31, 2008

	Cash	Cash held by State Treasurer	Treasury Money Market Funds	COLOTRUST Local Government Investment Pool	US Treasury Notes – SLGS	US Treasury Bills, Notes, and Bonds (fair value)	Repurchase agreements	Total cash and investments by bond issue		
Drinking Water Revolving Fund:										
Drinking Water Revenue Bonds, 1997 Series A	\$	—	\$	—	\$	—	\$	5,188,723	\$	5,886,781
Drinking Water Revenue Bonds, 1998 Series A		—		—		—		4,198,918		4,735,430
Drinking Water Revenue Bonds, 1999 Series A		—		—		—		9,779,177		10,980,547
Drinking Water Revenue Bonds, 2000 Series A		—		—		—		8,597,375		9,299,404
Drinking Water Revenue Bonds, 2002 Series A		—		—		—		4,669,836		4,724,547
Drinking Water Revenue Bonds, 2003 Series A		—		—		—		8,937,951		9,297,535
Drinking Water Revenue Bonds, 2003 Series B		—		—		—		4,994,360		5,582,674
Refunding Revenue Bonds, 2005 Series A		—		—		—		—		365,962
Drinking Water Revenue Bonds, 2006 Series A		—		—		—		4,560,685		4,884,826
Drinking Water Revenue Bonds, 2006 Series B		—		—		—		7,283,062		29,652,685
Drinking Water Revenue Bonds, 2008 Series A		—		—		9,398,508		—		11,564,665
Drinking Water Revenue Bonds, 2008 Series B		—		—		6,714,656		—		8,258,716
Federal Direct Loan Projects Pre-Construction Accounts		—		—		—		—		—
Federal Direct Loan Project, Accounts	934,000	—		—		—		—		7,044,480
Drinking Water Funding Account	—	332,806		—		—		—		332,806
Drinking Water State Match Holding Account	—	5,656,880		—		—		—		5,656,880
State Direct Loan Surplus Matching Account	—	—		—		—		—		88,625
State Direct Loan Reloan Account	—	—		—		—		—		555,156
State Direct Loan Administrative Fee Account	—	—		—		—		—		27,574
Federal Direct Loan Surplus Matching Account	—	—		—		—		—		714,786
DWRF Reloan Account	—	—		—		—		—		10,804,580
DWRF Administrative Fee Account	—	—		—		—		—		6,231,282
Subtotal – Drinking Water Revolving Fund	934,000	5,989,686	—	55,443,004	16,113,164	—	58,210,087	136,689,941		
Colorado Water Resources and Power Development Authority – total cash and investments	\$ 1,246,807	\$ 69,950,826	\$ —	\$ 143,366,627	\$ 36,645,978	\$ 7,234,431	\$ 237,754,190	\$ 496,198,859		

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**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**

(A Component Unit of the State of Colorado)

Schedule of Cash, Cash Equivalents, and Investments Held by Trustees – By Account Type

December 31, 2008

	Rebate accounts	SWRP revenue or Debt service funds	Debt service reserve funds	Project accounts	DWRF and WPCRF matching accounts	Cost of issuance accounts	Other accounts	Total cash and investments by bond issue
Water Operations Fund:								
Small Water Resources Projects Program Debt Service Reserve Fund	\$ —	\$ —	\$ 8,500,000	\$ —	\$ —	\$ —	\$ —	\$ 8,500,000
Small Water Resources Projects Bonded Funds		1,614,118	—	—	—	—	21	1,614,139
Water Revenue Bonds Program	21,501	843,196	1,863,504	7,616,707	—	—	—	10,344,908
Animas-La Plata Account	—	—	—	—	—	—	1,321,725	1,321,725
Authority Operating	—	—	—	—	—	—	67,194,308	67,194,308
Subtotal – Water Operations Fund	21,501	2,457,314	10,363,504	7,616,707	—	—	68,516,054	88,975,080
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1989 Series A	—	126	—	—	1,801,044	—	—	1,801,170
Clean Water Revenue Bonds, 1990 Series A	—	41	—	—	482,550	—	—	482,591
Clean Water Revenue Bonds, 1991 Series A	—	370	—	—	5,123,284	—	—	5,123,654
Clean Water Revenue Bonds, 1991 Series B	8,648	305	—	—	3,326,040	—	—	3,334,993
Clean Water Revenue Bonds, 1992 Series A	—	161	—	—	2,073,316	—	—	2,073,477
Clean Water Revenue Bonds, 1992 Series B	—	316	—	—	4,678,950	—	—	4,679,266
Clean Water Revenue Bonds, 1994 Series A	211,351	149	—	—	2,373,392	—	—	2,584,892
Clean Water Revenue Bonds, 1995 Series A	382,232	186	—	—	3,514,786	—	—	3,897,204
Clean Water Revenue Bonds, 1996 Series A	125,618	38	—	—	881,847	—	—	1,007,503
Refunding Revenue Bonds, 1996 Series A	—	661,065	—	—	—	—	—	661,065
Clean Water Revenue Bonds, 1997 Series A	195,706	—	—	—	5,026,514	—	—	5,222,220
Clean Water Revenue Bonds, 1998 Series A	124,951	—	—	—	6,143,500	—	—	6,268,451
Clean Water Revenue Bonds, 1998 Series B	100,247	—	—	—	5,033,168	—	—	5,133,415
Clean Water Revenue Bonds, 1999 Series A	782,888	—	—	—	7,111,314	—	—	7,894,202
Clean Water Revenue Bonds, 2000 Series A	525,047	—	—	—	7,008,283	—	—	7,533,330
Clean Water Revenue Bonds, 2001 Series A	725,917	198,084	—	—	19,057,419	—	343,585	20,325,005
Refunding Revenue Bonds, 2001 Series A	—	3,804,794	—	—	—	—	—	3,804,794
Clean Water Revenue Bonds, 2002 Series A	194,828	260,471	—	—	16,916,685	—	—	17,371,984
Clean Water Revenue Bonds, 2002 Series B	13,764	—	—	—	8,812,530	—	—	8,826,294
Clean Water Revenue Bonds, 2003 Series A	50,818	1,524	—	179,974	5,730,603	—	—	5,962,919
Clean Water Revenue Bonds, 2004 Series A	443,073	481	—	2,901	20,569,689	—	—	21,016,144
Refunding Revenue Bonds, 2004 Series A	—	840,735	—	—	—	—	—	840,735
Clean Water Revenue Bonds, 2005 Series A	211,651	499,547	—	—	17,442,016	—	—	18,153,214
Clean Water Revenue Bonds, 2005 Series B	74,447	74,012	—	10,029,914	6,873,635	—	—	17,052,008
Refunding Revenue Bonds, 2005 Series A and A2	—	2,086,225	—	—	—	—	—	2,086,225
Clean Water Revenue Bonds, 2006 Series A	487,782	2,237	—	303,157	9,615,181	—	—	10,408,357
Clean Water Revenue Bonds, 2006 Series B	232,512	—	—	7,726,913	2,280,643	—	—	10,240,068
Clean Water Revenue Bonds, 2007 Series A	482,775	—	—	16,689,659	11,841,215	—	—	29,013,649
Clean Water Revenue Bonds, 2008 Series A	—	28,559	—	12,939,400	165,989	—	—	13,133,948
Direct Loan Project Accounts	—	—	—	6,000,179	—	—	—	6,000,179
WPCRF State Match Holding Account	—	—	—	—	—	—	67,445	67,445
Direct Loan Surplus Matching Account	—	—	—	—	—	—	819,769	819,769
CWSRF Reloan Account	—	—	—	—	—	—	25,912,692	25,912,692
WPCRF Administrative Fee Account	—	—	—	—	—	—	1,800,976	1,800,976
Subtotal – Water Pollution Control Revolving Fund	5,374,255	8,459,426	—	53,872,097	173,883,593	—	28,944,467	270,533,838

**COLORADO WATER RESOURCES
AND POWER DEVELOPMENT AUTHORITY**

(A Component Unit of the State of Colorado)

Schedule of Cash, Cash Equivalents, and Investments Held by Trustees – By Account Type

December 31, 2008

	Rebate accounts	SWRP revenue or Debt service funds	Debt service reserve funds	Project accounts	DWRP and WPCRF matching accounts	Cost of issuance accounts	Other accounts	Total cash and investments by bond issue
Drinking Water Revolving Fund:								
Drinking Water Revenue Bonds, 1997 Series A	\$ 60,150	\$ 593,793	\$ —	\$ —	\$ 5,232,838	\$ —	\$ —	\$ 5,886,781
Drinking Water Revenue Bonds, 1998 Series A	49,004	451,342	—	—	4,235,084	—	—	4,735,430
Drinking Water Revenue Bonds, 1999 Series A	636,698	527,389	—	—	9,816,460	—	—	10,980,547
Drinking Water Revenue Bonds, 2000 Series A	570,763	100,201	—	—	8,628,440	—	—	9,299,404
Drinking Water Revenue Bonds, 2002 Series A	52,361	—	—	—	4,672,186	—	—	4,724,547
Drinking Water Revenue Bonds, 2003 Series A	159,072	769	—	73,179	9,064,515	—	—	9,297,535
Drinking Water Revenue Bonds, 2003 Series B	171,685	384,581	—	—	5,026,408	—	—	5,582,674
Refunding Revenue Bonds, 2005 Series A	—	365,962	—	—	—	—	—	365,962
Drinking Water Revenue Bonds, 2006 Series A	130,516	179,492	—	—	4,574,818	—	—	4,884,826
Drinking Water Revenue Bonds, 2006 Series B	647,303	180,424	—	20,579,539	8,245,419	—	—	29,652,685
Drinking Water Revenue Bonds, 2008 Series A	—	104,588	—	10,425,280	1,034,797	—	—	11,564,665
Drinking Water Revenue Bonds, 2008 Series B	—	500	—	5,885,946	2,267,959	104,311	—	8,258,716
Federal Direct Loan Projects Pre-Construction Accounts	—	—	—	—	—	—	—	—
Federal Direct Loan Project Accounts	—	—	—	7,044,480	—	—	—	7,044,480
Drinking Water Funding Account	—	—	—	—	—	—	332,806	332,806
Drinking Water State Match Holding Account	—	—	—	—	—	—	5,656,880	5,656,880
State Direct Loan Surplus Matching Account	—	—	—	—	—	—	88,625	88,625
State Direct Loan Reloan Account	—	—	—	—	—	—	555,156	555,156
State Direct Loan Administrative Fee Account	—	—	—	—	—	—	27,574	27,574
Federal Direct Loan Surplus Matching Account	—	—	—	—	—	—	714,786	714,786
DWRP Reloan Account	—	—	—	—	—	—	10,804,580	10,804,580
DWRP Administrative Fee Account	—	—	—	—	—	—	6,231,282	6,231,282
Subtotal – Drinking Water Revolving Fund	<u>2,477,552</u>	<u>2,889,041</u>	<u>—</u>	<u>44,008,424</u>	<u>62,798,924</u>	<u>104,311</u>	<u>24,411,689</u>	<u>136,689,941</u>
Colorado Water Resources and Power Development Authority – total cash and investments	<u>\$ 7,873,308</u>	<u>\$ 13,805,781</u>	<u>\$ 10,363,504</u>	<u>\$ 105,497,228</u>	<u>\$ 236,682,517</u>	<u>\$ 104,311</u>	<u>\$ 121,872,210</u>	<u>\$ 496,198,859</u>



**Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an
Audit of the Financial Statements Performed in Accordance with
*Government Auditing Standards***

Board of Directors
Colorado Water Resources and
Power Development Authority
Denver, Colorado

We have audited the financial statements of each major fund of 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, 2008, and have issued our report thereon dated April 8, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

Board of Directors
Colorado Water Resources and
Power Development Authority

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the Authority's management in a separate letter dated April 8, 2009.

This report is intended solely for the information and use of the governing body, management and others within the Authority and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

April 8, 2009



Independent Accountants' Report on Compliance and Internal Control Over Compliance with Requirements Applicable to Major Federal Awards Programs

Board of Directors
Colorado Water Resources and
Power Development Authority
Denver, Colorado

Compliance

We have audited the compliance of Colorado Water Resources and Power Development Authority (the Authority), a component unit of the State of Colorado, 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 each of its major federal programs for the year ended December 31, 2008. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the compliance of the Authority 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit 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 each of its major federal programs for the year ended December 31, 2008.

Board of Directors
Colorado Water Resources and
Power Development Authority

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the governing body, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

April 8, 2009

**Colorado Water Resources
and Power Development Authority**
(A Component Unit of the State of Colorado)
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2008

<u>Grantor program title</u>	<u>Federal CFDA number</u>	<u>Grant award</u>	<u>Accrued January 1, 2008</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Accrued December 31, 2008</u>
U.S. Environmental Protection Agency: Capitalization Grants for Clean Water State Revolving Funds:						
2005 Grant	66.458	\$ 8,606,700	\$ 2,379,846	\$ 2,379,846	\$ —	\$ —
2006 Grant	66.458	6,975,400	853,540	6,975,400	6,121,860	—
2007 Grant	66.458	8,547,900	—	524,642	597,936	73,294
2008 Grant	66.458	5,399,100	—	—	—	—
Total federal awards – WPCRF			<u>3,233,386</u>	<u>9,879,888</u>	<u>6,719,796</u>	<u>73,294</u>
Capitalization Grants for Drinking Water State Revolving Funds:						
2003 Grant	66.468	6,576,333	153,764	287,667	204,603	70,700
2004 Grant	66.468	13,737,700	22,658	498,361	697,277	221,574
2005 Grant	66.468	13,708,600	1,521,599	9,944,396	8,440,981	18,184
2006 Grant	66.468	14,497,300	—	1,304,300	1,623,023	318,723
2007 Grant	66.468	14,497,000	408,137	1,323,369	1,280,202	364,970
2008 Grant	66.468	14,350,000	—	—	236,049	236,049
Total federal awards – DWRP			<u>2,106,158</u>	<u>13,358,093</u>	<u>12,482,135</u>	<u>1,230,200</u>
Total federal awards			<u>\$ 5,339,544</u>	<u>\$ 23,237,981</u>	<u>\$ 19,201,931</u>	<u>\$ 1,303,494</u>

See accompanying notes to schedule of expenditures of federal awards.

**Colorado Water Resources
and Power Development Authority**
(A Component Unit of the State of Colorado)
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2008

Note 1: Basis of Presentation

This schedule includes the federal awards of Colorado Water Resources and Power Development Authority, a component unit of the State of Colorado, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Colorado Water Resources
and Power Development Authority**
(A Component Unit of the State of Colorado)
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2008

Note 2: Subrecipients

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, 97% of the Capitalization Grants for Clean Water State Revolving Funds (WPCRF) and 64% of the Capitalization Grants for Drinking Water State Revolving Funds (DWRF) were provided to subrecipients as follows:

		Federal grants Provided to Subrecipients
Water Pollution Control Revolving Fund Projects:		
Cherokee Metropolitan District	\$	1,568,556
Donala Water & Sanitation District		441,301
Town of Eagle		2,405,563
Town of Elizabeth		159,986
City of Englewood		46,142
City of Littleton		47,060
Town of Milliken		40,197
City of Rifle		1,543,844
Triview Metropolitan District		277,011
		6,529,660
Drinking Water Revolving Fund Projects:		
City of Alamosa		1,127,039
Arapahoe County Water & Wastewater PID		2,062,682
Cottonwood Water & Sanitation District		1,081,648
City of Craig		446,167
Town of Estes Park		614,119
Fountain Valley Authority		6,927
Town of Lyons		59,427
Pagosa Area Water & Sanitation District		379,522
Project 7 Water Authority		2,267,958
		8,045,489
Total	\$	14,575,149

**Colorado Water Resources
and Power Development Authority**
(A Component Unit of the State of Colorado)
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2008

Note 3: Set Asides

For the year ended December 31, 2008, the following DWRF grant amounts were used for the set aside programs:

DWRF program year:	<u>Set aside amount</u>
2003	\$ 204,604
2004	697,277
2005	573,409
2006	1,445,106
2007	1,280,202
2008	236,048
Total	\$ <u><u>4,436,646</u></u>

**Colorado Water Resources
and Power Development Authority
(A Component Unit of the State of Colorado)
Schedule of Findings and Questioned Costs
Year Ended December 31, 2008**

Summary of Auditor's Results

1. The opinion(s) expressed in the independent accountants' report was (were):
 Unqualified Qualified Adverse Disclaimed

2. The independent accountants' report on internal control over financial reporting described:
Significant deficiency(ies) noted considered material weakness(es)? Yes No
Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:
Significant deficiency(ies) noted considered material weakness(es)? Yes No
Significant deficiency(ies) noted that are not considered to be a material weakness? Yes No

5. The opinion(s) expressed in the independent accountants' report on compliance with requirements applicable to major federal awards was (were):
 Unqualified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by OMB Circular A-133? Yes No

**Colorado Water Resources
and Power Development Authority**
(A Component Unit of the State of Colorado)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2008

7. The Organization's major programs were:

Cluster/Program	CFDA Number
Capitalization Grants for Clean Water State Revolving Funds	66.458

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$576,058.

9. The Organization qualified as a low-risk auditee as that term is defined in OMB Circular A-133? Yes No

**Colorado Water Resources
and Power Development Authority**
(A Component Unit of the State of Colorado)
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2008

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding	Questioned Costs
No matters are reportable		

Findings Required to be Reported by OMB Circular A-133

Reference Number	Finding	Questioned Costs
No matters are reportable		

**Colorado Water Resources
and Power Development Authority**
(A Component Unit of the State of Colorado)
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2008

Reference Number	Summary of Finding	Status
No matters are reportable		

Attachment 5

Access Database Project Report

ATTACHMENT 5: SAMPLE DWRP FAP PROJECT REPORT

Project Number: 960033D
Project Name:

Borrower / Entity: Florence, City of

Program Type: DWRP
Project City: Florence

PWSID or NPDES: 122500
Project County: Fremont

Project Manager: Pate

TSU Engineer: Talbott, Vrudny

Project Status: Construction

Project Remarks: Const storage, booster station, upgrade/expand treatment

(2004: Improvement to Drinking Water Treatment Plant; Water Storage Facilities; Distribution / Transmission Lines; \$13,000,000)

Body of Water ID:

Watershed HUC:

State House Dist: 60

State Senate Dist: 2

Congressional Dist: 5

Population: 5,000

Taps: 3,437

Eligibility List

Project Desc: Improve / Expand DWTP; Distribution / Transmission Lines; Water Storage

Project Cost: \$13,800,000

Category: 3

Date Added to List: 01/01/04

Date Removed from List:

Funding Information

Loan Type: Leveraged

Bond Series: 2003B

Loan Amount: \$12,999,093

Interest Rate: 3.51%

Loan Term: 22

Closing Date: 11/01/03

Maturity Date: 06/01/25

Federal Funding: \$5,502,502.00 Grant

State Match: \$1,304,092.97

Planning and Design Grant

Amount: \$10,000

Date Awarded: 05/01/03

Expiration Date: 12/31/03

Criteria: Inc/Rate

Paid Out: Paid out

State Grant

Amount:

Date Awarded:

Expiration Date:

Other Funding:

Project Milestones

Loan Application Received: 06/23/03

Water Conservation Plan:

Priority Points: 60

Application Review: 06/25/04

Civil Rights Form: YES

Debarred, Suspended Form: YES

Milestone

Elig Assess Sent to TSU

Date
05/07/03

Actual

Elig Assess Rec from TSU

05/23/03

Actual

Credit Report Rec

Public Meeting

12/05/03

Actual

TMF Application Sent

04/11/02

TMF Application Rec

06/23/03

TMF Sent to TSU

06/27/03

Actual

TMF Rec from TSU

08/01/03

Actual

TMF Sent to DLG

08/01/03

Actual

TMF Rec from DLG

08/08/03

Actual

ATTACHMENT 5: SAMPLE DWRF FAP PROJECT REPORT

Milestone	Date	
TMF approval letter	08/11/03	Actual
PER draft Sent to TSU		
PER draft Rec from TSU		
PER final Sent to TSU	06/10/04	Actual
PER final Rec from TSU	11/05/03	Actual
CatEx/FoNSI published	02/05/04	Actual
PER approval	03/12/04	Actual
Plans and Specs Sent to TSU	06/10/04	Actual
Plans and Specs Rec from TSU	07/15/04	Actual
Plans and Specs approval	07/15/04	Actual
Construction Start Date	08/10/04	Actual
Construction Completion Date	10/01/05	Target
Inspection Date		

Remarks for TSU: Construction is in full swing. Are currently in a pinch to find money to replace 1-2 clearwells.

MBE / WBE Participation

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
MBE Personnel Services				
MBE Equipment				
MBE Supplies				
MBE Construction				
WBE Personnel Services				
WBE Equipment				
WBE Supplies				
WBE Construction				

SAMPLE

Attachment 6

2009 Intended Use Plan and Addendum

STATE OF COLORADO

2009

DRINKING WATER REVOLVING FUND

AND

STATE DRINKING WATER GRANT FUND

INTENDED USE PLAN

WQCC Approved: November 2008

Effective Date: January 1, 2009

**DWRF IUP
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Appendices

- Appendix A: State of Colorado Drinking Water Revolving Fund Rules Regulation No 52
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- Appendix C: Project Priority / Fundable List
- Appendix D: Loan Summary Report
- Appendix E1 DWRF Set-Aside Activity
- Appendix E2: Funds Available to the DWRF Loan Program
- Appendix E3: DWRF Administrative Fee Account
- Appendix F: DWRF Eligible and Ineligible Projects and Project Related Costs
- Appendix G: Drinking Water Grant Fund Regulation No 54
- Appendix H: DWGF Private, Not For Profit Project Eligibility List
- Appendix I: Drinking Water Grants FY 2006-2007 Appropriation

**STATE OF COLORADO
DRINKING WATER REVOLVING FUND
AND
STATE DRINKING WATER GRANT FUND
INTENDED USE PLAN
2009**

DRINKING WATER REVOLVING FUND

I. INTRODUCTION

As required by Section 1452(b) of the Safe Drinking Water Act (SDWA) and by Interim Final Regulations 40 CFR 35.3555 published August 7, 2000, an Intended Use Plan (IUP) is to be filed annually with the U.S. Environmental Protection Agency (EPA). The IUP describes how the State intends to use the Capitalization Grant and Drinking Water Revolving Fund (DWRF) to meet the objectives of the SDWA and further the goals of protecting public health. The IUP is made available to the public for review and comment prior to submitting it to the EPA as required by the capitalization grant agreement.

The purpose of the DWRF program is to provide financial assistance to governmental agencies for the construction of water projects for public health and compliance purposes as described in the DWRF Rules (Appendix A), and 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 serves as the planning document to describe how the funds allotted for Federal Fiscal Year (FFY) 2009 and the funds remaining from all prior federal fiscal years' capitalization grant appropriations will be used for the DWRF and non-project program set-asides. The DWRF fiscal year is January 1, 2009 to December 31, 2009. 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 (Authority), the Water Quality Control Division (WQCD) at the Department of Public Health and Environment, and the Division of Local Government (DLG) at the Department of Local Affairs. (DOLA)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 helps to evaluate the financial and managerial capacity of loan applicants, identifies 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 2009;

- A description of the criteria and method established for the distribution of funds;
- A description of the financial status of the DWRP;
- A description of the short and long-term goals of the State's DWRP;
- A description of amounts transferred between the DWRP and the Water Pollution Control Revolving Fund (WPCRF); and
- A description of the non-project activities to be funded from the DWRP Capitalization Grant including the percentage of such funds allocated to these activities.

The State will prepare and submit a capitalization grant application for FFY 2009 based on this IUP.

II. DRINKING WATER REVOLVING FUND PROJECT LISTS

States are required to develop a comprehensive priority list of eligible projects for funding and to identify projects that will receive funding. 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 with the greatest financial need, on a per household basis. Projects that are primarily intended to serve future growth are not eligible. Examples of eligible and ineligible projects and project related costs are found in Appendix F.

Appendix B to this IUP is the 2009 DWRP Project Eligibility List illustrating the various projects and their associated estimated costs as required by Colorado's authorizing statute. The DWRP Project Eligibility List includes, for each individual entry: the name of the public water system, a description of the project, population, the estimated cost of the project and a categorical ranking by priority as described in the DWRP Rules (included in Appendix A).

Appendix C (DWRP Project Priority / Fundable List) is a list of the 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 or have recently received a loan from the DWRP. The supporting documentation covering the assignment of priority points is available from the WQCD. This list includes anticipated loan terms, interest rate, type of loan, and an enumeration of the drinking water problem and project description to correct the problem. Projects that receive funding during the year that are not included on the currently DWRP Project Priority/Fundable List will be added to the list in the following year.

Projects are added and deleted from the DWRP Project Eligibility List and Priority / Fundable List during the annual IUP approval process (Appendix B1 and B2.). Deletions to the list are made for those entities that received a DWRP loan and completed the project. In other cases, projects are deleted from the list when the entity is able to secure project funding from sources other than the DWRP.

Each year that funds are appropriated, in accordance with Appendix G, the Drinking Water Grant Funding System Rules, Regulation No. 54, the WQCD shall prepare an IUP. The IUP includes a list of eligible drinking water projects, a description of the use of funds from the previous year and the intended use of funds for the current year, the criteria and methods for distributing funds, program goals and activities.

III. CRITERIA, METHODS AND EVALUATION FOR DWRP DISTRIBUTION

Federal 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 DWRP projects that are forwarded to the Authority Board for funding.

Regarding the non-project activities, the WQCD prepares the capitalization grant application including the amount of funds to be set aside for activities documented in the IUP. The application is forwarded to the Authority for signature and submission to EPA. Section VII (Non-Project Activities) outlines the WQCD's proposed use of funds from the DWRP capitalization grant to meet various SDWA requirements.

A. Project Priority System

Colorado’s project priority system is set forth in the DWRP Rules (Appendix A). The Rules include the following categories by priority ranking:

Priority 1 Acute Health Hazard:

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

Priority 2 Chronic (Long Term) Health Hazard:

The WQCD has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant.

Priority 3 Potential Acute Health Hazard:

The public water system (PWS) has periodically exceeded an acute MCL, has levels greater than 50 percent 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.

Priority 4 Potential Chronic Health Hazard:

The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short-term problems meeting other treatment technique requirements.

Priority 5 Other Future Needs:

The PWS 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.

B. Priority Point Assignments Within Each Category

As provided in the DWRP Rules, once a pre-planning, planning, or pre-design document is received, projects within each category will be prioritized by the assignment of points based upon the review of the following factors:

- (1) Population
- (2) Financial Need
- (3) Consolidation
- (4) Water Conservation
- (5) Source Water Protection
- (6) Beneficial Use of Sludge
- (7) Health Risk

Projects on the DWRP Project Priority / Fundable List (Appendix C) 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:

- Governmental agencies are not ready to proceed with the project.
- Governmental agencies do not wish to participate in the DWRP or they have received funding from other sources.
- Governmental agencies (on the DWRP Project Eligibility or DWRP Priority / Fundable List) had an emergency situation during the funding year.
- Certain governmental agencies are not approved for funding because of technical, managerial or financial (TMF) deficiencies. Note: It is important that all PWS be managed and operated in an efficient and effective manner to ensure continued service of high quality, affordable water to their customers, now and in the future. The DWRP has established an EPA approved TMF capacity review and evaluation process to help systems understand this role and build the capacity where needed to properly serve their customers. Meeting these requirements for a loan will help the system ensure it will operate into the future with fewer difficulties, be financially secure, and be managed in the best interest of

the water users. This will result in a PWS being considered an asset to its community rather than a future liability. The WQCD will attempt to work with the governmental entity to resolve any deficiencies through the capacity development program.

- Projects that have an existing DWRP loan and need additional funding to complete the original project as approved by the WQCD.

Eligibility List Categories are determined based on information provided by the applicant during the Annual Eligibility List Survey process. Based upon receipt and review of a Preliminary Engineering Report, Eligibility Assessment and/or loan application the assigned Eligibility List Category may be revised, during the prioritization process, to more accurately reflect the proposed project.

C. Application Deadlines

In order to prioritize projects, two application deadlines of **January 15th** and **June 15th** have been implemented. Applications will be accepted throughout the year based on the following Authority Board Meeting schedule. However, loans will not be executed until all direct and leveraged loan applications have been prioritized and it is determined that sufficient funds are available. If sufficient funds are not available to cover all requests, those projects not funded will be included in the next prioritization of applications. Authority Board meetings and application submittal dates are as follows:

- November 15 for consideration at the Authority's January Board meeting.
- January 15 for consideration at the Authority's March Board meeting. This is also the last application deadline for inclusion into project prioritization if project prioritization is necessary, funding for the spring bond issue and for all direct loan consideration.
- February 15 for consideration at the Authority's April Board meeting.
- April 15 for consideration at the Authority's June Board meeting.
- June 15 for consideration at the Authority's August Board meeting. This is also the last application deadline for inclusion into project prioritization if project prioritization is necessary, funding for the fall bond issue and for all direct loan consideration.
- August 15 for consideration at the Authority's October Board meeting.
- October 15 for consideration at the Authority's December Board meeting.

If after January 15th and June 15th there are more funds available than request for funds and it is not necessary to prioritize projects then direct loan applications may be submitted and approved at subsequent Board Meetings until the next prioritization deadline. These direct loan applications approvals are valid for eighteen months. These loans will not be subject to future prioritization deadlines as long as they execute their loan within that time frame.

All loan approvals are valid for 18 months. However, leveraged loans that have been prioritized and that have received Authority Board approval after January 1, 2009, but do not execute their loan will be reprioritized upon the next application deadline. An exception will be made if a leveraged loan project prioritizes but is unable to execute its loan due to technical difficulties (as determined by WQCD), then that project will have one calendar year to execute the loan prior to being reprioritized.

Applicants should coordinate with a Project Manager from the WQCD to determine the appropriate application submittal schedule to ensure Board action and loan execution in a timely manner.

D. Allocation of Loan Proceeds

In addition to the DWRP Rules, the following policies will be applied to the allocation of loan proceeds and administrative fee revenue:

1. Planning and Design Grants

The intent of the planning and design grants is to assist DWRF applicants with costs associated with complying with program requirements. To be eligible for a planning and/or design grant, a governmental agency must meet the following criteria:

- Project is on the current year DWRF project eligibility list or is being added to the subsequent year's project eligibility list, and
- Population is 10,000 or less and
- Median household income (MHI) is less than the statewide median household income (the 2000 MHI for the state is \$47,203), or
- Current or post project monthly water rates are equal to or greater than the state average as calculated by DLG.

Upon approval by the Authority Board, \$100,000 will be made available on January 1 for planning and/or design grants. One grant in the amount of \$10,000 will be awarded per community. However, if planning and design grant funds are available on September 1 of each year, an additional grant of up to \$10,000 (maximum of \$20,000 total per community) may be made to communities that have met criteria in demonstrating progress towards receiving funding through the program.

Grants will be awarded on a first come, first served basis. If the entity does not seek funding through the DWRF, they may be requested to repay the grant or seek a waiver of the repayment requirement from the Authority Board.

Grant funds may be used to support a variety of project development activities including: preliminary engineering reports; technical, managerial and financial reviews; environmental assessments; engineering design documents; and legal fees associated with the formation of a legal entity capable of receiving DWRF assistance.

These funds are provided from the administrative fee account from income received from DWRF loans.

2. Disadvantaged Communities Loans

In accordance with federal statutes states are authorized to provide "loans at or below market interest rates, including interest free loans, and terms up to 30 years." A disadvantaged community is defined as a governmental agency that has a population of 5,000 or less with a median household income that is 80 percent or less of the statewide median household income.

DWRF re-loan funds will be the primary source of capital used to fund Disadvantaged Communities Loans. These funds are paid back by borrowers in the form of debt service payments on outstanding debt obligations. EPA capitalization grant funds in an amount not to exceed 30 percent of the annual capitalization grant may also be considered to underwrite loans in the event re-loan funds are not sufficient to meet demand. To the maximum extent practical and based on available data, projects eligible to receive the reduced interest rate will be identified on the Project Priority/Fundable List (Appendix C).

Median household income as a percentage of the statewide median household income will be used to distribute funding to governmental agencies that are disadvantaged in accordance with two categorical affordability tiers:

Category 1 - Disadvantaged communities with median household income levels that range from 61 to 80 percent of the statewide median household income qualifies for loans up to \$2 million per project. Loan terms up to 30 years, but not to exceed the project's design life, are permitted. The loan interest rate is established at 50 percent of the direct loan rate as set annually by the Authority Board for qualifying governmental agencies.

Category 2 - Disadvantaged communities with median household income levels that are less than 61 percent of the statewide median household income qualify for loans up to \$2 million per project. Loan terms up to 30 years, but not to exceed the project's design life, are permitted. The loan interest rate is established at 0 percent for qualifying governmental agencies.

Note: All loan requests exceeding the \$2 million direct loan limit will not be eligible for a Disadvantaged Communities Loan.

3. Miscellaneous Information

Communities receiving assistance from federal capitalization grant funds shall comply with all applicable federal requirements.

Re-loan funds will be provided in the following priority order:

- i. Disadvantaged Communities Loans
- ii. Direct Loans
- iii. Leveraged loans

Governmental agencies distributing or supplying 2,000 acre feet or more of water per year must have an approved (by the Colorado Water Conservation Board) and updated water conservation plan as defined by Section 37-60-126, CRS.

E. Emergency Procedures

The Water Quality Control Commission (WQCC) may amend the DWRP Project Eligibility and DWRP Priority / Fundable Lists at any time throughout the year to include PWS projects that it determines and declares to be emergency projects needed to prevent or address threats to public health. In cases where the WQCC determines the amendments will result in substantial changes to the DWRP Project Eligibility or DWRP Priority / Fundable Lists, public notice and opportunity for comment on the proposed inclusions shall be provided.

F. 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 DWRP account on an annual basis to provide loan assistance to systems serving 10,000 persons or fewer. It is anticipated that at least fourteen (14) small systems (population less than 10,000) will be funded from October 1, 2008, through December 31, 2009, for a total of \$27.5 million in DWRP loans.

To further the small system-funding goal in 2009, planning and/or design grants will be made available to assist small systems in meeting some of the requirements of the DWRP. In addition, DLG is planning to conduct a series of training workshops in 2009 to help build financial and managerial capacity of small rural public water and wastewater systems. For 2009, the focus of the workshops will be topics of current importance to rural drinking water systems. DWRP set-aside funds may be requested to partially support this effort.

All funding agencies meet periodically to review current projects and coordinate the financial support for communities that are planning water quality improvement projects. This funding coordination committee includes staff from the WQCD, Authority, DLG, Colorado Water Conservation Board, USDA Rural Development and the Rural Community Assistance Corporation. The committee uses a web page on the DLG website to keep the public aware of the projects it is assisting with arranging funding and to raise awareness of funding opportunities. Surveys are conducted to identify and update the needs of all public water systems including small systems.

G. DWRP Results

The following activities will occur in 2009 to ensure Colorado achieves the national goals:

- 1. It is the goal to execute at least eight (8) DWRP loans between October 1, 2008 and December 31, 2009. The anticipated loans will be funded through the state's Disadvantaged Communities Loan Program.

2. In calendar year 2007, the Colorado DWRF fund utilization rate was 85%. The 2009 Region 8 target for the DWRF fund utilization rate has been established at 88%; it is the goal of the State to maintain the current fund utilization rate.
3. In calendar year 2007, the rate at which the Colorado DWRF projects progressed as measured in fund disbursements as a percent of assistance provided was 85%. It is the goal of the State to meet or exceed the national DWRF average of 88%.

Anticipated 2009 Outcomes:

1. Twelve (12) projects are anticipated to initiate construction between October 1, 2008 and December 31, 2009. Six (6) projects will be Disadvantaged Communities Loans.
2. Twenty two (22) projects are anticipated to initiate operations/complete construction between October 1, 2008 and December 31, 2009.

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 \$7,253,915 to the DWRF. The final transfer occurred in March 1998. The State has made seventeen (17) direct loans for \$5,818,692 with State funds, which are kept separate from the federal portion of the DWRF. This segregation allows repayments from these loans to be made available for State match in the future.

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. As of June 30, 2008, \$16,967.34 is available for future State match.

The DWRF provides both direct loans and leveraged loans to finance projects. Direct loans are generally made for smaller projects. This allows the program to provide low interest loans to small public water systems without going to the bond market and incurring associated closing costs. Direct loans (up to \$2 million) are generally funded from re-loan funds. If necessary, direct loans may be funded from capitalization grant funds. Based on an effort to keep the rates for direct loans at or below the leveraged loan rate, the interest rate will be set by the Authority's Board of Directors annually in December for the following year.

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) 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 percent of the market rate on the bonds and includes the administrative fee of one and one quarter percent (1.25%) of the initial principal amount of each loan, or such lesser amount, as the Authority may approve from time to time. 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 sold by the Authority.

Currently the administrative surcharge on all loans, up to one and one quarter percent (1.25%), ensures long-term administration of the DWRF and provides potential opportunities for grant assistance to small public water systems. The administrative fee supplements the 4 percent administrative set-aside from the capitalization grant. The administrative fee income 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 fee income will continue to be used to fund a planning and/or design grant program in 2009. Additionally, administrative fee income, as available, will be used beginning with the FFY2008 DWRF capitalization grant to reimburse the Authority for state match funds (state match loan) deposited to the DWRF. The program reserves the right to charge up to 1.5% administrative fee on all DWRF loans if it is determined that additional funds are needed to fund administrative costs and/or repay the state match provided by the Authority. Beginning in 2008, up to \$1,000,000 of WPCRF administrative fees collected from loans may be transferred to the DWRF to pay for administrative costs of the DWRF.

Administrative fees received from DWRF loans for 2009 are estimated to be \$2,287,953. 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 \$2,000,000 a portion of which will be paid from DWRF set aside grant monies available. Appendix E1 is a table showing the administrative fee account activity since inception.

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 DWRF Eligibility List needs (currently over \$1.033 billion) are compared against the loan capacity of the DWRF. (Even though demand for loans (DWRF Priority / Fundable List) in the year 2009 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.) By continuing to leverage, the program will be able to assist more communities currently on the DWRF Project Eligibility List and help those communities achieve compliance with the SDWA. To date, the leveraged loan rates have been in the range of 3.03 to 4.60 percent. 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.

Through August 31, 2008, the State has received a total of \$154,682,600 in federal capitalization grants (includes the \$6,666,667 transfer back to the WPCRF in 2003). Of this amount, \$35,799,915 has been set aside for non-loan activities. The State anticipates receiving a FFY09 capitalization grant of \$14,350,000 with \$4,448,500 set aside for non-project activities. This amount may change based on final federal appropriations (See Appendix E1 and E2.)

Under the federal portion of the DWRF, fifty-one (51) direct loans (which includes twenty-one (21) Disadvantaged Communities loans totaling \$13,190,694) for \$32,497,508 and thirty-three (33) leveraged loans for \$253,838,483 have been made to-date from the DWRF utilizing the federal capitalization grants (See Appendix D).

The 2009 Priority / Fundable List (Appendix C) documents nineteen (19) additional projects that have had Eligibility Assessments completed in 2008. The nineteen projects added identified eligible project costs of \$40.9 million. In addition to these nineteen (19) projects it is anticipated that the following projects may apply for DWRF funding during 2009: Cities of Idaho Springs (\$900,000), Parker (\$50 million), Rifle (\$14 million), Salida (\$6 million) and Sterling (\$12.5 million) and the Towns/Counties/Districts of: Berthoud (\$8.5 million), Fairplay (\$6.2 million), Georgetown (\$1.5 million), Holly (\$355,000), Hot Sulphur Springs (\$2 million), Hudson (\$800,000), Kit Carson (\$930,000), Naturita (\$1.1 million), Platteville (\$2.2 million), Red Rock Valley Estates (\$2.3 million), Seibert (\$500,000), Teller County Water District #1 (\$600,000), Turkey Canon Ranch (\$300,000), and Williamsburg (\$1 million). These projects are not included on the Priority / Fundable list as Eligibility Assessments have not been completed. Projects receiving an Eligibility Assessment during the calendar year will be added to the following years Priority / Fundable List for approval by the WQCC. It is anticipated that an additional \$111.6 million in DWRF loans could be executed during 2009 if all of the above mentioned projects apply for funding.

It is anticipated that a transfer of an amount up to \$10 million (as discussed below) from the DWRF to the WPCRF may be made in 2009 reducing the 2009 DWRF loan capacity from \$88.6 million to \$64.6 million.

A. Transfer Activities

As authorized by Congress, up to 33 percent of the cumulative drinking water capitalization grants for FFY 1997 through FFY 2008 (total drinking water grants at \$154,682,600) may be reserved from the DWRF and transferred to the WPCRF. The following table itemizes (\$ in millions) the amount of net SRF funds available for transfer between the two programs:

TABLE I
Net Funds Available for Transfer

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	-----	-----	12.1	12.1
1999	Transfer	12.1	\$6.7**	-----	5.4	18.8
2000	CG Award	15.6	-----	-----	8.9	22.3
2001	CG Award	19.1	-----	-----	12.4	25.8
2002	CG Award	23.6	-----	-----	16.9	30.3
2003	CG Award	28.0	-----	-----	21.3	34.7
2003	Transfer	28.0	-----	\$6.7**	28	28
2004	CG Award	32.2	-----	-----	32.2	32.2
2005	CG Award	36.7	-----	-----	36.7	36.7
2006	CG Award	41.5	-----	-----	41.5	41.5
2007	CG Award	46.3	-----	-----	46.3	46.3
2008	CG Award	51.0	-----	-----	51.0	51.0

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

** \$6.7 million capitalization grant funds.

The authorization to transfer funds for FY 2006 and thereafter, has been approved in the 2006 EPA Appropriations Bill. Since a number of identified water pollution control loan projects are expected to request funds in 2009, the WPCRF loan demand is expected to exceed available loan capacity. If a transfer is pursued, a stakeholders group will be notified of the State's intent to transfer capitalization funds from the DWRF to the WPCRF. Based on the Water Quality Control Commission and the Governor's approvals, a transfer of no more than \$10,000,000 may be made from the DWRF into the WPCRF in 2009. The exact amount of the transfer will be determined after the January 15 or June 15 application deadlines, and the WPCRF and DWRF loan demands are determined. The following Tables (Table II & Table III) provide a comparison of loan capacity impacts if a transfer of \$10, \$7 or \$5 million is made from the DWRF. None of the transferred funds will be used for administrative purposes.

Beginning in 2008, up to \$1,000,000 of WPCRF administrative fees collected from loans may be transferred to the DWRF to pay for administrative costs of the DWRF.

TABLE II
Calculation of loan capacity for the 2009 Water Pollution Control Revolving Fund
As of June 30, 2008
Assuming Various transfer from the DWRF to the WPCRF

	<u>0\$ Transfer</u>	<u>\$10 million</u>	<u>\$7million</u>	<u>\$5 million</u>
Capitalization grants for loans through 2008	\$118,882,685	\$118,882,685	\$118,882,685	\$118,882,685
Obligated for loans through 6/30/08	\$99,173,915	\$99,173,915	\$99,173,915	\$99,173,915
Remainder	\$19,708,770	\$19,708,770	\$19,708,770	\$19,708,770
Expected 2009 Capitalization Grant	\$14,350,000	\$14,350,000	\$14,350,000	\$14,350,000
Less Set-Asides	\$4,448,500	\$4,448,500	\$4,448,500	\$ 4,448,500
Total 2009 Grant	\$9,901,500	\$9,901,500	\$9,901,500	\$9,901,500
Total Grant Funds Available	\$29,610,270	\$29,610,270	\$29,610,270	\$29,610,270
Less Grant Funds used remainder of 2008	\$4,800,000	\$4,800,000	\$4,800,000	\$4,800,000
Less Transfer to WPCRF in 2008	\$ -	\$10,000,000	\$7,000,000	\$5,000,000
Grant \$ Available	\$24,810,270	\$14,810,270	\$17,810,270	\$19,810,270
Re-loan funds as of 06/30/08	\$8,191,498	\$8,191,498	\$8,191,498	\$8,191,498
plus: Deallocation on 9/1/08	\$6,473,778	\$6,473,778	\$6,473,778	\$6,473,778
plus: Deallocation on 9/1/09	\$6,190,438	\$6,190,438	\$6,190,438	\$6,190,438
less: Re-loan funds used Remainder of 2008	\$6,320,200	\$6,320,200	\$6,320,200	\$6,320,200
Total Re-Loan Funds Available	\$14,535,514	\$14,535,514	\$14,535,514	\$14,535,514
Loan Capacity for 2009				
Leveraged Loans from Grants X 2.4	\$59,544,648	\$35,544,648	\$42,744,648	\$47,544,648
Leveraged Loans from Re-Loan Funds X 2.0	\$29,071,028	\$29,071,028	\$29,071,028	\$29,071,028
2009 DWRF Loan Capacity	\$88,615,676	\$64,615,676	\$71,815,676	\$76,615,676

It is estimated that a transfer of \$5-\$10 million from the DWRF to the WPCRF will reduce the DWRF revolving level \$1-\$2.5 million/year over the next 20 years. The DWRF set-asides would not be affected and the remainder of the allocation would be deposited into the revolving fund. All identified and eligible drinking water projects that are ready for construction in 2009 will be funded out of the expected 2008 DWRF loan capacity. The transfer of capitalization funds from the DWRF to the WPCRF is not expected to cause any eligible drinking water projects to be delayed over the next few years.

This transfer of capitalization grant funds will be deposited in the WPCRF and will only be available for loans. With the statutory language approved by the Colorado State General Assembly in 2002, any transfers can be made from one account to the other with all of the appropriate approvals.

B. 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.

C. 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 revised 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 federal requirements, in accordance with the revised state statute. EPA has approved the program.

V. LONG TERM GOALS

The State continues to develop long-term goals that will protect public health and ensure the integrity of the DWRF. To achieve these goals, the following objectives were developed for 2009:

1. Provide affordable financial assistance for eligible applicants while maintaining a perpetual, self-sustaining revolving fund program.
2. Provide technical assistance to governmental agencies for facilitating effective planning, design, financing, and construction of facilities to comply with the provisions of the Colorado Primary Drinking Water regulations.
3. Maintain compliance with 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 2009 calendar year:

1. Within 90 days of the EPA allotment of capitalization grant funds, the Authority, in conjunction with the WQCD, will submit an application for the 2009 capitalization grant funds.
2. Conduct an availability analysis of Disadvantaged Business Enterprise (DBE) firms in order to establish the 2010-2012 DBE goals.
3. The WQCD will continue to make revisions to the Handbook of Procedures to conform to regulations/guidance and submit it to EPA for approval.
4. The WQCD will initiate the process for identifying projects in the FY 2010 Intended Use Plan by May 2009.
5. Submit the Annual Audit to EPA by April 30, 2009.
6. The State Revolving Fund Committee, consisting of staff from WQCD, DLG, and Authority will work toward implementing the following program improvements:
 - a. Continue to meet periodically with the Funding Coordination Committee, to coordinate the financial needs of communities that are planning improvement projects identified in the 2009 IUP. The Funding Coordination Committee includes staff from the WQCD, Authority, DLG, Colorado Water Conservation Board, USDA Rural Development and the Rural Community Assistance Corporation.
 - b. Evaluate the impacts of implementing a "Joint Funding Application", through the Funding Coordination Committee, that could be available statewide for water and wastewater entities interested in receiving funding through the State Revolving Fund, Energy Impact Assistance Fund, Community Development Block Grant, and the Rural Development Programs.
 - c. Improve coordination between state and federal agencies to facilitate the use of multiple sources of capital financing when appropriate.
7. Leverage funds in the DWRF to accommodate the estimated demand for eligible projects in 2009 and thereafter.

8. The following projects will be funded to address specific Safe Drinking Water Act and Colorado State Drinking Water Regulations
 - a. Aging/Failing Infrastructure: Cities of Creede, and Las Animas, the Towns of Arriba, Holly, Kim, La Veta, Ordway, Rye, and Williamsburg, and the Florissant Water District (WD), Olde Stage WD, San Luis WD, Sedalia WD and the Project 7 Water Association.
 - b. Surface Water Treatment Rule: Towns of Fairplay, Hotchkiss, La Veta, Nederland and Paonia
 - c. Filtration/Disinfection Rule: Town of Stratton
 - d. Chemical Contaminants and Radionuclide Rule: Towns of Kit Carson and Larkspur.
 - e. Microbiological Contaminant Rule (Total Coliform): Sedalia Water and Sanitation District
 - f. Water Conservation: Towns of Del Norte and Fraser
9. The WQCD will review and revise as necessary the “Guidance for Preparing Preliminary Engineering Reports” and update the “State Environmental Review Policy” specific to the DWRP.
10. The DLG will conduct a series of 4 to 8 training workshops in 2009 on renewable energy and to help build financial and managerial capacity of small rural public water and wastewater systems.
11. The WQCD, in partnership with the Authority, will continue to utilize the shared access database for tracking project milestones.
12. The WQCD, DLG and the Authority will attend conferences such as Rural Water, Colorado Municipal League, and the Special District Association’s annual conferences to provide program information to potential borrowers.
13. The WQCD, DLG and the Authority will host training events throughout the year to provide consulting engineers and others with information about the funding process and program requirements.

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

A. Introduction

The State may set aside portions of each capitalization grant for non-project (set-aside) activities. As described in the introduction, these set-asides are to be used to fund those activities necessary to accomplish the requirements of the SDWA. The WQCD has identified in this plan the maximum amounts of set-aside funds the WQCD currently believes appropriate to best meet the goals of the SDWA. Since these amounts represent the maximum amount of funding that would be devoted to each of the set-asides for this capitalization grant, no further public notification would be made by the WQCD if lesser amounts than those proposed herein are actually used.

The purpose of the set-asides is to provide the funds needed for the administration of the DWRP (4% administration), as well as to meet overall drinking water program requirements of the 1996 Amendments to the SDWA and to conduct targeted activities specified in the SDWA. The Authority will provide the required 20 percent up-front state match to receive the federal capitalization grant, from which the set-asides are drawn. Beginning with the FFY02 grant, the 20 percent match for the set-aside portion has come from the loan administrative fee account. A list of the set-asides and the percentage of allocation is as follows:

- Administration (4 %)
- Small System Training and Technical Assistance (2%)
- State Drinking Water Program Management (10%)
- Local Assistance and Other State Programs (15%):
 - I. Land/Conservation easement acquisition for source water assessment protection
 - II. Assistance to a community water system to implement voluntary, incentive-based source water protection measures
 - III. Provide assistance to any public water system as part of a capacity development strategy
 - IV. Source Water Assessment and Protection Program (SWAP)
 - V. Wellhead Protection Program

A description of each set-aside and the funding earmarked from the FFY08 capitalization grant for each activity are described below. The FFY08 capitalization grant amount is \$14,350,000. It is the responsibility of the WQCD to determine the amount of funds necessary under each set-aside and to meet the

obligations of the SDWA. The financial status of the set-asides is summarized in Appendix E1. The State must develop, and EPA approve, work plans that describe the activities to be accomplished to be able to use those funds.

B. Administration Set-Aside

Set-Aside	Amount	Purpose
Administration	\$574,000(4%) for FFY09	To cover the cost of (1) administering the DWRF, and (2) providing technical assistance to public water systems (PWSS). Administration is an on-going activity.

FFY09 Request: Colorado is entitled to set aside up to 4 percent (\$574,000) from the capitalization grant for this set-aside. Based on project needs identified by the WQCD, the WQCD intends to set aside the full \$574,000.

Use of Funds in 2009 and Expected Accomplishments: These funds will be used to cover administrative expenses related to projects and activities authorized under the SDWA, including the provision of technical assistance to public water systems.

The outputs/activities and the anticipated outcomes (short-term/long-term) for the DWRF administration are described above in Section III. "Criteria, Methods and Evaluation for DWRF Distribution" under Part G "DWRF Results."

C. Small System Training and Technical Assistance (SSTTA)

Set-Aside	Amount	Purpose
SSTTA	\$287,000 (2%) for FFY09	To provide (1) training, (2) technical assistance, and (3) provide planning and design grants to small systems. SSTTA is an on-going activity.

FFY09 Request: Colorado is entitled to set aside up to 2 percent (\$287,000) from the capitalization grant for this set-aside. Based on project needs identified by the WQCD, the WQCD intends to set aside the full \$287,000.

Use of Funds in 2009 and Expected Accomplishments: Currently, training programs are being designed for 2009 and the WQCD will use funds from the 2002, 2003 and 2004 SSTTA set asides for technical assistance and planning and design grants for water system serving 10,000 or less in population. The Drinking Water Program is developing a comprehensive training curriculum that will be designed to cover all the topics required by competent operators. This will increase the use of these SSTTA funds in 2009. Funds will be used to support internal staff involved in technical assistance, as well as not-for-profit assistance providers training programs. A portion of the technical assistance provided in 2009 will be concurrent with sanitary surveys conducted at small non-community groundwater systems.

In calendar year 2008/2009, the WQCD will be revising the SSTTA workplan and submitting it for EPA approval. The revised work plan will include request for FTE support for technical assistance for small non-community groundwater systems and other small systems.

Outputs/Activities

- Number of systems receiving technical assistance.
- Number of systems receiving planning and design grants.
- Anticipated Outcomes (short-term/long-term)
- Improved operational and/or financial efficiency for participating systems.
- Improved compliance for systems receiving SSTTA.
- Staffing

D State Drinking Water Program Management

Set-Aside	Amount	Purpose
State Program Management	\$1,435,000 (10%) for FFY09	To administer the State Public Water System 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, --Develop and implement a capacity development strategy, --Administer and implement operator certification program. PWSS program implementation and the other activities are on-going.

FFY09 Request: Colorado is entitled to set aside up to 10 percent (\$1,435,000) from the capitalization grant for this set-aside. The act requires that this set-aside be matched one-for-one with available State expenditures as described below. Based on the qualifying expenditures, the WQCD intends to set aside the full \$1,435,000.

In addition to the up-front 20 percent match required for the State to qualify for the full capitalization grant, 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 program general funds, drinking water operator certification fees, drinking water related expenditures from the State laboratory, and 1993 Drinking Water Grant matching funds from the WQCD. The laboratory contribution includes analyses of drinking water samples. According to the Act, State program match funds that were expended in 1993 can be used to provide up to 50 percent of the set-aside match. Current year State funds in excess of the minimum required for the PWSS Program grant included in the Department's Performance Partnership grant may also be used. The program funding sources that qualify as match (program general funds in excess of PWSS grant match requirements, operator certification program fees, drinking water related laboratory expenditures, and 1993 Drinking Water Program State expenditures) allows the WQCD to take \$1,435,000.

Currently, a portion of this set-aside is being used to fund numerous staff for implementation of the many new program requirements associated with the 1996 reauthorization of the SDWA. The staffing for the Drinking Water Program is spread among the Special Programs Unit, the Engineering Section, the Compliance Assurance and Data Management Section, the Administration Program and senior level division management.

In calendar year 2009, the WQCD will be revising the State Drinking Water Program Management Set-aside workplan and submitting it for EPA approval. The revised work plan will include amendments to FTE support and updates related to planned expenditures as described below.

Use of Funds in 2009 and Expected Accomplishments: For 2009, the efforts initiated and accomplished in prior years will be continued. New efforts will include increased focus on compliance assurance through the Systems of Concern process, improved data management and improved technical and compliance assistance for drinking water systems.

Planned Expenditures

- Data management system upgrades/maintenance.
- Support for projects with state universities for technical assistance, including literature review and design criteria and policy development.
- Improved system communication resulting in drinking water compliance progress and attainment.
- Effective program oversight, compliance assurance, enforcement, rule adoption, regulatory development, public water system assistance and capacity development.
- Staffing for engineering, compliance assurance, compliance assistance, rule management, data management, enforcement, administration, sampling, SWAP support,

sanitary surveys, program management, contract oversight, early rule implementation, training and technical assistance.

- Computer acquisition, employee expenses, including furniture, vehicles, operational costs, and indirect costs.

E. Local Assistance and Other State Programs

Set-Aside	Amount	Purpose
Local Assistance Set-Asides:	\$2,152,500 (15%) of total (no more than 10% for any one of the following activities)	Consists of the following five activities:
SWAP Land Acquisition (PWS Loan)	See below for funding requests	See below for set-aside descriptions
SWAP Implementation (PWS Loan)		
Capacity Development		
Source Water...(SWAP)*		
Wellhead...*		

**The Wellhead Protection Program (for groundwater systems) was created by the Safe Drinking Water Act Amendments of 1986. The Colorado Wellhead Protection Program Plan was issued in 1994. The Source Water Assessment and Protection Program (SWAP) was created by the SDWA Amendments of 1996. The Colorado Source Water Assessment and Protection Program Plan was issued in 2000. Programmatically, SWAP combines both groundwater and surface water activities (although the original Wellhead Protection Program has some features which are somewhat different from SWAP). For budgetary purposes, however, SWAP set-aside funds were required to be dedicated to surface water systems and Wellhead set-aside funds to groundwater systems. Once all the SWAP assessments are complete, the two programs will be integrated into one program plan. The Integrated Source Water Assessment and Protection (ISWAP) Program Plan (August 2007) was submitted to Region 8 EPA on January 31, 2008. The ISWAP combines and integrates elements of both the Wellhead Protection Program and the SWAP Program Plans. The ISWAP outlines and identifies the project activities, objectives, and goals that support the Division’s source water assessment and protection planning efforts.*

FFY09 Request: Colorado is entitled to set aside up to 15 percent (\$2,152,500) from the capitalization grant for these five combined activities. However, no more than 10 percent (\$1,435,000) may be used for any one of the individual local assistance set-asides. The specific amounts indicated below are based on project needs identified by the WQCD and total \$2,152,500 (\$1,435,000 Capacity Development plus \$717,500 Wellhead Protection.) The five set-asides are described as follows:

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

Set-Aside	Amount	Purpose
Local Land Acquisition for SWAP	\$0 for FFY09	To provide loans to PWSS to acquire land or conservation easements to protect source water areas

FFY09 Request: None. The WQCD is not setting aside any funds for this purpose from its FFY09 capitalization grant.

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

Set-Aside	Amount	Purpose
Local SWAP Implementation	\$0 for FFY09	To provide loans to PWSS to implement source water protection measures.

FFY09 Request: None. The WQCD is not setting aside any funds for this purpose from its FFY09 capitalization grant.

3. Capacity Development

Set-Aside	Amount	Purpose
Capacity Development	\$1,435,000 (10%) for FFY09	To implement the capacity development strategy to assist new and existing systems to achieve and maintain technical, managerial, and financial capacity. A portion will be used to support the SWAP activities described below.

In calendar year 2008, the WQCD received approval from EPA for a revised Capacity Development Strategy (for FY2008-2012) and a revised Capacity Development workplan (for FY2008-2010).

FFY09 Request: Colorado is entitled to set aside up to 10 percent (\$1,435,000) from the capitalization grant for this activity. Based on the Authority match described below, the WQCD intends to set aside the entire \$1,435,000. A portion of this (\$300,000) will be used to support the SWAP activities described below.

Use of Funds in 2009 and Expected Accomplishments: For 2009, the efforts initiated and accomplished previously will be continued. Additional output activities included in the EPA approved work plan to be expanded or initiated are as follows:

- Development of a performance enhancement program for surface water systems of Colorado to ensure plants are operating at peak capabilities to ensure continuously safe drinking water.
- Development of a training program and delivery of training to systems based on the regulations applicable to their unique system
- Continued improvements to the CDPHE drinking water web site, to include, access to new information and operator training.
- Continued implementation of a "Systems of Concern" program to identify and provide technical assistance to selected water systems in violation of regulations, including those either on the significant non-compliance (SNC) list or soon to be on the SNC list. This effort will utilize WQCD staff and contractors with the goal of both resolving the violation and ensuring the water system has technical, managerial, and financial capacity (TMF).
- Development of TMF assessments and delivery of unique assistance programs tailored to each system.
- Continued implementation of a program to assist systems with radionuclides in their source waters, to help them comply with existing and anticipated radionuclide regulations.
- Continuation of operator training for the Disinfectants/Disinfection By-Product (DDBP) precursors (i.e., surface water treatment rule) at various locations throughout Colorado, and development and delivery of training relating to the new ground water rule.
- Improved sanitary surveys and oversight for non-community groundwater systems.
- Implementation of a Coaching program to bring one-on-one training and technical assistance to systems with TMF shortcomings. These services frequently provided follow-up for systems with TMF Assessments or Comprehensive Performance Evaluation (CPE) assessments, and those identified by the Systems of Concern Teams as needing intensive assistance.
- Implementation of source water assessment and assistance with protection planning for surface water systems.
- Staffing related to the above activities, including grant and contract management when activities are performed by a third-party.

Anticipated Outcomes (short-term/long-term):

- Improved performance based on implementation of enhancement program for surface water systems.
- Improved compliance associated with the drinking water regulations and guidelines booklets provided to public water systems.
- Improved CDPHE drinking water website to access new information and operator training schedules.
- Enhanced system compliance for "Systems of Concern" by identifying and providing technical assistance to water systems either on the significant non-compliance (SNC) list or soon to be on the SNC list.

- Enhanced system compliance with revised regulatory requirements for public water systems.
- Enhanced system compliance through operator training with the DDBP and interim enhanced surface water treatment rules.
- Improved source water protection for public water systems treating surface water.

4. Source Water Assessment and Protection Program (SWAP)

Set-Aside	Amount	Purpose
SWAP	\$0 for FFY09	To delineate and assess source water areas for surface and ground water systems. SWAP assessment reports were completed in December 2004.

FFY09 Request: 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. The SWAP set-aside was fully expended during the FFY06 period.

5. Wellhead Protection Program (WHP)

Set-Aside	Amount	Purpose
Wellhead Protection	\$717,500 for FFY09	To delineate and assess source water areas for ground water systems. Produce new WHP assessment reports as necessary. Support development and implementation of local ground water protection plans.

FFY09 Request: The WQCD intends to use \$717,500.

Use of Funds in 2009 and Expected Accomplishments: The Wellhead Program will work towards implementation of the following output activities:

- Completion of new and/or revised ground water susceptibility assessments.
- Completion of new and/or revised ground water source water delineations.
- Development and implementation of ground water source water protection plans.
- Financial assistance through the SWAP grant program for groundwater protection plans.
- Public water system data improvement.
- Public water system community information and education.
- Coordinate and perform community and non-community ground water sanitary surveys.
- Compilation and reporting of the national source water protection measures to EPA.

Anticipated Outcomes (short-term/long-term)

- Enhanced ground water susceptibility assessments to improve compliance.
- Improved ground water protection plans.
- Enhanced WHP data management.
- Enhance community information and education.
- Improved data compilation and reporting.

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 and EPA.

The proposed payment schedule using FFY 2009 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 DWRP.

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

IX. STATE DRINKING WATER GRANT FUND

A. INTRODUCTION

Section 25-1.5-208, C.R.S., as amended, provides authority for the Drinking Water Grant Fund (DWGF) to provide financial assistance to eligible public water systems (PWS). Section 25-1.5-208(1)(b) provides that the Water Quality Control Commission (Commission) shall promulgate rules for the administration of any appropriated grant funds and for prioritizing projects based upon public health impact and compliance with applicable regulations.

The purpose of the DWGF is to provide financial assistance to governmental agencies and not-for-profit public water systems as well as to counties representing unincorporated areas serving populations of not more than 5,000 people. Eligible projects as described in the DWGF Rules (Appendix G) include consolidation, planning, design and/or construction of water treatment systems.

B. LIST OF STATE DRINKING WATER GRANT PROJECTS

An annual Intended Use Plan (IUP) is developed by the Water Quality Control Division (Division) and approved by the Commission. The IUP provides information about how the state will assist communities with their drinking water needs. Included in the IUP is the Project Eligibility List, which is a comprehensive list identifying drinking water project needs.

Attached to the IUP, as Appendix B, is the 2009, DWRP and DWGF Project Eligibility List. Appendix H, lists all eligible Private Not for Profit systems. Both Appendix B and H documents the current construction needs for all identified eligible water projects.

Appendices B1 and B2 summarize the additions and deletions that were made from the 2009 Project Eligibility List. If more projects apply for drinking water grant funding during 2009 and sufficient funds are not available, projects will be funded in a priority order as outlined below.

C. CRITERIA AND METHODS FOR DISTRIBUTING FUNDS

1. Categories by Priority Ranking

- | | |
|--------------|---|
| Priority (1) | <u>Acute Health Hazard</u> . The Division has identified continuous violation of an acute maximum contaminant level (MCL) or a surface water treatment rule (SWTR) treatment technique requirement. |
| Priority (2) | <u>Chronic (long term) Health Hazard</u> . The Division has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant. |
| Priority (3) | <u>Potential Acute Health Hazard</u> . The PWS has periodically exceeded an acute MCL, has levels greater than 50 percent 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. |
| Priority (4) | <u>Potential Chronic Health Hazard</u> . The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short term problems meeting other treatment technique requirements. |
| Priority (5) | <u>Other Future Needs</u> . The PWS 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 Safe Drinking Water Act. |

Project eligibility list categories are determined based on information provided by the applicant during the annual project eligibility list survey process. Based upon receipt and review of a preliminary engineering report and grant application the assigned project eligibility list category may be revised, during the prioritization process, to more accurately reflect the proposed project.

2. Application Deadlines

In order to prioritize projects, an application deadline of **September 1st** has been implemented. Applications will be accepted throughout the year however, grants will not be executed until all applications received by the application deadline have been prioritized and it is determined that sufficient funds are available. Those projects not receiving funding may reapply the following September 1 by submitting an updated DWGF application.

3. Funding Priorities

- The governmental agency's project is identified on the current years Eligibility List, and
- The governmental agency is ready to proceed with the project, and
- A complete grant application is submitted to the WQCD, and
- The Division obtains a certificate of financial need issued by DLG, and
- Funds are available.

If it is determined that the DWGF lacks sufficient funds to cover requests for all eligible projects that are ready to proceed, projects will be funded beginning with the highest priority categories. Category 1 projects will be funded prior to Category 2 projects, which will be funded prior to Category 3 projects, which will be funded prior to Category 4 projects, which will be funded prior to Category 5 projects.

Within each category, projects will be further prioritized using the following Priority Point Assignments.

(a) Population. Points shall be assigned to a PWS 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

(b) Financial Need. Points shall be assigned to a PWS in accordance with the following "financial need criteria:"

(i) Ability to pay (annual water service fee as a % of median household income):

over <u>3%</u>	20 points
over <u>2%</u> ; up to 3%	15 points
over <u>1%</u> ; up to 2%	10 points

(ii) Local burden (total project cost per equivalent residential tap):

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

(c) Consolidation. Fifteen points shall be assigned to a PWS if the project includes consolidating two or more PWS.

- (d) Water Conservation. Five points shall be assigned to a PWS if the PWS implements a water conservation measure.
- (e) Source Water Protection. Two points shall be assigned to a PWS if the governmental agency implements source water protection measures.
- (f) Beneficial Use of Sludge. Two points shall be assigned to a PWS if the governmental agency intends to utilize water treatment plant sludge for a beneficial use as defined herein.
- (g) Health Risk. To further clarify the ranking of PWS projects, the Division shall assign up to twenty points for PWS health risks. Determination of the health risk will be made based upon the type and level of contaminant present within categories.

Grant funds cannot be used to reimburse for costs related to fees and/or penalties assessed by the Division.

4. Planning Grants

Upon receipt of the annual allocation, up to 10% percent of the appropriation may be reserved for planning grants. The intent of the planning grant is to assist DWGF applicants with costs associated with preparing a preliminary engineering report. Applications will be considered on a first come first service basis.

5. Drinking Water Grant Fund Program Activities

The legislature allocated \$1.5 million to the DWGF Program for FY 2006-2007. This has been the only appropriation to this fund since 2002. This fund did not receive an appropriation for 2008-2009. Appendix I is a list of all systems that received DWGF from the FY 2006-2007 appropriation.

As provided for in Section 25-1.5-208 (1) (b) the WQCD may use up to five percent of the appropriated funds for the administration and management of such project grants.

6. Drinking Water Grant Fund Program Goals

The goals for 2009 are listed below:

- a. Throughout the year, the WQCD will work with eligible projects that are ready to proceed and assist communities with funding alternatives.
- b. The 2010 IUP will be submitted to the WQCC for their approval at an Administrative Action Hearing.

X. PUBLIC REVIEW AND COMMENT

The Colorado State Water Quality Control Commission published this information and held an Administrative Action Hearing on November 10, 2008 at which time the State's 2009 IUP including the 2009 DWRF project eligibility list and project priority / fundable list were approved.

Each year, the IUP will be amended to include additional DWRF 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 Water Quality Control Commission for annual approval.

APPENDIX A
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
WATER QUALITY CONTROL COMMISSION
5 CCR 1002-52
REGULATION NO. 52
DRINKING WATER REVOLVING FUND RULES

52.1 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 (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, which is part of the annual Intended Use Plan (IUP). Codified at sections 37-95-103 and 37-95-107.8, C.R.S., the statutes direct the Water Quality Control Commission (Commission) 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 complies with 40 CFR part 35, subpart I, and provides for the Commission's approval of the Intended Use Plan including additions and modifications to the Project Eligibility List and the Priority / Fundable List.

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 1.5-203, C.R.S., also provides authority for this regulation.

52.2 DEFINITIONS

Section 1.5 of the Colorado Primary Drinking Water Regulations 5 CCR 1003-1, contains 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" - 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" - A situation where the Division has identified a maximum contaminant level (MCL) violation or a treatment technique violation. Funding for these projects must result in compliance with existing standards.
 - (a) An acute health hazard includes violations of Surface Water Treatment Rule (SWTR) treatment technique requirement, bacteriological standards, and nitrite/nitrate levels. Acute contaminant health effects can occur immediately or within a short period of time.
 - (b) A chronic health hazard includes violations of all MCLs (other than those listed as acute) and treatment technique requirements. Chronic contaminant health effects occur after years of exposure.
 - (c) A potential health hazard is a situation where a public water system has periodically exceeded an MCL, has levels greater than 50 percent of an MCL on a regular basis, or has short term problems meeting a treatment technique requirement.
- (6) "Other Future Needs" - Those needs in situations where a 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" - Temporary managerial or technical steps to protect public health during the time period when the public water system 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) "Project Eligibility List" - The list of projects eligible for financial assistance from the Authority through the Drinking Water Revolving Fund (DWRF), as adopted and from time to time modified in accordance with Section 37 95 107.8(4), C.R.S. The list shall consist of projects that 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.
- (10) "Public Water System" - (PWS) A system for the provision to the public of piped water for human consumption, if such system has at least fifteen service connections or regularly serves at least twenty-five individuals. Such term includes:
 - (a) Any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system; and
 - (b) Any collection or pretreatment storage facilities not under such control, which are used primarily in connection with such system.
- (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) "Water Conservation" - Any structural or nonstructural water conservation measure that achieves a reduction in water consumption for a PWS or 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 that 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.
- (14) "Water Treatment Plant Sludge" - The accumulated solids resulting from treatment of water for domestic use.

52.3 PURPOSE

- (1) 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.
- (2) An annual Intended Use Plan (IUP) is required by the SDWA to provide information about how the state will assist communities with their drinking water needs. Included in the IUP is the Project Eligibility List, which is a comprehensive list identifying governmental agencies with drinking water project needs, and the Priority / Fundable List, identifying prioritized PWS projects that are eligible for financial assistance from the DWRF. The project priority system is intended to establish priorities for the DWRF to protect and improve the health, safety, and reliability of drinking water supplies in Colorado. It is the policy of the Commission to maintain and improve the existing high quality standards for drinking water in the State by providing accessibility to the DWRF.
- (3) It is also the policy of the Commission to encourage consolidation of drinking water systems and to promote water conservation where practicable.
- (4) It is the policy of the Commission to promote beneficial use of sludge created by treatment processes of a PWS.
- (5) Any applicant for financial assistance from the DWRF must comply with policies and procedures and other requirements of the Authority.

52.4 INTENDED USE PLAN PROCEDURES

The Division, in cooperation with the Division of Local Government (DLG) and the Authority, shall develop an annual IUP. The Division shall recommend the IUP to the Commission each year for final agency action at a public hearing, and shall also provide for public notice and an opportunity to comment to comply with the SDWA.

The IUP shall include:

- (1) The Project Eligibility List and Priority / Fundable List of projects.
- (2) Descriptions of:
 - (a) Criteria and method used for distribution of funds
 - (b) Financial status of the DWRF program
 - (c) Short and long term goals of the DWRF program
 - (d) Amounts transferred between the DWRF and the Water Pollution Control Revolving Fund

- (e) Set-aside activities and the percentage of the capitalization grant to be used
 - (f) How a state disadvantaged community program will be defined and utilized, if applicable; and
- (3) Any other material that may be required by the SDWA.

52.5 PROJECT ELIGIBILITY LIST AND PRIORITY / FUNDABLE LIST PROCEDURES

- (1) The Project Eligibility List is the comprehensive list of projects showing current and future needs of PWS improvements. Each year the Division shall (after consultation with the DLG and the Authority) review, update, and compile additions and modifications to the Project Eligibility List and recommend such additions and modifications to the Commission for final agency action at a public hearing. The list shall be forwarded to the General Assembly each year on or before January 15; once approved by the General Assembly, the Authority is able to provide assistance to the governmental agencies with projects on the Project Eligibility List.
- (2) As required by federal regulations, all projects, except projects funded on an emergency basis, shall be prioritized before receiving assistance from the DWR. The Priority / Fundable List includes projects from the Project Eligibility List that are ready for funding and have been prioritized by the Division based on information provided by the PWS. The Priority / Fundable List shall include:
- (a) The name of the public water system;
 - (b) Priority points and rank assigned to the project;
 - (c) A description of the project;
 - (d) The expected terms of the financial assistance; and
 - (e) Population of the PWSs service area
- (3) Projects on the Priority / Fundable List will be financed in priority order; however, exceptions for funding out of priority order shall be allowed due to one or more of the following reasons:
- (a) Certain governmental agencies are not ready to proceed with the project;
 - (b) Certain governmental agencies do not wish to participate in the DWR, or they have received funding from other sources;
 - (c) Certain governmental agencies (on the list) had an emergency situation occur during the funding year; or
 - (d) Certain governmental agencies are 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.)

52.6 PRIORITY SYSTEM

- (1) All PWSs with identified water quality problems related to health and compliance issues may be included in one of the categories listed below.

- (2) All PWS projects that fall into one of the categories listed below and have a pre-planning, planning, or pre-design document that describes a project to correct the water quality problem, shall be prioritized as ready for funding on the Priority / Fundable List.
- (3) Funding for the projects under each category shall result in the PWSs complying with existing regulatory requirements.
- (4) Eligible Project Criteria

Categories were developed to emphasize the most immediate public health and compliance issues. Projects on the Project 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 have violations caused by poor operation and maintenance procedures or are under an administrative order for violating reporting requirements.

(5) Categories By Priority Ranking

- (a) 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.
- (b) 2 - Chronic (long term) Health Hazard. The Division has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant.
- (c) 3 - Potential Acute Health Hazard. The PWS has periodically exceeded an acute MCL, has levels greater than 50 percent 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.
- (d) 4 - Potential Chronic Health Hazard. The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short term problems meeting other treatment technique requirements.
- (e) 5 - Other Future Needs. The PWS 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.

(6) Priority Point Assignments Within Each Category

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

- (a) Population. Points shall be assigned to PWSs 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

- (b) Financial Need. Points shall be assigned to PWSs in accordance with the following "financial need criteria:"

(i) Ability to pay (annual water service fee as a % of median household income):

over 3%	20 points
over 2%; up to 3%	15 points
over 1%; up to 2%	10 points

(ii) Local burden (total project cost per equivalent residential tap):

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

(c) Consolidation. Fifteen points shall be assigned to a PWS if the project includes consolidating two or more PWSs.

(d) Water Conservation. Five points shall be assigned to a PWS if the PWS implements a water conservation measure.

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

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

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

52.7 DISADVANTAGED COMMUNITIES PROCEDURES

Under the SDWA, states are authorized to establish Disadvantaged Communities Programs. The following procedures describe the approval and amendment process for Colorado's annual IUP as it relates to the administration of its Disadvantaged Communities Program. The Division, Authority and the DLG may recommend Program changes based on actual program implementation and the results of periodic reviews conducted hereunder. Approval of any and all changes in the IUP is subject to final agency action by the Commission.

- (1) The DWRf may provide additional loan subsidies for governmental entities that are determined to be "disadvantaged." The definition/criteria of a disadvantaged community and the nature of the loan subsidies to be made available thereto shall be recommended for inclusion in the IUP by the Division and the Authority in consultation with the DLG. Subsidies, such as extended loan repayment terms and reduced interest rates at or above zero percent, are not subject to the thirty percent cap of the federal capitalization grant.
- (2) While compiling projects on the Priority / Fundable List (utilizing the procedures listed in Section 52.5 above), the Division will identify the community projects that qualify for assistance under the Disadvantaged Communities Program in accordance with program definition/criteria.
- (3) The Division, the Authority and the DLG will conduct periodic reviews, as appropriate, of the Disadvantaged Communities Program. The reviews may result in recommended program changes relative to the nature of available subsidies to be incorporated into the IUP. In conducting such reviews and preparing recommendations, the following factors may be examined:

- (a) The overall financial condition of the communities participating in the program, including but not limited to:
 - (i) The total drinking water utility system fee and tax burden upon rate payers;
 - (ii) Post project drinking water utility charges;
 - (iii) Drinking water utility indebtedness;
 - (iv) Median household income.
 - (b) The impact of the subsidy upon the continued financial viability of the DWRP.
 - (c) The merit of utilizing all financial assistance options allowed under the SDWA to ensure a safe drinking water supply for all citizens.
- (4) Upon receipt of comment from the Division, Authority and/or DLG, the Commission shall render final agency action upon the Disadvantaged Communities Program provisions of the IUP.

52.8 EMERGENCY PROCEDURES

- (1) The Commission may amend the project eligibility and Priority / Fundable Lists at any time throughout the year to include PWS projects that it determines and declares to be emergency projects needed to prevent or address threats to public health.
- (2) In cases where the Commission determines the amendments will result in substantial changes to the project eligibility or Priority / Fundable Lists, public notice and opportunity for comment on the proposed inclusions shall be provided.

52.9-52.10 RESERVED

52.11 STATEMENT OF BASIS, SPECIFIC STATUTORY AUTHORITY AND PURPOSE (JULY 14, 2008 RULEMAKING; EFFECTIVE DATE JANUARY 1, 2009)

Sections 37-95-103 and 37-95-107.8, C.R.S. provide the specific statutory authority for adoption of the attached regulatory amendments. The Commission also adopted, in compliance with section 24-4-103(4) C.R.S. the following statement of basis and purpose.

BASIS AND PURPOSE

Sections 37-95-103 and 37-95-107.8 C.R.S. of the Colorado Revised Statutes moved the authority for promulgating rules and approving the annual Drinking Water Revolving Loan Fund Intended Use Plan from the Colorado Board of Health to the Water Quality Control Commission (WQCC). Updates to these rules reflect this change in authority.

**Appendix B
Drinking Water Revolving Fund
2009 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost	Pop
030001D	5	Academy WSD	Pleasant View Estates	Colorado Springs	El Paso	Distribution / Transmission Lines Construction / Rehabilitation	\$700,000	750
000001D	2	Alamosa, City of		Alamosa	Alamosa	New Regional Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$16,500,000	9,000
040001D	5	Alma, Town of		Alma	Park	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	235
070006D	3	Arabian Acres Metropolitan District		Woodland Park	Teller	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$362,000	300
960126D	5	Arapahoe County WWA		Englewood	Arapahoe	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$26,300,000	20,000
030002D	5	Arriba, Town of		Arriba	Lincoln	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,200,000	226
010003D	5	Aspen Springs MD		Pagosa Springs	Archuleta	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$15,000,000	1,800
070017D	5	Aspen Village MD		Aspen	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	300
010002D	5	Aspen, City of		Aspen	Pitkin	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,658,000	6,600
960004D	5	Ault, Town of		Ault	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,500,000	1,450
090037D	5	Avondale, Town of		Avondale	Pueblo	Water Supply Facilities; Source Water Protection Plan Implementation	\$100,000	754
960005D	3	Baca Grande WSD		Crestone	Saguache	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$750,000	563
050002D	5	Basalt, Town of		Basalt	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,700,000	2,000
050003D	5	Baseline WD		Boulder	Boulder	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	1,000
990002D	5	Bayfield, Town of		Bayfield	La Plata	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$750,000	2,500
960127D	5	Bear Creek WSD		Lakewood	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$407,561	167
960182D	3	Bellyache Ridge MD		Edwards	Eagle	Distribution / Transmission Lines Construction / Rehabilitation	\$250,000	180
960007D	3	Bennett, Town of		Bennett	Adams	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,030,000	2,085
030004D	5	Berkeley WSD		Denver	Adams	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	2,000
990003D	5	Berthoud, Town of		Berthoud	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,500,000	5,043

**Appendix B
Drinking Water Revolving Fund
2009 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost	Pop
050004D	5	Bethune, Town of		Bethune	Kit Carson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$619,952	225
960184D	5	Beulah WD		Beulah	Pueblo	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$210,000	960
030005D	3	Black Hawk, City of		Black Hawk	Gilpin	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$20,189,262	108
090027D	5	Black Hawk, City of		Black Hawk	Gilpin	Source Water Protection Plan Implementation	\$770,000	108
960009D	3	Blanca, Town of		Blanca	Costilla	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities; Water Meters	\$1,475,000	402
090002D	3	Bow Mar Water and Sanitation District		Littleton	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation	\$1,150,000	852
040003D	1	Brighton, City of		Brighton	Adams	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,900,000	33,318
050006D	5	Bristol WSD		Bristol	Prowers	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$566,000	200
990008D	5	Buffalo Creek WD		Buffalo Creek	Jefferson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters	\$57,000	250
960189D	5	Burlington, City of		Burlington	Kit Carson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters; Land Acquisition	\$7,600,000	3,675
070018D	5	Buttermilk MD		Aspen	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$118,000	215
000003D	5	Byers WSD		Byers	Adams	Distribution / Transmission Lines Construction / Rehabilitation	\$40,000	1,250
960012D	5	Canon City, City of		Canon City	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,200,000	35,010
010006D	4	Carbondale, Town of		Carbondale	Garfield	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$1,500,000	5,196
090021D	3	Castle Pines MD		Castle Rock	Douglas	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$17,210,000	4,000
000004D	4	Cedaredge, Town of		Cedaredge	Delta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$3,615,326	2,001
050008D	5	Center, Town of		Center	Saguache	Water Storage Facilities	\$55,000	840
050009D	5	Central City, City of		Central City	Gilpin	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities;	\$1,700,000	3,300
060015D	3	Cherokee MD		Colorado Springs	El Paso	Distribution / Transmission Lines Construction / Rehabilitation	\$300,000	17,500
080006D	3	Cheyenne Wells, Town of		Cheyenne Wells	Cheyenne	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$870,000	985

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050067D	1	Clear Creek County	Mill Creek Park WIA	Dumont, Mill Creek	Clear Creek	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$83,000	62
050010D	5	Clearwater MD		Denver	Elbert	Construction of New Water Treatment Facilities; Water Storage Facilities; Water Supply Facilities; Water Meters	\$6,000,000	1,000
050011D	2	Clifton WD		Clifton	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$12,500,000	35,000
050012D	5	Coal Creek, Town of		Coal Creek	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$58,000	383
090012D	3	Collbran, Town of		Collbran	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Supply Facilities	\$1,817,000	600
030009D	4	Colorado Centre MD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$350,000	2,500
050013D	3	Colorado City MD		Colorado City	Pueblo	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$7,500,000	2,318
080007D	5	Colorado Springs, City of	Colorado Springs Utilities - Mesa WTP	Colorado Springs	El Paso	Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities	\$59,000,000	362,000
050014D	5	Columbine Lake WD		Grand Lake	Grand	Distribution / Transmission Lines Construction / Rehabilitation	\$1,600,000	1,100
050015D	5	Copper Mountain Consolidated MD		Copper Mountain	Summit	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,400,000	5,000
050016D	5	Cortez, City of		Cortez	Montezuma	Improvement / Expansion of Water Treatment Facility	\$2,858,925	8,081
960017D	5	Costilla County WSD		San Luis	Costilla	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$741,000	1,000
990013D	5	Cottonwood WSD		Englewood	Douglas	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$8,540,000	2,375
050017D	3	Creede, City of		Creede	Mineral	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,100,000	417
960163D	5	Crested Butte South MD		Crested Butte	Gunnison	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,600,000	1,200
080009D	5	Crested Butte, Town of		Crested Butte	Gunnison	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facility	\$1,750,000	1,600
070015D	3	Crestone, Town of		Crestone	Saguache	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters; Land Acquisition	\$1,500,394	130
090029D	5	Crestone, Town of		Crestone	Saguache	Source Water Protection Plan Implementation	\$52,000	130
990014D	3	Cripple Creek, Town of		Cripple Creek	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$550,000	1,200
060002D	3	Cucharas SWD		Cucharas	Huerfano	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$700,000	200

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050018D	3	Dacono, City of		Dacono	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$2,754,869	3,800
040005D	3	De Beque, Town of		DeBeque	Mesa	Construction of New Water Treatment Facilities; Improvement / Expansion of Existing Water Treatment Plant	\$270,000	500
080003D	5	Del Norte, Town of		Del Norte	Rio Grande	Water Meters	\$1,413,341	1,624
080011D	5	Delta County	Upper Surface Creek Domestic WUA	Cedaredge	Delta	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	2,700
960021D	5	Dillon, Town of		Dillon	Summit	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$2,441,000	803
030016D	3	Dinosaur, Town of		Dinosaur	Moffat	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$500,000	330
050019D	3	Divide MPC MD		Divide	Teller	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$116,500	10
960024D	3	Dolores, Town of		Dolores	Montezuma	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$500,000	1,000
040006D	4	Dove Creek, Town of		Dove Creek	Dolores	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$128,000	695
960026D	5	Durango West #1 MD		Durango	La Plata	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,640,000	1,000
040007D	4	Durango West #2 MD		Durango	La Plata	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,020,000	900
020019D	4	Eagle River WSD		Vail	Eagle	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$17,700,000	20,500
070004D	3	Eagle, Town of	Western Eagle County Recreation District	Eagle	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Connect to Existing Facility	\$25,000	4,400
000007D	2	East Alamosa WSD		Alamosa	Alamosa	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,100,000	1,432
010011D	4	East Cherry Creek Valley WSD		Aurora	Arapahoe	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$15,000,000	50,000
090020D	5	East Cherry Hills Village Water District		Cherry Hills Village	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters; Land Acquisition	\$1,154,091	150
960027D	5	East Valley Metro WSD		Centennial	Arapahoe	Water Storage Facilities	\$300,000	300
050021D	2	Eckley, Town of		Eckley	Yuma	Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities; Water Supply Facilities	\$1,000,000	278
060016D	4	Edgewater, City of		Edgewater	Jefferson	Improvement / Expansion of Water Treatment Facility	\$100,000	5,445
060004D	1	Elizabeth, Town of		Elizabeth	Elbert	Construction of New Water Treatment Facilities; Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities	\$1,800,000	1,500
020022D	5	Empire, Town of		Empire	Clear Creek	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Meters	\$870,000	394
030019D	5	Erie, Town of		Erie	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,000,000	15,000
090017D	5	Estes Park, Town of	Glacier Creek Water Plant	Estes Park	Larimer	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Land Acquisition	\$9,250,000	5,720

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990019D	3	Estes Park, Town of		Estes Park	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,750,000	5,578
960199D	5	Evans, City of		Evans	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	21,000
050022D	1	Fairplay, Town of		Fairplay	Park	Construction of New Water Treatment Facilities; Water Storage Facilities; Water Supply Facilities	\$6,250,000	715
960032D	5	Firestone, Town of		Firestone	Weld	New Regional Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$10,133,250	8,900
060019D	3	Flagler, Town of		Flagler	Kit Carson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$100,000	631
080014D	3	Florence, City of		Florence	Fremont	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,300,000	3,795
030021D	5	Florissant WSD		Florissant	Teller	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$250,000	43
960201D	3	Forest Lakes MD		Forest Lakes	La Plata	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,500,000	1,883
030022D	1	Forest View Acres WD		Monument	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$4,800,000	855
050023D	5	Fort Collins, City of		Fort Collins	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$5,600,000	129,000
050024D	5	Fort Lupton, City of		Fort Lupton	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,500,000	8,000
070008D	3	Fort Morgan, City of		Fort Morgan	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,500,000	12,000
040032D	5	Fountain, City of		Fountain	El Paso	New Drinking Water Treatment Plant; Water Supply Facilities	\$30,000,000	15,675
010013D	5	Fowler, Town of	Westcamp	Fowler	Otero	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$100,000	1,700
960038D	4	Fowler, Town of		Fowler	Otero	Improvement / Expansion of Water Treatment Facility; Water Meters	\$500,000	1,700
980250D	5	Franktown Business Area MD	Douglas County	Franktown	Douglas	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$6,500,000	200
050025D	2	Fraser, Town of		Fraser	Grand	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$4,575,906	1,000
090008D	5	Frederick, Town of		Frederick	Weld	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage	\$2,400,000	7,800
080008D	5	Gateway MD		Basalt	Pitkin	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,638,463	418

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030025D	1	Genesee WSD		Golden	Jefferson	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$4,150,000	4,010
960161D	3	Genoa, Town of		Genoa	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation	\$585,000	203
080018D	3	Genoa, Town of		Genoa	Lincoln	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,085,000	203
030026D	3	Georgetown, Town of		Georgetown	Clear Creek	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$1,500,000	1,200
080010D	5	Gilcrest, Town of		Gilcrest	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$8,000,000	1,200
990021D	5	Granada, Town of		Granada	Prowers	Water Storage Facilities; Water Supply Facilities	\$380,000	620
960136D	5	Grand Junction, City of		Grand Junction	Mesa	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$750,000	40,000
960174D	3	Grand Lake, Town of		Grand Lake	Grand	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$2,010,634	476
090010D	5	Grand Mesa Water Conservancy District		Cedaredge	Delta	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$15,250,000	1,250
070013D	5	Grover, Town of		Grover	Weld	Water Supply Facilities	\$6,000	154
050027D	5	Gunnison County	Dos Rios Water	Gunnison	Gunnison	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$3,900,000	750
010015D	2	Gunnison County	Somerset Domestic WD	Somerset	Gunnison	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$465,000	520
990009D	4	Gunnison, City of		Gunnison	Gunnison	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$515,100	104
990045D	4	Hamilton Creek MD		Silverthorne	Summit	Improvement / Expansion of Water Treatment Facility	\$2,000,000	200
030028D	4	Hartman, Town of		Hartman	Prowers	Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities	\$700,000	108
010016D	1	Haswell, Town of		Haswell	Kiowa	Improvement / Expansion of Water Treatment Facility	\$180,000	84
050028D	3	Haxtun, Town of		Haxtun	Phillips	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation;	\$100,000	1,006
960137D	4	Hayden, Town of		Hayden	Routt	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,600,000	1,814
960171D	1	Highland Lakes WD		Divide	Teller	Construction of New Water Treatment Facilities; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,950,000	1,100
020020D	1	Hi-Land Acres WSD		Brighton	Adams	Distribution / Transmission Lines Construction / Rehabilitation;	\$700,000	352
040033D	2	Hillrose, Town of		Hillrose	Morgan	Construction of New Water Treatment Facilities; Improvement/Expansion of Treatment Facility; Connect to Existing Facility; Consolidation of Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Supply Facilities; Water Meters	\$1,721,952	275

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960045D	5	Holly, Town of		Holly	Prowers	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$355,201	1,015
990023D	5	Holyoke, City of		Holyoke	Phillips	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,575,000	2,261
080005D	5	Hooper, Town of		Hooper	Alamosa	Construction of New Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$2,000,000	125
020032D	5	Hoover Hill WSD		Boulder	Boulder	Water Meters	\$100,000	265
960047D	1	Hot Sulphur Springs, Town of		Hot Sulphur Springs	Grand	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facility; Water Supply; Water Meters; Land Acquisition	\$2,000,000	800
090032D	5	Hotchkiss, Town of	High School Line Project	Hotchkiss	Delta	Distribution / Transmission Lines Construction / Rehabilitation	\$350,000	2,100
010017D	4	Hotchkiss, Town of		Hotchkiss	Delta	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility	\$2,000,000	2,100
090005D	2	Hudson, Town of	Hudson / Ft. Lupton WTP	Hudson	Weld	Improvement / Expansion of Water Treatment Facility	\$1,083,000	1,600
020023D	2	Hudson, Town of		Hudson	Weld	Improvement / Expansion of Water Treatment Facility;	\$800,000	1,600
010018D	5	Idaho Springs, City of		Idaho Springs	Clear Creek	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$900,000	1,885
020018D	3	Idledale WSD		Morrison	Jefferson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,296,570	350
960050D	3	Ignacio, Town of		Ignacio	La Plata	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	740
030029D	1	Indian Hills WD		Indian Hills	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$340,344	1,100
960051D	1	Jamestown, Town of		Jamestown	Boulder	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$933,500	260
050029D	3	Julesburg, Town of		Julesburg	Sedgwick	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation;	\$500,000	1,467
030031D	5	Keenesburg, Town of		Keenesburg	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	1,150
030032D	2	Ken Caryl West Ranch WD		Morrison	Jefferson	New Regional Water Treatment Facilities; Water Storage Facilities	\$300,000	100
960208D	5	Kersey, Town of		Kersey	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facility; Water Meters; Hydrants	\$1,980,500	1,420
030033D	5	Kim, Town of		Kim	Las Animas	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$815,000	76
080013D	5	Kiowa, Town of		Kiowa	Elbert	Improvement / Expansion of Existing Water Treatment Facility; Connect To Existing Facility; Water Storage Facility	\$2,000,000	618
960056D	1	Kit Carson, Town of		Kit Carson	Cheyenne	Construction of New Water Treatment Facilities; Water Supply Facilities; Water Storage Facilities; Water Meters; Land Acquisition	\$930,000	250
090028D	5	Kremmling, Town of		Kremmling	Grand	Source Water Protection Plan Implementation	\$250,000	1,600

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960057D	3	Kremmling, Town of		Kremmling	Grand	Improvement / Expansion of Existing Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$7,000,000	1,600
040011D	5	La Jara, Town of		La Jara	Conejos	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$1,000,000	850
030035D	2	La Junta, City of	Eureka Water Co (1)	La Junta	Otero	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,649,000	498
090007D	3	La Junta, City of		La Junta	Otero	Water Storage Facilities	\$2,000,000	8,000
090013D	5	La Plata Archuleta Water District		Durango	La Plata, portions of Archuleta	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Supply Facilities; Water Meters	\$84,767,000	9,720
020024D	3	La Veta, Town of		La Veta	Huerfano	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,524,000	950
050030D	5	Lake City, Town of		Lake City	Hinsdale	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$2,000,000	404
090024D	3	Lake Durango Water Authority		Durango	La Plata	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Land Acquisition	\$2,740,000	2,800
060013D	5	Lakewood, City of		Lakewood	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$1,600,000	5,500
050031D	5	Lamar, City of		Lamar	Prowers	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,385,000	8,420
070003D	3	Larimer County	Glacier View Meadows Water and Sewer Assoc	Livermore	Larimer	Distribution / Transmission Lines Construction / Rehabilitation	\$595,000	400
090018D	5	Larimer County	Red Feather Lakes	Fort Collins	Larimer	Connect to Existing Facility; Water Supply Facilities	\$1,500,000	500
960061D	2	Larkspur, Town of		Larkspur	Douglas	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$2,474,500	250
050032D	5	Las Animas, City of		Las Animas	Bent	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$5,020,000	4,301
090006D	5	Left Hand Water District	Dodd WTP	Niwot	Boulder	Improvement / Expansion of Water Treatment Facility	\$26,428,000	19,100
050033D	5	Limon, Town of		Limon	Lincoln	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply	\$300,000	2,200
020004D	5	Lochbuie, Town of		Lochbuie	Weld	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$5,500,000	6,500
030040D	1	Log Lane Village, Town of		Log Lane Village	Morgan	New Drinking Water Treatment Plant; Connect To Existing Facility; Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$3,700,000	1,006
060010D	5	Lookout Mountain WD		Golden	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,150,000	1,300
060014D	5	Loveland, City of		Loveland	Larimer	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$16,500,000	63,000

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000011D	4	Mancos, Town of		Mancos	Montezuma	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$850,000	1,250
050034D	3	Manitou Springs, City of		Manitou Springs	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,440,000	5,000
020005D	5	Meeker, Town of		Meeker	Rio Blanco	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities	\$125,000	2,500
090033D	2	Merino, Town of		Merino	Logan	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$250,000	286
960214D	4	Mesa Cortina WSD		Silverthorne	Summit	Distribution / Transmission Lines Construction / Rehabilitation	\$250,000	800
090015D	5	Mesa County	Gateway	Grand Junction	Mesa	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	251
070016D	5	Mesa County	Ute WCD - Brunner's Artesian WS	Grand Junction	Mesa	Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	100
010024D	5	Mesa WSD		Mesa	Mesa	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$175,000	400
050035D	5	Milliken, Town of		Milliken	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$4,180,000	6,000
080019D	5	Moffat, Town of		Moffat	Saguache	Construction of New Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$3,500,000	113
050036D	5	Monte Vista, City of		Monte Vista	Rio Grande	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,500,000	4,700
960071D	5	Montezuma, Town of		Montezuma	Summit	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,015,000	42
030042D	5	Monument, Town of		Monument	El Paso	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,325,000	1,900
960073D	5	Morgan County Quality WD		Fort Morgan	Morgan	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$15,450,000	2,500
050037D	3	Morrison Creek Metro WSD		Stagecoach	Routt	Construction of New Water Treatment Facilities; Connect To Existing Facility; Water Storage Facilities	\$4,000,000	800
960074D	3	Morrison, Town of		Morrison	Jefferson	Construction of New Water Treatment Facilities; Connect to Existing Facility; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$3,000,000	400
090016D	5	Mount Crested Butte WSD	Meridan Lake Park	Mount Crested Butte	Gunnison	Water Storage Facilities	\$1,500,000	400
960075D	4	Mount Crested Butte WSD		Mt Crested Butte	Gunnison	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$6,725,000	6,500
080015D	3	Mountain View Villages WSD		Leadville	Lake	Construction of New Water Treatment Facilities; Connect To Existing Facility; Water Storage Facilities	\$1,800,000	1,000
040015D	2	Mountain WSD		Conifer	Jefferson	Construction of New Water Treatment Facilities; Water Supply Facilities	\$1,000,000	900
010025D	5	Munn's Addition WSD		Brush	Morgan	Consolidation of Water Treatment Facilities; Water Supply Facilities	\$500,000	80

**Appendix B
Drinking Water Revolving Fund
2009 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost	Pop
070011D	5	Naturita, Town of		Naturita	Montrose	Distribution / Transmission Lines Construction / Rehabilitation	\$1,096,000	635
060027D	3	Nederland, Town of		Nederland	Boulder	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Plant; Meters	\$2,800,000	1,438
090001D	3	New Castle, Town of		New Castle	Garfield	Improvement / Expansion of Water Treatment Facility	\$8,300,000	3,148
960078D	3	North Shore WSD		Granby	Grand	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facility	\$1,800,000	280
040016D	5	Northern Douglas County WSD	Chatfield East Estates Inclusion	Littleton	Douglas	Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$3,100,000	400
030043D	5	Northern Douglas County WSD	McArthur Ranch Inclusion	Littleton	Douglas	Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,100,000	230
960080D	3	Norwood, Town of	Norwood Water Commission	Norwood	San Miguel	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,101,100	1,200
960082D	5	Oak Creek, Town of		Oak Creek	Routt	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$2,900,000	900
080016D	3	Oak Meadows WA		Glenwood Springs	Garfield	Improvement / Expansion of Existing Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Land Acquisition;	\$1,300,000	70
090009D	5	Olathe, Town of		Olathe	Montrose	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$600,000	1,650
960084D	3	Olde Stage WD		Boulder	Boulder	Water Storage Facilities	\$250,000	250
030044D	3	Ophir, Town of		Ophir	San Miguel	New Regional Water Treatment Facilities; Consolidation of Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities; Water Meters	\$526,085	175
960085D	5	Orchard City, Town of		Orchard City	Delta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$10,000,000	3,100
030045D	5	Ordway, Town of		Ordway	Crowley	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,100,000	1,322
070001D	2	Otero County	South Swink Water Co.	Swink	Otero	New Drinking Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Water Storage Facilities	\$1,000,000	600
070007D	2	Otero County	Valley Water Company	Manzanola	Otero	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facility	\$200,000	270
030051D	5	Ouray, City of		Ouray	Ouray	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,000,000	813
050038D	5	Ovid, Town of		Ovid	Sedgwick	Distribution / Transmission Lines Construction / Rehabilitation	\$958,550	333
090011D	5	Pagosa Area WSD		Pagosa Springs	Archuleta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Supply Facilities	\$15,615,801	10,000
960087D	5	Pagosa Area WSD		Pagosa Springs	Archuleta	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$7,000,000	10,000
030052D	4	Paint Brush Hills MD		Falcon	El Paso	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,145,000	1,200

**Appendix B
Drinking Water Revolving Fund
2009 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost	Pop
040022D 040022D-2	5	Palisade, Town of		Palisade	Mesa	Distribution / Transmission Lines Construction / Rehabilitation	\$1,200,000	3,000
010028D	3	Palmer Lake, Town of		Palmer Lake	El Paso	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$1,613,882	2,300
000015D	3	Paonia, Town of		Paonia	Delta	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$4,540,000	2,200
090014D	5	Paonia, Town of		Paonia	Delta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,500,000	2,200
030053D	5	Parachute, Town of		Parachute	Garfield	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$512,000	1,360
090034D	5	Parker WSD		Parker	Douglas	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$50,000,000	39,060
010033D	5	Parkville WD		Leadville	Lake	Water Supply Facilities	\$750,000	8,000
960092D	4	Penrose WD		Penrose	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$2,000,000	3,280
960219D	5	Perry Park WSD		Larkspur	Douglas	Water Storage Facilities; Water Supply Facilities	\$1,500,000	3,100
010030D	5	Phillips County	Amherst Unincorp Area	Amherst	Phillips	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities	\$250,000	200
070002D	5	Pierce, Town of		Pierce	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$300,000	884
990035D	1	Pine Drive WD		Beulah	Pueblo	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$208,000	350
960093D	2	Pinewood Springs WD		Pinewood Springs	Larimer	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities;	\$2,405,000	750
010031D	5	Pioneer Lookout WD		Monument	El Paso	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$45,000	100
060011D	3	Platte Canyon WSD		Littleton	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$400,000	19,366
960094D	5	Platteville, Town of		Platteville	Weld	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,200,000	2,500
050039D	3	Poncha Springs, Town of		Poncha Springs	Chaffee	Construction of New Water Treatment Facilities; Connection to a New or Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,400,000	570
050040D	1	Powderhorn #1 MD		Mesa	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$4,000,000	499
990036D	5	Project 7 WA		Montrose	Montrose	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$10,000,000	11,000

**Appendix B
Drinking Water Revolving Fund
2009 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost	Pop
020035D	2	Prowers County	May Valley Water Assoc	Wiley	Prowers	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities;	\$450,000	1,500
010050D	4	Pueblo West MD		Pueblo West	Pueblo	Distribution / Transmission Lines Construction / Rehabilitation	\$3,500,000	4,500
050042D	5	PV Water and Sanitation MD		Greeley	Weld	New Regional Water Treatment Facilities; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,000,000	10,000
960225D	3	Rainbow Valley WD		Woodland Park	Teller	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$100,000	185
060012D	5	Ralston Valley WSD		Arvada	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation; Land Acquisition	\$1,200,000	1,300
020006D	5	Rangely, Town of		Rangely	Rio Blanco	Improvement / Expansion of existing water treatment plant; Distribution / Transmission Lines Construction / Rehabilitation; Water storage facilities;	\$1,000,000	2,200
050043D	2	Raymer, Town of		Raymer	Weld	Improvement / Expansion of Water Treatment Facility	\$300,000	73
040024D	3	Red Rock Valley Estates WD		Colorado Springs	El Paso	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters; Land Acquisition	\$2,345,000	220
060022D	4	Redstone WSD		Redstone	Pitkin	Improvement / Expansion of Water Treatment Facility	\$100,000	300
050044D	5	Resource Colorado Water and Sanitation MD		Adams or Weld Co	Weld	New Regional Water Treatment Facilities; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$40,000,000	10,000
960098D	1	Rico, Town of		Rico	Dolores	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$200,000	250
960099D	3	Ridgewood WD		Woodland Park	Teller	Improvement / Expansion Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,055,000	95
040025D	4	Ridgway, Town of		Ridgway	Ouray	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$750,000	866
090031D	5	Ridgway, Town of		Ridgway	Ouray	Source Water Protection Plan Implementation	\$50,000	866
020007D	1	Rifle, City of		Rifle	Garfield	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$31,500,000	8,600
090003D	3	Rockvale, Town of		Rockvale	Fremont	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	450
960227D	4	Rocky Ford, City of		Rocky Ford	Otero	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$2,050,000	4,213
020028D	3	Round Mountain WSD		Westcliffe	Custer	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$2,000,000	1,056
090030D	5	Round Mountain WSD		Westcliffe	Custer	Source Water Protection Plan Implementation	\$15,000	1,056
960160D	4	Routt County	Hahn's Peak	Steamboat Springs	Routt	Consolidation of Water Treatment Facilities; Water Supply Facilities	\$1,800,000	150
960164D	5	Roxborough Park MD		Littleton	Douglas	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$11,312,000	8,900

**Appendix B
Drinking Water Revolving Fund
2009 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost	Pop
960102D	1	Rye, Town of		Rye	Pueblo	Improvement / Expansion of Water Treatment Facility; Water Meters	\$1,100,000	802
960142D	3	Saguache, Town of		Saguache	Saguache	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$150,000	578
990039D	4	Salida, City of		Salida	Chaffee	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$6,000,000	5,600
040026D	3	San Juan River Village MD		Pagosa Springs	Archuleta	Improvement / Expansion of Water Treatment Facility	\$550,000	500
030059D	4	San Luis WSD		Chama	Costilla	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters	\$630,000	739
960104D	5	Sanford, Town of		Sanford	Conejos	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$250,000	783
030060D	5	Sawpit, Town of		Sawpit	San Miguel	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,100,000	45
960105D	3	Sedalia WSD		Sedalia	Douglas	Improvement of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,525,000	220
040027D	3	Sedgwick, Town of		Sedgwick	Sedgwick	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$769,000	183
000017D	5	Seibert, Town of		Seibert	Kit Carson	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$500,000	194
030061D	5	Severance, Town of		Severance	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$929,000	1,050
070009D	5	Sheridan, City of	Oxford to Union SID	Sheridan	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation; Connect to Existing Facility	\$1,107,000	5,250
020008D	5	Silt, Town of		Silt	Garfield	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$2,680,000	2,400
050075D	5	Silver Heights WSD		Castle Rock	Douglas	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,600,000	350
960107D	1	Silver Plume, Town of		Silver Plume	Clear Creek	Water Storage Facilities;	\$2,562,388	200
990041D	3	Silverton, Town of		Silverton	San Juan	Construction of New Water Treatment Facilities	\$3,000,000	550
040028D	1	Simla, Town of		Simla	Elbert	Improvement / Expansion of Water Treatment Facility	\$100,000	663
030062D	5	South Adams County WSD		Commerce City	Adams	Water Storage Facilities	\$2,000,000	47,000
030063D	5	South Fork WSD		South Fork	Rio Grande	New Regional Water Treatment Facilities; Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$8,000,000	1,000
090069D	3	Southgate WD	Willow Creek HOA	Englewood	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	500,000	365
050046D	1	Springfield, Town of		Springfield	Baca	Water Supply Facilities	\$300,000	1,600
960145D	3	St Charles Mesa WD	Blende, Vineland, Avondale, Pueblo	Pueblo	Pueblo	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$4,550,000	10,418
030064D	4	Steamboat Lake WSD		Clark	Routt	Construction of New Water Treatment Facilities; Water Storage Facilities; Water Supply Facilities; Water Meters	\$650,000	300
960156D	1	Sterling, City of		Sterling	Logan	New Regional Water Treatment Facilities; Connection to a New or Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Storage Facilities	\$12,500,000	13,800

**Appendix B
Drinking Water Revolving Fund
2009 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost	Pop
050047D	3	Stonegate Village MD		Parker	Douglas	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,000,000	13,200
980244D	5	Stratmoor Hills WD		Colorado Springs	El Paso	New Regional Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters	\$797,374	6,300
050048D	5	Stratton, Town of		Stratton	Kit Carson	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$1,000,000	669
960230D	5	Summit Ridge WD		Mancos	Montezuma	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities;	\$400,000	1,400
090004D	3	Sunset Metropolitan District		Colorado Springs	El Paso	Construction of New Water Treatment Facilities; Improvement / Expansion of Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities;	\$2,100,000	185
090022D	2	Swink, Town of		Swink	Otero	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$450,000	687
050049D	3	Tabernash Meadows WSD	Pole Creek Subdivision	Tabernash	Grand	New Water Treatment Plant; Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Water Supply Facilities	\$2,000,000	100
040030D	3	Teller County WSD No. 1		Woodland Park	Teller	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Land Acquisition	\$600,000	625
010036D	5	Telluride, Town of		Telluride	San Miguel	Construction of New Water Treatment Facilities	\$12,500,000	5,000
080017D	3	Thornton, City of		Thornton	Adams	Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities	\$10,800,000	132,000
020010D	5	Thunderbird WSD		Sedalia	Douglas	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$720,000	425
080001D	2	Timbers WSD		Steamboat Springs	Routt	Improvement / Expansion of Existing Water Treatment Plant	\$805,183	140
090025D	3	Town of Gardner		Gardner	Huerfano	Water Storage Facilities; Water Supply Facilities	\$100,000	136
070005D	5	Tri-County WCD	Ridgway Reservoir Water Treatment Plant	Ridgway	Ouray	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Land Acquisition	\$9,900,000	18,000
990046D	4	Trinidad, City of		Trinidad	Las Animas	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$17,800,000	9,254
050050D	5	Turkey Canon Ranch WD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$300,000	75
040031D	2	Two Buttes, Town of		Two Buttes	Baca	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$100,000	100
050051D	5	Upper Eagle Regional WA		Avon, Edwards	Eagle	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$9,180,000	32,500
090026D	5	Victor, City of	Bull Hill	Victor	Teller	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters; Source Water Protection Plan Implementation	\$500,000	434
090036D	2	Vilas, Town of		Vilas	Baca	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$250,000	147
060023D	3	Vona, Town of		Vona	Kit Carson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$100,000	95

**Appendix B
Drinking Water Revolving Fund
2009 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost	Pop
960115D	3	Walden, Town of		Walden	Jackson	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities	\$1,900,000	734
050053D	5	Walsenburg, City of		Walsenburg	Huerfano	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	4,119
050054D	5	Watkins, Town of	Prairie View Subdivision	Watkins	Arapahoe	Water Supply Facilities	\$125,000	5,530
060017D	3	Wellington, Town of		Wellington	Larimer	Construction of New Water Treatment Facilities; Improvement / Expansion of Existing Water Treatment Plant	\$2,500,000	6,450
030068D	5	West Fort Collins WD		Fort Collins	Larimer	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,000,000	4,000
960231D	3	Westcreek Lakes WD		Sedalia	Douglas	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities; Water Supply Facilities	\$100,000	150
050055D	3	Westminster, City of		Westminster	Adams	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$26,500,000	110,000
990048D	3	Westwood Lakes WD		Woodland Park	Teller	Distribution / Transmission Lines Construction / Rehabilitation	\$650,000	378
060025D	3	Widfield WSD		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$100,000	25,000
050056D	5	Wiggins, Town of		Wiggins	Morgan	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters; Land Acquisition	\$4,000,000	975
090035D	2	Wiley, Town of		Wiley	Prowers	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$400,000	461
020015D	5	Williamsburg, Town of		Williamsburg	Fremont	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,000,000	714
050057D	5	Will-O-Wisp MD		Bailey	Park	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$48,000	320
990049D	5	Wilson Mesa MD	Wilson Mesa Ranch	Telluride	San Miguel	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$155,000	150
020030D	5	Winter Park WSD		Winter Park	Grand	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$2,381,000	6,000
060026D	1	Woodlin R-104 School District		Woodrow	Washington	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Land Acquisition	\$624,125	200
020038D	5	Woodmoor #1 WSD		Monument	El Paso	Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities; Water Meters	\$2,100,000	7,500
050058D	5	Wray, City of		Wray	Yuma	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$4,000,000	2,287
960238D	3	Yampa, Town of		Yampa	Routt	Water Storage Facilities	\$1,000,000	475
030069D	3	Yuma, City of		Yuma	Yuma	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,620,000	3,315

Total: \$1,180,110,629

**Appendix B1
Drinking Water Revolving Fund
Additions to the 2008 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
090037D	5	Avondale, Town of		Avondale	Pueblo	Water Supply Facilities; Source Water Protection Plan Implementation	\$100,000	754
090027D	5	Black Hawk, City of		Black Hawk	Gilpin	Source Water Protection Plan Implementation	\$770,000	108
090002D	3	Bow Mar Water and Sanitation District		Littleton	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation	\$1,150,000	852
090021D	3	Castle Pines MD		Castle Rock	Douglas	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$17,210,000	4,000
090012D	3	Collbran, Town of		Collbran	Mesa	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Supply Facilities	\$1,817,000	600
090029D	5	Crestone, Town of		Crestone	Saguache	Source Water Protection Plan Implementation	\$52,000	130
090020D	5	East Cherry Hills Water District		Cherry Hills Village	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters; Land Acquisition	\$1,154,091	150
090017D	5	Estes Park, Town of	Glacier Creek Water Plant	Estes Park	Larimer	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Land Acquisition	\$9,250,000	5,720
090008D	5	Frederick, Town of		Frederick	Weld	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage	\$2,400,000	7,800
090010D	5	Grand Mesa Water Conservancy District		Cedaredge	Delta	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$15,250,000	1,250
090032D	5	Hotchkiss, Town of	High School Line Project	Hotchkiss	Delta	Distribution / Transmission Lines Construction / Rehabilitation	\$350,000	2,100
090005D	2	Hudson, Town of	Hudson / Ft. Lupton WTP	Hudson	Weld	Improvement / Expansion of Water Treatment Facility	\$1,083,000	1,600
090028D	5	Kremmling, Town of		Kremmling	Grand	Source Water Protection Plan Implementation	\$250,000	1,600
090007D	3	La Junta, City of		La Junta	Otero	Water Storage Facilities	\$2,000,000	8,000
090013D	5	La Plata Archuleta Water District		Durango	La Plata, portions of Archuleta	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Supply Facilities; Water Meters	\$84,767,000	9,720
090024D	3	Lake Durango Water Authority		Durango	La Plata	Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Land Acquisition	\$2,740,000	2,800
090018D	5	Larimer County	Red Feather Lakes	Fort Collins	Larimer	Connect to Existing Facility; Water Supply Facilities	\$1,500,000	500
090006D	5	Left Hand Water District	Dodd WTP	Niwot	Boulder	Improvement / Expansion of Water Treatment Facility	\$26,428,000	19,100
090033D	2	Merino, Town of		Merino	Logan	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$250,000	286
090015D	5	Mesa County	Gateway	Grand Junction	Mesa	Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$1,000,000	251
090016D	5	Mount Crested Butte WSD	Meridan Lake Park	Mount Crested Butte	Gunnison	Water Storage Facilities	\$1,500,000	400
090001D	3	New Castle, Town of		New Castle	Garfield	Improvement / Expansion of Water Treatment Facility	\$8,300,000	3,148
090009D	5	Olathe, Town of		Olathe	Montrose	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$600,000	1,650
090011D	5	Pagosa Area WSD		Pagosa Springs	Archuleta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage; Water Supply Facilities	\$15,615,801	10,000

**Appendix B1
Drinking Water Revolving Fund
Additions to the 2008 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
090014D	5	Paonia, Town of		Paonia	Delta	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$2,500,000	2,200
090034D	5	Parker WSD		Parker	Douglas	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$50,000,000	39,060
090031D	5	Ridgway, Town of		Ridgway	Ouray	Source Water Protection Plan Implementation	\$50,000	866
090003D	3	Rockvale, Town of		Rockvale	Fremont	Distribution / Transmission Lines Construction / Rehabilitation	\$500,000	450
090030D	5	Round Mountain WSD		Westcliffe	Custer	Source Water Protection Plan Implementation	\$15,000	1,056
090069D	3	Southgate WD	Willow Creek HOA	Englewood	Arapahoe	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	500,000	365
090004D	3	Sunset Metropolitan District		Colorado Springs	El Paso	Construction of New Water Treatment Facilities; Improvement / Expansion of Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities;	\$2,100,000	185
090022D	2	Swink, Town of		Swink	Otero	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$450,000	687
090025D	3	Town of Gardner		Gardner	Huerfano	Water Storage Facilities; Water Supply Facilities	\$100,000	136
090026D	5	Victor, City of	Bull Hill	Victor	Teller	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters; Source Water Protection Plan Implementation	\$500,000	434
090036D	2	Vilas, Town of		Vilas	Baca	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$250,000	147
090035D	2	Wiley, Town of		Wiley	Prowers	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities	\$400,000	461

Total: \$252,901,892

**Appendix B2
Drinking Water Revolving Fund
Deletions from the 2008 Project Eligibility List**

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
050001D	2	Akron, Town of		Akron	Washington	Improvement / Expansion of Water Treatment Facility	\$1,000,000	1,785
960130D	3	Carter Lake Filter Plant WD		Berthoud	Larimer	Improvement / Expansion of Water Treatment Facility	\$12,492,568	50,000
050074D	3	Cascade #1 MD		Cascade	El Paso	New Drinking Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$980,000	1,500
050007D 050007D-2	5	Castle Pines MD		Castle Rock	Douglas	New Regional Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$10,015,000	3,200
010009D 010009D-2	3	Craig, City of		Craig	Moffat	Improvement / Expansion of Water Treatment Facility	\$9,000,000	9,400
080012D	3	Cucharas SWD		Cucharas	Huerfano	Improvement / Expansion of Existing Water Treatment Facility	\$480,000	200
030023D	3	Fountain Valley Authority		Colorado Springs	El Paso	Improvement / Expansion of Water Treatment Facility	\$1,500,000	65,000
070019D	5	Grace Mar Water District	Grace Mar Water Inc.	Lafayette	Boulder	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$80,000	27
060009D	5	Little Thompson WD		Berthoud	Larimer	Improvement / Expansion of Water Treatment plant; Distribution / Transmission Lines Construction / Rehabilitation.	\$15,000,000	20,000
030070D	4	Longmont, City of		Longmont	Boulder	New Drinking Water Treatment Plant	\$60,000,000	70,000
960067D	3	Lyons, Town of		Lyons	Boulder	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$8,000,000	1,617
050041D	3	Pritchett, Town of		Pritchett	Baca	Water Storage Facilities	\$533,000	150
040023D	4	Red Cliff, Town of		Red Cliff	Eagle	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation	\$100,000	350
040029D	4	Southeast La Plata Rural WD		Durango	La Plata	Construction of a New Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$15,048,000	4,900
050052D	1	Vilas, Town of		Vilas	Baca	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$300,000	147

Total: 134,528,568

**APPENDIX C
Drinking Water Revolving Fund
FY 2009 Project Priority / Fundable List**

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	Estimated Project Cost	Actual Loan Amount	DC	Expected/ Actual Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description
960102D	1	60	Rye, Town of	Pueblo	151700	202	\$1,040,000		Y	10/2008	30	D	1.75%	System is on a mandatory boil order for inadequately treating Cryptosporidium and Girardia; excess lead concentrations, iron concentrations, radium levels, as well as having various treatment systems without permits rendering those systems unusable.	Improvement / Expansion of Water Treatment Facility; Water Meters
040033D	2	97	Hillrose, Town of	Morgan	144010	275		\$995,097	Y	5/31/2007	30	D	0.0%	Replace aged infrastructure to comply with primary and secondary drinking water standards; improve storage facilities to prevent contamination.	Connection to Morgan Co. Quality WD including well rehabilitation; piping; new treatment facility; storage tank; distribution system with meters and hydrants.
000007D	2	90	East Alamosa WSD	Alamosa	102200	1,432		\$2,000,000	Y	7/24/2008	30	D	0.0%	Exceeding MCL for arsenic	Connection to the City of Alamosa proposed treatment plant including cost sharing of capital costs; a new water supply pipeline for district system; new water tank; pumps; control system and meters.
960061D	2	80	Larkspur, Town of	Douglas	118030	280	\$2,474,500		N	1/2009	20	D	3.75%	Exceeding MCL for radium.	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters
050021D	2	36	Eckley, Town of	Yuma	163001	278		\$100,000	Y	7/30/2008	30	D	0.0%	Exceeding MCL for arsenic	Treatment plant improvements to remove arsenic.
010017D	2	30	Hotchkiss, Town of	Delta	0115352	960		\$925,000	Y	4/23/2008	20	D	0.0%	Inadequate treatment capacity due to more stringent turbidity regulations.	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility
050056D	3	66	Wiggins, Town of	Morgan	144035	973	\$2,956,000		Y	1/2009	20	L	3.50%	Aging treatment, distribution and supply infrastructure.	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters; Land Acquisition
050017D	3	60	Creede, City of	Mineral	140500	424	\$1,250,000		Y	10/2008	30	D	1.75%	Water distribution system suffering from leakage due to freezing and aging materials.	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities
030033D	3	60	Kim, Town of	Las Animas	136400	76	\$118,000	\$118,000	Y	05/30/2008	30	D	0.0%	Water system has difficulty meeting peak day demands and will fail to meet daily demands in the future. Replacement of old transmission lines, portions of the distribution system and meter pit assemblies. Construction a new storage standpipe, bringing two older wells back online, and additional minor upgrades.	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters

* Projects will remain on the Project Eligibility List until the project is complete

APPENDIX C
Drinking Water Revolving Fund
FY 2009 Project Priority / Fundable List

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	Estimated Project Cost	Actual Loan Amount	DC	Expected/ Actual Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description
060011D-2	3	55	Platte Canyon WSD	Jefferson	103614	196	\$475,000	\$475,000	N	7/15/2008	20	D	3.5	Distribution system deficiencies and Total Coliform Rule compliance challenges.	Replace distribution system serving Columbine Townhouses IV, loop lines, add water meters, service lines, taps and fire hydrants.
020024D	3	45	La Veta, Town of	Huerfano	0128500	896		\$1,134,000	N	4/11/2008	30	D	3.75	Aging infrastructure and system fails to meet SWTR treatment requirements for minimum contact time.	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities
960084D	3	45	Olde Stage WD	Boulder	107582	250	\$150,000		N	10/2008	20	D	3.50%	Aged and deteriorating water storage tank.	Water Storage Facilities
060027D	3	35	Nederland, Town of	Boulder	107538	1,438	\$2,500,000		N	1/2009	20	L	3.50%	Plant has design limiting factors and turbidity issues during spring runoff.	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Plant; Meters
000015D	3	35	Paonia, Town of	Delta	115601	2,200	\$448,200		Y	01/2009	20	D	1.75%	Water treatment system's bag filtration technology out of compliance with primary drinking water regulations.	Construction of New Water Treatment Facilities; Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities
050025D	3	25	Fraser, Town of	Grand	125288	996	\$1,534,500		N	5/2009	20	D	3.50%	The system is not metered. This creates problems in effectively managing water usage and promoting water conservation.	Installation of approximately 350 water meters, installation and replacement of transmitting units and installation of back-flow prevention devices.
990019D	3	13	Estes Park, Town of	Larimer	135257	5,921	\$5,494,410	\$5,494,410	N	06/12/2008	20	L	3.26%	Ageing WTP technology will not meet future EPA drinking water regulations.	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities
030059D	4	45	Costilla County For San Luis WSD	Costilla	112900	550	\$630,000		Y	1/2009	30	D	0.0%	Minor upgrades and improvements throughout the distribution system.	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters
960105D	5	55	Sedalia WSD	Douglas	118060	220	\$2,525,000		N	1/2009	30	D	3.75%	Replace aged infrastructure for compliance with Total Coliform Rule and upcoming Groundwater Rule.	New chemical feed system, well redevelopment; pump upgrades; new storage tanks; transmission line installation and distribution system improvements including hydrants.
050048D	5	55	Stratton, Town of	Kit Carson	132020	630		\$483,000	Y	12/20/2007	30	D	1.875	Ensure compliance with ground water rule, install disinfection to meet MCLs on coliform, aging distribution system.	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities;
030002D	5	50	Arriba, Town of	Lincoln	137001	226	\$705,000		Y	1/2009	30	D	0.0%	Inadequate contact time and unable to meet disinfection requirements.	Improvement / Expansion of Water Treatment Facility; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters
050032D	5	40	Las Animas, City of	Bent	0106300	2,758		\$812,000	Y	3/26/2008	30	D	0.0%	Aged transmission and distribution system that may cause contamination if not replaced.	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters
960087D	5	40	Pagosa Area WSD	Archuleta	104500	17,730	\$7,158,870	\$7,158,870	N	06/12/2008	20	L	3.40%	Aged WTP.	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities
030021D	5	35	Florissant WSD	Teller	160175	220	\$417,700		Y	1/2009	30	D	0.0%	High floride and iron levels, outdated infrastructure, increased demand.	Improvement / Expansion of Water Treatment Facility; Water Supply Facilities

* Projects will remain on the Project Eligibility List until the project is complete

**APPENDIX C
Drinking Water Revolving Fund
FY 2009 Project Priority / Fundable List**

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	Estimated Project Cost	Actual Loan Amount	DC	Expected/ Actual Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description
080003D	5	30	Del Norte, Town of	Rio Grande	153200	1,624	\$934,000		Y	10/2008	20	D	0.0%	Only a small number of water customers are metered.	Install water meters throughout the town.
990036D	5	30	Project 7 WA	Montrose	143621	44,504	\$10,000,000		N	11/2008	20	L	4.0%	WTP is not capable of operating at designed capacity due to filtration capacity and raw water flow design obstacles.	Improvement / Expansion of Water Treatment Facility; Water Storage Facilities
030045D-2	5	20	Ordway, Town of	Crowley	113700	1,144	\$114,300	\$114,300	Y	12/21/2007	30	D	0.0%	The water distribution system piping is aging and experiences frequent piping breaks. Portions of the failing water lines are located next to failing pipes of the sewer collection system. Storage Tank is in need of recoating to extent longevity.	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities

Total: \$40,925,480 \$19,809,677

^DC - Disadvantaged Communities (Y-Yes, N-No)

* Projects will remain on the Project Eligibility List until the project is complete

DRINKING WATER REVOLVING FUND (DWRP)
2009 INTENDED USE PLAN
APPENDIX D - LOAN SUMMARY REPORT AS OF JUNE 30, 2008

DETAIL OF LOANS FINANCED UNDER THE DWRP PROGRAM									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest	DW SRF Funds Obligated to Loan (a)	State Match Provided for Loan (b)	New Loans Funded or Subsidized with	Percent of State Match Provided to	Loan Type
Grand Lake, Town of	10/29/97	\$ 495,000.00	20	4.500%	\$ 394,988.00	\$ 100,012.00		0.253	DL
Arapahoe Estates WD	10/01/97	1,048,332.75	20	4.150%	388,359.00	98,332.75		0.253	LL
Englewood, City of	10/01/97	15,292,635.61	21	4.140%	5,361,910.00	1,357,635.61		0.253	LL
Fort Collins, City of	10/01/97	10,125,299.77	20	4.120%	3,614,928.00	915,299.77		0.253	LL
Chatfield South WD	07/13/98	728,500.00	20	4.500%	581,310.00	147,190.00		0.253	DL
Left Hand W&SD	09/11/98	188,700.00	20	4.500%	150,574.00	38,126.00		0.253	DL
Buena Vista, Town of	06/01/98	1,324,119.65	20	4.010%	490,204.00	124,119.65		0.253	LL
Fort Morgan, City of	06/01/98	15,433,355.38	21	4.020%	5,641,214.00	1,428,355.38		0.253	LL
Julesburg, Town of	05/01/99	693,000.00	1	4.500%	543,757.00	149,243.00		0.274	DL
La Junta, City of	10/15/99	490,000.00	20	4.500%	384,475.00	105,525.00		0.274	DL
Thunderbird W&SD	06/01/99	285,000.00	20	4.500%	223,623.00	61,377.00		0.274	LL
Aurora, City of	05/01/99	14,999,898.55	15	3.633%	4,751,500.00	1,024,898.55		0.216	LL
Fort Collins, City of	05/01/99	4,998,394.59	20	3.808%	1,870,165.00	403,394.59		0.216	LL
Glenwood Springs, City of	05/01/99	4,999,017.40	19	3.773%	1,710,790.00	369,017.40		0.216	LL
Grand County W&SD	05/01/99	2,998,566.15	19	3.783%	1,036,468.00	223,566.15		0.216	LL
Greeley, City of	05/01/99	14,999,038.36	20	3.802%	5,280,660.00	1,139,038.36		0.216	LL
Julesburg, Town of	05/01/99	994,599.70	20	3.809%	392,210.00	84,599.70		0.216	LL
Left Hand WD	05/01/99	6,571,538.04	20	3.802%	2,139,722.00	461,538.04		0.216	LL
Craig, City of	12/15/00	450,000.00	5	4.000%	353,089.00	96,911.00		0.274	DL
Sedalia W&SD	03/09/00	326,000.00	20	4.500%	255,794.00	70,206.00		0.274	DL
Springfield, Town of	07/28/00	349,470.76	20	4.500%	274,209.00	75,261.76		0.274	DL
Evergreen MD	04/15/00	5,577,981.71	21	4.390%	1,786,069.00	452,981.71		0.254	LL
Fountain Valley Auth	04/15/00	7,607,966.23	21	4.400%	2,633,735.00	667,966.23		0.254	LL
Limon, Town of	04/15/00	1,440,808.84	21	4.410%	436,910.00	110,808.84		0.254	LL
Pueblo Board of WW	04/15/00	9,558,794.83	23	4.600%	2,499,000.00	633,794.83		0.254	LL
Westminster, City of	04/15/00	14,998,357.36	21	4.400%	4,764,452.00	1,208,357.36		0.254	LL
Wellington, City of	11/01/01	1,000,000.00	20	4.000%	716,007.00	283,993.00		0.397	DL
Basalt, Town of	12/19/02	948,245.63	20	4.000%			1,000,000.00	n/a	DL
Dillon, Town of	10/18/02	1,000,000.00	10	4.000%			1,000,000.00	n/a	DL
Hayden, Town of	04/30/02	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Thunderbird W&SD	08/27/02	343,684.15	20	4.000%			343,684.15	n/a	DL
Woodland Park, City of	03/13/02	800,000.00	20	4.000%	597,200.00	202,800.00		0.340	DL
Evergreen MD	04/01/02	2,036,129.62	21	4.000%	764,260.00	181,129.62		0.237	LL
Grand Junction, City of	04/01/02	3,566,521.69	21	4.020%	1,082,370.00	256,521.69		0.237	LL
Idaho Springs, City of	04/01/02	2,339,796.89	21	3.990%	906,316.00	214,796.89		0.237	LL
La Junta, City of	04/01/02	9,812,211.15	21	4.000%	3,300,469.00	782,211.15		0.237	LL
Mustang WA	12/08/03	700,000.00	20	4.000%			700,000.00	n/a	DL
Oak Creek, Town of	11/18/03	900,688.96	20	4.000%			900,688.96	n/a	DL
Ouray, City of	12/19/03	1,000,000.00	20	4.000%			1,000,000.00	n/a	DL
Westwood Lakes WD	05/15/03	500,000.00	20	4.000%			500,000.00	n/a	DL
Florence, City of	11/01/03	12,999,092.97	22	3.510%	5,502,502.00	1,304,092.97		0.237	LL
Fountain Valley Auth	06/01/03	3,221,861.82	22	3.030%	1,463,552.00	346,861.82		0.237	LL
Longmont, City of	06/01/03	14,998,044.44	21	3.110%	6,046,601.00	1,433,044.44		0.237	LL
Lyons, Town of	06/01/03	4,915,599.18	22	3.030%	2,196,621.00	520,599.18		0.237	LL
Pinewood Springs WD	07/26/04	123,200.00	20	3.500%			123,200.00	n/a	DL
Swink, Town of	04/20/04	669,000.00	20	3.500%			669,000.00	n/a	DL
Florence, City of	01/25/05	769,899.33	20	3.500%			769,899.33	n/a	DL
Olde Stage WD	06/01/05	100,000.00	20	3.500%			100,000.00	n/a	DL
La Jara, Town of	04/20/05	200,000.00	20	0.000%			200,000.00	n/a	DC
Victor, City of	06/17/05	283,000.00	10	0.000%			283,000.00	n/a	DC
Log Lane Village, Town of	10/14/05	1,000,000.00	30	1.750%			1,000,000.00	n/a	DC
Bristol W&SD	02/08/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Pinewood Springs WD	04/03/06	752,425.00	20	3.500%			752,425.00	n/a	DL
Pritchett, Town of	03/31/06	200,000.00	30	0.000%			200,000.00	n/a	DC
Craig, City of	04/27/06	6,056,378.40	21	3.650%	2,263,200.00	536,378.40		0.237	LL
Little Thompson WD	04/27/06	6,383,774.04	21	3.650%	2,653,055.00	628,774.04		0.237	LL
Sedgwick, Town of	05/15/06	419,000.00	30	0.000%			419,000.00	n/a	DC
Castle Pines MD	05/25/06	2,000,000.00	20	3.750%			2,000,000.00	n/a	DL
Palisade, Town of	05/26/06	2,000,000.00	30	0.000%	1,526,000.00	474,000.00		0.311	DC
Platte Canyon W&SD	06/30/06	400,000.00	20	3.750%			400,000.00	n/a	DL
Bethune, Town of	07/18/06	418,000.00	30	0.000%			418,000.00	n/a	DC
Ralston Valley W&SD	08/09/06	1,300,000.00	20	3.750%			1,300,000.00	n/a	DL
Boone, Town of	08/15/06	514,297.00	30	0.000%			514,297.00	n/a	DC
Walden, Town of	09/06/06	900,000.00	25	1.750%			900,000.00	n/a	DC
Castle Pines MD	11/06/06	250,000.00	20	3.750%			250,000.00	n/a	DL

DRINKING WATER REVOLVING FUND (DWRF)
2009 INTENDED USE PLAN
APPENDIX D - LOAN SUMMARY REPORT AS OF JUNE 30, 2008

DETAIL OF LOANS FINANCED UNDER THE DWRF PROGRAM (Cont'd)									
Borrower	Loan Date	Loan Amount	Loan Term (In Years)	Effective Loan Interest	DW SRF Funds Obligated to Loan (a)	State Match Provided for Loan (b)	New Loans Funded or Subsidized with	Percent of State Match Provided to	Loan Type
Alamosa, City of	11/02/06	11,865,062.50	20	3.420%	4,683,808.00	1,110,062.50		0.237	LL
Arapahoe County W&SD	11/02/06	16,049,975.43	15	3.310%	6,223,525.00	1,474,975.43		0.237	LL
Cottonwood W&SD	11/02/06	9,996,005.27	20	3.420%	3,801,710.00	901,005.27		0.237	LL
Palisade, Town of	11/02/06	3,976,045.10	21	3.470%	1,502,300.00	356,045.10		0.237	LL
Cucharas S&WD	11/29/06	269,000.00	20	3.750%			269,000.00	n/a	DL
Genoa, Town of	12/20/06	175,000.00	30	0.000%			175,000.00		DC
Ordway, Town of	12/20/06	200,000.00	30	0.000%			200,000.00		DC
Hillrose, Town of	05/31/07	995,097.00	30	0.000%			995,097.00		DC
Stratton, Town of	12/20/07	483,000.00	30	1.875%			483,000.00		DC
Ordway, Town of	12/21/07	114,300.00	30	0.000%			114,300.00		DC
Las Animas, City of	03/26/08	812,000.00	30	0.000%			812,000.00		DC
La Veta, Town of	04/11/08	1,134,000.00	30	1.875%			1,134,000.00		DC
Hotchkiss, Town of	04/23/08	925,000.00	20	0.000%			925,000.00		DC
Kim, Town of	05/30/08	118,000.00	30	0.000%			118,000.00		DC
Estes Park, Town of	06/12/08	5,494,410.09	20	3.260%	2,761,224.00	654,410.89		0.237	LL
Pagosa Area W&SD	06/12/08	7,158,869.96	20	3.400%	3,223,080.00	763,869.96		0.237	LL

SUMMARY OF DW SRF LOANS MADE BY TYPE OF LOAN									
Loan Type	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	No. of Loans Financed with Reloan Monies (c)	Percent of Loans Funded With Reloan Monies (c)
DIRECT LOANS (DC)	19	\$11,090,694	28	0.57%	\$1,526,000	\$474,000	\$9,090,694	19	100.00%
DIRECT LOANS (DL)	29	\$18,831,814	18	3.97%	\$4,475,026	\$1,330,645	\$13,077,897	17	58.62%
LEVERAGED LOANS (L)	33	\$253,838,483	20	3.77%	\$93,172,889	\$22,168,484	\$0	0	0.00%
TOTAL FOR PROGRAM	81	\$283,760,991	22	3.66%	\$99,173,915	\$23,973,129	\$22,168,591	36	44.44%

SUMMARY OF DW SRF LOANS MADE EACH FISCAL YEAR									
Fiscal Year	No. of Loans Financed	Total Amount of Financing Assistance-Loans	Average Loan Life (In Years)	Weighted Average Loan Rate	Total DW SRF Funds Obligated (a)	Total State Match Funds Provided (b)	New Loans Funded or Subsidized with DW SRF Reloan Monies (c)	No. of Loans Financed with Reloan Monies (c)	Percent of Loans Funded With Reloan Monies (c)
1997	4	26,961,268	20.3	4.14%	\$9,760,185	\$2,471,280	\$0	0	0.0%
1998	4	17,674,675	20.3	4.04%	\$6,863,302	\$1,737,791	\$0	0	0.0%
1999	10	52,029,053	17.4	3.77%	\$18,333,370	\$4,022,198	\$0	0	0.0%
2000	8	40,309,380	19.0	4.44%	\$13,003,258	\$3,316,288	\$0	0	0.0%
2001	1	1,000,000	20.0	4.00%	\$716,007	\$283,993	\$0	0	0.0%
2002	9	21,846,589	19.3	4.00%	\$6,650,615	\$1,637,459	\$3,343,684	4	44.4%
2003	8	39,235,287	20.9	3.30%	\$15,209,276	\$3,604,598	\$3,100,689	4	50.0%
2004	2	792,200	20.0	3.50%	\$0	\$0	\$792,200	2	100.0%
2005	5	2,352,899	20.0	2.04%	\$0	\$0	\$2,352,899	5	100.0%
2006	21	64,324,963	24.0	3.22%	\$22,653,598	\$5,481,241	\$7,997,722	14	66.7%
2007	3	1,592,397	30.0	0.57%	\$0	\$0	\$1,592,397	3	100.0%
2008	6	15,642,280	25.0	2.84%	\$5,984,304	\$1,418,281	\$2,989,000	4	66.7%
TOTAL	81	283,760,991	21.3	3.66%	\$99,173,915	\$23,973,129	\$22,168,591	36	44.4%

Borrower Abbreviations Clarification:

Auth = Authority
MD= Metropolitan District
S&WD = Sanitation & Water District
WA = Water Authority
WD = Water District
W&SD = Water and Sanitation District
WW = Water Works

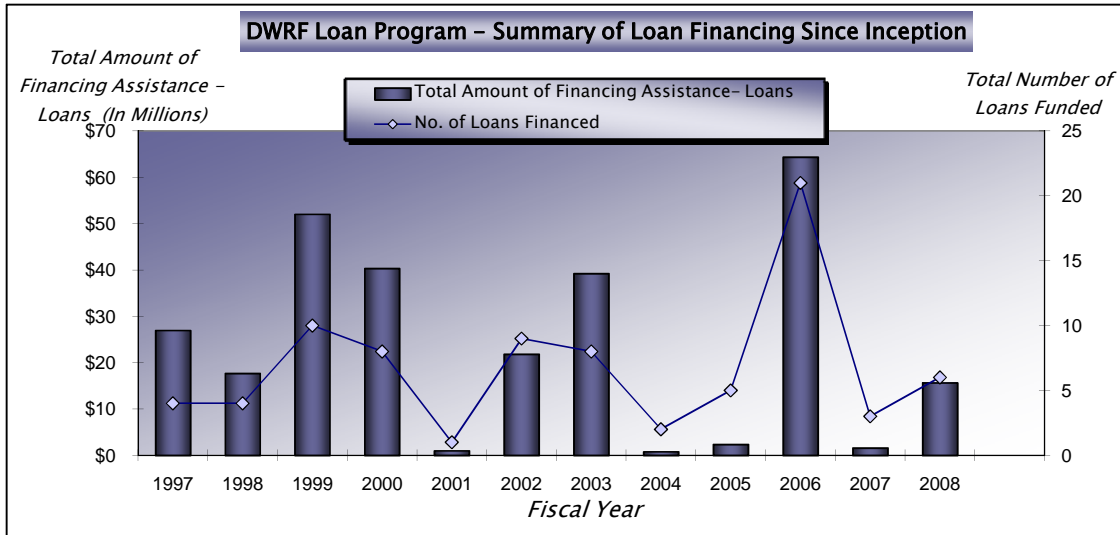
Type of Loan:

LL = Leveraged Loan - Funded from bond proceeds
DL = Direct Loan - Funded from available sources: (1) Authority state funds, (2) Grant Funds or (3) Drinking Water SRF Reloan funds.
DC = Disadvantage Community Loans

Explanation of DW SRF Loan Funding and/or Subsidization

(a) DW SRF Funds = Drinking Water State Revolving Fund - Received from EPA Capitalization Grant Awards
(b) State Match Funds = (Required 20% match for Each Dollar Received From EPA Grants from State Funds) - Provided Mainly from Authority Funds
(c) Reloan Monies = Recycled DW SRF funds - No State Match Required
In 2002, the DWRF program began funding all direct loans with DW SRF Reloan Monies

DRINKING WATER REVOLVING FUND (DWRf)
2009 INTENDED USE PLAN
APPENDIX D - LOAN SUMMARY REPORT AS OF JUNE 30, 2008



STATE DIRECT LOAN PROGRAM				
Borrower	Loan Date	Amount of Loan	Loan Term	Loan Rate
Idledale W&SD	07/10/95	\$250,000	20 YEARS	4.500%
Fairplay #1, Town of	08/01/95	250,000	20 YEARS	4.500%
Minturn, Town of	08/11/95	300,000	20 YEARS	4.500%
Empire, Town of	08/24/95	331,432	20 YEARS	4.500%
Elizabeth, Town of	10/01/95	500,000	20 YEARS	4.500%
Lake Creek MD	01/12/96	500,000	20 YEARS	4.500%
Fraser, Town of	04/15/96	200,000	5 YEARS	4.500%
Baca Grande, W&SD	02/01/96	500,000	10 YEARS	4.500%
Firestone, Town of	06/13/96	95,000	10 YEARS	4.500%
Nunn, Town of	08/12/96	330,260	20 YEARS	4.500%
Lochbuie, Town of	08/28/96	351,889	20 YEARS	4.500%
Lyons, Town of	08/19/96	500,000	21 YEARS	4.500%
Bayfield, Town of	11/15/96	350,000	20 YEARS	4.500%
Fairplay #2, Town of	07/30/97	200,000	20 YEARS	4.500%
Idaho Springs, Town of	10/15/97	500,000	20 YEARS	4.500%
Westlake W&SD	08/19/97	250,000	20 YEARS	4.500%
Redstone W&SD	12/01/97	410,000	20 YEARS	4.500%
TOTAL STATE DIRECT LOANS FUNDED		\$5,818,581		
NUMBER OF NON-SRF DIRECT LOANS FUNDED:		17		

DRINKING WATER REVOLVING FUND (DWRF)
2009 INTENDED USE PLAN
APPENDIX E1 - SET-ASIDE ACTIVITY **
From Inception through June 30, 2008

SET -ASIDE ACTIVITY

Set-Aside	Set Aside Allocation from Grants Through June 30, 2008	Set Aside Funds Transferred (To)/From Loan Fund or Other Set Asides	Set Aside Funds Expended Through June 30, 2008	Balance available	Set Aside Allocations from the 2009 Grant	Total Funds Available for State Fiscal Year 2009	Set Aside Reserved Through 2008	Set Aside Reserved FFY08 Allotment	Total Set-Aside Reserved
Grant Administration	\$6,187,304		(\$3,513,547)	\$2,673,757	\$574,000	\$3,247,757	\$0	\$0	\$0
State Program:									
> PWS Supervision	8,452,628		(6,450,174)	2,002,454	1,435,000	3,437,454	0	0	0
> Source Water Protection	0		0	0		0	0	0	0
> Capacity Development	0		0	0		0	0	0	0
> Operator Certification	0		0	0		0	0	0	0
Small System Tech. Asst.	3,093,652	(281,532)	(1,272,038)	1,540,082	287,000	1,827,082	0	0	0
Local Assistance:									
> Loan Assistance for SWP	0		0	0		0	0	0	0
> Capacity Development	11,813,641	(970,860)	(6,725,404)	4,117,377	1,435,000	5,552,377	0	0	0
> Source Water Assessment	1,678,410	(18,345)	(1,660,065)	0		0	0	0	0
> Wellhead Protection	5,695,017		(3,100,204)	2,594,813	717,500	3,312,313	0	0	0
In-kind Services		150,000	(150,000)	0		0			
TOTALS	\$36,920,652	(\$1,120,737)	(\$22,871,432)	\$12,928,483	\$4,448,500	\$17,376,983	\$0	\$0	\$0

ADMINISTRATIVE FEES COLLECTED AND EXPENDED								
DWRF Administrative Fee Account Activity through June 30, 2008								
Transfers to State Match Holding Account	Loan Fees Collected	Grant Funds Drawn	Investment Income plus Other Transfers In (a)	Admin Fees Expended	Balance Available	Anticipated Collection for 07/01/08 - 06/30/09 *	Anticipated Administrative Fee Funds Available	
(2,200,519)	13,110,792	3,513,547	1,647,104	(10,340,436)	5,730,489	2,240,521	7,971,010	

* Based on loans issued as of 06/30/08

** Cash basis

(a) Includes a \$398,397.24 transfer from the WPCRF program Administrative Fee Account (May, 2008) See narration for further information.

DRINKING WATER REVOLVING FUND (DWRf) LOAN PROGRAM
2009 INTENDED USE PLAN (IUP)
APPENDIX E2 - FUNDS AVAILABLE TO THE DWRf LOAN PROGRAM

SOURCES	Cumulative Total from Inception through June 30, 2008	Projected For Time Period July 1, 2008 - December 31, 2008	Projected For Time Period January 1, 2009 - December 31, 2009	Cumulative Total Through December 31, 2009
Federal Capitalization Grants	\$ 154,682,600	\$ -	\$ 14,350,000	\$ 169,032,600
less: Set-asides	(35,799,915)	-	(4,448,500)	(40,248,415)
State Match:				
Appropriation/Agency Cash - Committed	30,936,520	-	2,870,000	33,806,520
Agency Cash for CWSRF transfer	-	-	-	-
Leveraging Bonds Proceeds	231,670,000	9,101,099	46,615,383	287,386,482
Plus /(Less) Additional Principal from DW Refundings	(230,000)	-	-	(230,000)
Leveraged Loans Repayments:				
Principal (1)	54,324,586	4,540,472	9,609,227	68,474,285
Interest	30,018,075	2,372,593	4,741,633	37,132,301
Principal (2) (State Match)	4,902,132	430,995	898,287	6,231,414
Direct Loans Repayments:				
Principal	4,408,523	550,018	1,227,443	6,185,984
Interest	1,765,282	164,696	319,908	2,249,886
Federal Funds Deallocation (from DSRF)	16,896,393	4,525,872	3,811,904	25,234,169
Fees Deposited to the DWRf	-	-	-	-
Interest Income on Investments	32,596,841	2,490,532	4,925,395	40,012,768
Transfer (to)/from Clean Water SRF Grant program **	-	-	(10,000,000)	(10,000,000)
TOTAL SOURCES	526,171,037	24,176,277	74,920,680	625,267,994
USES				
Loans Executed:				
Direct	29,922,508	7,487,200	6,000,000	43,409,708
Leveraged	253,838,483	10,250,000	52,500,000	316,588,483
Grant Funds Committed to Loans	93,172,889	4,847,685	24,829,606	122,850,180
Leveraging Bond Debt Service				
Principal	48,250,000	9,080,000	9,595,000	66,925,000
Interest	58,995,851	4,082,262	8,028,214	71,106,327
Net Effect of Accum Investment Interest and Loan				
Repayments Held / (Used) for Payment of Debt Service	7,048,600	(4,560,862)	1,720,145	4,207,883
Funds Available / (Provided) for New Loans	34,942,706	(7,010,008)	(27,752,285)	180,413
TOTAL USES	\$ 526,171,037	\$ 24,176,277	\$ 74,920,680	\$ 625,267,994

* All amounts for this schedule are cash basis.

** This schedule is based on the assumption that \$10,000,000 of Drinking Water SRF Grant funds will be transferred to the WPCRF program in 2009.

DRINKING WATER REVOLVING FUND (DWRF)
2009 INTENDED USE PLAN
APPENDIX E3 - ADMINISTRATIVE FEE ACCOUNT

Administrative Fee Account Activity as of June 30, 2008 *							
	For Year Ending December 31,					as of	TOTAL
	Inception-2003	2004	2005	2006	2007	June 30, 2008	
Sources:							
Loan Fees	\$ 5,089,917	\$ 1,602,662	\$ 1,665,264	\$ 1,701,524	\$ 2,016,955	\$ 1,087,187	\$ 13,163,509
Grant Income	1,770,289	336,362	359,611	424,383	433,436	189,466	3,513,547
Investment Interest	90,288	28,969	99,664	201,694	281,977	111,870	814,462
Advanced Admin. Fee (a)			115,081	-	-		115,081
Other (b)	273,430	-	2,500	-	-	398,397	674,327
Total Sources	7,223,924	1,967,993	2,242,120	2,327,601	2,732,368	1,786,920	18,280,926
Uses:							
Grant Admin. Expenses	(5,092,678)	(1,113,941)	(927,446)	(957,208)	(1,030,499)	(705,843)	(9,827,615)
State Match Reimb.	-	-	-	-	-	-	-
Planning & Design Grants	-	-	(94,883)	(91,815)	(65,465)	(36,483)	(288,646)
Reimbursed State Match (c)	(120,914)	(112,743)	(226,072)	(193,047)			(652,776)
State Match Provided					(341,400)	(1,440,000)	(1,781,400)
Other	-	-	-	-	-	-	-
Total Uses	(5,213,592)	(1,226,684)	(1,248,401)	(1,242,070)	(1,437,364)	(2,182,326)	(12,550,437)
Net cash flows for year	2,010,332	741,309	993,719	1,085,531	1,295,004	(395,406)	
Previous year-end balance	-	2,010,332	2,751,641	3,745,360	4,830,891	6,125,895	
Balance	\$ 2,010,332	\$ 2,751,641	\$ 3,745,360	\$ 4,830,891	\$ 6,125,895	\$ 5,730,489	

Estimated Administrative Fee Account Activity *							
For Time Period:	Loan Fees	Grant Income	Grant Admin. Exp. & P&D	State Match Provided	State Match Reimb. (c)	Inv. Interest & Other (b)	Balance at 12/31/09
> 07/01/08 - 12/31/08	\$ 1,111,497	\$ 253,718	\$ (635,605)	\$ -	\$ (5,500,000)	\$ (164,325)	
> Fiscal Year 2009	\$ 2,287,953	\$ 571,500	\$ (1,534,400)	\$ -		\$ 190,400	\$ 2,311,228

* Cash Basis

(a) Advanced Admin Fee source: This source of funds is received at the closing of the issuance of refunding bonds to cover the cost of current and future administration of refunding bond issues.

(b) Prior to 2004, most of these funds were provided from the State Funded Direct Loan Program's Administrative Fee Account and from the Drinking Water Funding Account to cover administrative costs incurred at the beginning of the SRF program. Beginning in 2008, certain DWRF grant administrative costs incurred by the Authority are being paid from funds transferred from the WPCRF administrative fee account.

(c) Reimbursed State Match - The Authority Board of Directors authorized the reimbursement of certain state match funds provided from the Authority (DWRF Funding Account) from loan funds received in the DWRF Administrative Fee Account.

APPENDIX F
Eligible and Ineligible Projects and Project-Related Costs
Under the Drinking Water State Revolving Loan Fund (DWRFL) 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
 - Install meters
- ◆ 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.

APPENDIX F
Eligible and Ineligible Projects and Project-Related Costs
Under the Drinking Water State Revolving Loan Fund (DWRFL) Program
(continued)

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

APPENDIX G
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
WATER QUALITY CONTROL COMMISSION
5 CCR 1002-54
REGULATION NO. 54
DRINKING WATER GRANT FUND

54.1 AUTHORITY

Section 25-1.5-208, C.R.S., as amended, provides authority for the Drinking Water Grant Fund to provide financial assistance to eligible public water systems (PWS). Section 25-1.5-208(1)(b) provides that the Water Quality Control Commission (Commission) shall promulgate rules for the administration of any appropriated grant funds and for prioritizing projects based upon public health impact and compliance with applicable regulations.

54.2 PURPOSE

The purpose of the Drinking Water Grant Fund is to provide financial assistance to governmental agencies and not-for-profit public water systems as well as to counties representing unincorporated areas serving populations of not more than 5,000 people. Eligible projects include consolidation, planning, design and/or construction of water treatment systems.

An annual Intended Use Plan (IUP) is developed by the Water Quality Control Division (Division) and approved by the Commission. The IUP provides information about how the state will assist communities with their drinking water needs. Included in the IUP is the Project Eligibility List, which is a comprehensive list identifying drinking water project needs.

The project priority system is intended to establish priorities for the grant fund that protect and improve the public health and safety through increased reliability of drinking water supplies in Colorado.

54.3 DEFINITIONS

Section 1.5 of the Colorado Primary Drinking Water Regulations (CPDWR) contains additional definitions that may 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 Division to guarantee the facilities will consolidate.
- (3) "Governmental Agencies" - 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.

- (4) "Health Hazard" - A situation where the Division has identified a maximum contaminant level (MCL) violation or a treatment technique violation. Funding for these projects must result in compliance with existing standards.
 - (a) An acute health hazard includes violations of Surface Water Treatment Rule (SWTR) treatment technique requirements, bacteriological standards, and nitrite/nitrate levels. Acute contaminant health effects can occur immediately or within a short period of time.
 - (b) A chronic health hazard includes violations of all MCLs (other than those listed as acute) or SWTR treatment technique requirements. Chronic contaminant health effects occur after years of exposure.
 - (c) A potential health hazard includes a situation where a PWS has periodically exceeded an MCL, has levels greater than 50 percent of an MCL on a regular basis, or has short term problems meeting a treatment technique requirement.
- (5) "Not-For-Profit Public Water Systems" - PWSs that are operated by entities such as homeowners associations that are registered as a nonprofit association or nonprofit corporation with the Colorado Secretary of State.
- (6) "Other Future Needs" - Those needs in situations where a 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 Safe Drinking Water Act.
- (7) "Project" A specific improvement to a public water system that may include planning, design, construction or consolidation.
- (8) "Public Water System" - (PWS) A system for the provision to the public of piped water for human consumption, if such system has at least fifteen service connections or regularly serves at least twenty-five individuals. Such term includes:
 - (a) Any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system; and
 - (b) Any collection or pretreatment storage facilities not under such control, which are used primarily in connection with such system.
- (9) "Source Water Protection" - Structural or nonstructural source water protection activities done in addition to area delineation and contaminant assessment.
- (10) "Water Conservation" - Any structural or nonstructural water conservation measure that achieves a reduction in water consumption for a PWS or a publicly owned treatment works. Structural measures shall include installation of interior low-flow plumbing fixtures that are distributed and/or installed by the PWS or that are funded in whole or in part by the PWS and water meters that are funded and owned by the PWS. 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.

54.4 INTENDED USE PLAN PROCEDURES

The Division is required to develop an IUP including a comprehensive list of eligible projects. Annually the Division will conduct a statewide survey of infrastructure needs to identify projects for Project Eligibility

List. The Division shall recommend the IUP to the Commission for final agency action at a public hearing, and shall also provide for public notice and an opportunity to comment.

The IUP shall include:

- (1) The Project Eligibility List,
- (2) Criteria and method used for distribution of funds,
- (3) Drinking Water Grant Fund Activities, and
- (4) Drinking Water Grant Fund Goals

54.5 PROJECT ELIGIBILITY LIST

The Project Eligibility List is the comprehensive list of eligible projects showing current and future infrastructure needs. Each year the Division shall review, update and compile additions and modifications to the Project Eligibility List and recommend such additions and modifications to the Commission.

Project Eligibility List Categories are determined based on information provided by the applicant during the Annual Eligibility List Survey process. If sufficient funds are not available to fund all requests projects will be funded in priority order. However, exceptions for funding out of priority order shall be allowed due to one or more of the following reasons:

- (1) The entity is not ready to proceed with the project;
- (2) The entity does not wish to participate in the grant fund, or they have received funding from other sources;
- (3) The entity (on the list) had an emergency situation occur during the funding year; or
- (4) The entity is not approved for funding because of technical deficiencies.

54.6 PRIORITY SYSTEM

All PWSs with identified infrastructure needs may be included in one of the categories listed below.

(1) Eligible Project Criteria

Categories were developed to emphasize the most immediate public health and compliance issues. Projects on the Project Eligibility List will be classified by category 1, 2, 3, 4, or 5 below, with "1" being the highest priority. Project Eligibility List Categories are determined based on information provided by the applicant during the Annual Eligibility List Survey process. Based upon receipt and review of a Preliminary Engineering Report and a grant application, the assigned Eligibility List Category may be revised, during the prioritization process, to more accurately reflect the proposed project.

(2) Categories By Priority Ranking

- (a) 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.
- (b) 2 - Chronic (long term) Health Hazard. The Division has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant.
- (c) 3 - Potential Acute Health Hazard. The PWS has periodically exceeded an acute MCL, has levels greater than 50 percent 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.

- (d) 4 - Potential Chronic Health Hazard. The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short term problems meeting other treatment technique requirements.
- (e) 5 - Other Future Needs. The PWS 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 Safe Drinking Water Act.

(3) Priority Point Assignments Within Each Category

If it is determined that the Drinking Water Grant Program Fund lacks sufficient funds to cover requests for all eligible projects that are ready to proceed, projects will be funded beginning with the highest priority categories. Category 1 projects will be funded prior to Category 2 projects, which will be funded prior to Category 3 projects, which will be funded prior to Category 4 projects, which will be funded prior to Category 5 projects.

Within each category, projects will be further prioritized using the following Priority Point Assignments.

- (a) Population. Points shall be assigned to a PWS 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
- (b) Financial Need. Points shall be assigned to a PWS in accordance with the following "financial need criteria:"
 - (i) Ability to pay (annual water service fee as a % of median household income):

over 3%	20 points
over 2%; up to 3%	15 points
over 1%; up to 2%	10 points
 - (ii) Local burden (total project cost per equivalent residential tap):

Over \$5,000	20 points
Over \$3,500	15 points
Over \$2,000	10 points
- (c) Consolidation. Fifteen points shall be assigned to a PWS if the project includes consolidating two or more PWS.
- (d) Water Conservation. Five points shall be assigned to a PWS if the PWS implements a water conservation measure.
- (e) Source Water Protection. Two points shall be assigned to a PWS if the governmental agency implements source water protection measures.

- (f) Beneficial Use of Sludge. Two points shall be assigned to a PWS if the governmental agency intends to utilize water treatment plant sludge for a beneficial use as defined herein.
- (g) Health Risk. To further clarify the ranking of PWS projects, the Division shall assign up to twenty points for PWS health risks. Determination of the health risk will be made based upon the type and level of contaminant present within categories.

54.7. FUNDING CRITERIA

Funding is dependent upon appropriations from the State Legislature and will be provided for eligible projects that may include consolidation costs, planning, design and/or construction costs. Funding may be provided when:

- (1) The public water system is ready to proceed with the project; and
- (2) A grant application is submitted to the Division by the deadline established in the annual IUP. The Division shall submit the application to the Division of Local Government for its review and determination of financial need; and
- (3) Funds are available. If it is determined that the Drinking Water Grant Program Fund lacks sufficient funds to cover grants for all eligible projects that are ready to proceed, projects will be funded beginning with the highest priority categories.

Grant funds cannot be used to reimburse for costs related to fees and/or penalties assessed by the Division.

54.8-54.9 RESERVED

54.10 STATEMENT OF BASIS AND PURPOSE

These rules establish a system to administer grant funds and to provide for a mechanism to prioritize eligible projects. The rules allow lower priority drinking water systems to receive funding ahead of systems with higher priority if the higher priority system does not apply for the funding or is not ready to proceed with its project.

The Drinking Water Grant Program will provide financial assistance to governmental agencies and not-for-profit public water systems serving populations of not more than 5,000 people for projects including consolidation, planning, design and/or construction of public water systems.

The Drinking Water Grant Program Plan, which includes eligible projects, will be developed by the WQCD and submitted to the Board of Health (Board) once each year. A public will be held by the Board to receive input on the Plan. Following the meeting, any changes will be incorporated and the final Plan shall be approved by the Board.

These rules are similar to those adopted by the Board for the Drinking Water Revolving Fund. The rules are also similar to those adopted by the Water Quality Control Commission (Commission) for the Water Pollution Control Revolving Fund and the Domestic Wastewater Treatment Grant Program. The rule adoption authority for wastewater rests with the Commission while the drinking water rules are adopted under the authority of the Board of Health.

54.11 STATEMENT OF BASIS AND PURPOSE (JULY 14, 2008 RULEMAKING, EFFECTIVE DATE JANUARY 1, 2009)

Sections 25-1.5-208 and 25-1.5-208(1)(b) C.R.S. provide the specific statutory authority for adoption of the attached regulatory amendments. The Commission also adopted, in compliance with section 24-4-103(4) C.R.S. the following statement of basis and purpose.

BASIS AND PURPOSE

Changes to Section 25-1.5-208 C.R.S. moved the authority for promulgating rules and approving the annual intended use plan from the Colorado Board of Health to the Water Quality Control Commission (Commission). Updates to these rules reflect this change in authority.

Changes to the Rules have also been made that streamline the Intended Use Plan process. The categorization and prioritization system that is included in the Drinking Water Revolving Loan Fund Rules have been incorporated into the Drinking Water Grant Program Rules. These revisions will enable the Division to develop one Intended Use Plan and Project Eligibility List, that will be used for both the grant and loan funds.

ADDENDUM #1

**STATE OF COLORADO
2009**

**DRINKING WATER REVOLVING FUND
AND
STATE DRINKING WATER GRANT FUND**

INTENDED USE PLAN

May 29, 2009

ADDENDUM # 1

**COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
WATER QUALITY CONTROL DIVISION**

**Drinking Water Revolving Fund
And
State Drinking Water Grant Fund**

**2009 Intended Use Plan
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009**

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Addendum #1

Colorado Department of Public Health and Environment Drinking Water Revolving Fund And State Drinking Water Grant Fund

2009 Intended Use Plan AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

A. INTRODUCTION

The purpose of this addendum is to provide public notice of Colorado's implementation criteria for the American Recovery and Reinvestment Act of 2009 (ARRA) funds, and to provide the United States Environmental Protection Agency (EPA) with an amended 2009 Intended Use Plan (IUP) and a List of ARRA Projected Loans for 2009 in order to seek a federal grant award under the ARRA. The initial 2009 IUP was approved by the Colorado Water Quality Control Commission (WQCC) on November 10, 2008 with an effective date of January 1, 2009.

This addendum supplements and amends the initial 2009 IUP that took effect on January 1, 2009. This addendum adds new drinking water capital projects that may be eligible for funds that have been appropriated to Colorado under the ARRA. Any conflict between the initial 2009 IUP and this addendum, if such conflict relates to ARRA funds, shall be resolved in favor of this addendum. The amended 2009 IUP will serve as the planning document for the operations of the Drinking Water Revolving Fund (DWRF) (including the ARRA funds), and will become effective immediately upon WQCC approval.

Final EPA guidance concerning ARRA funds indicates that States' amended IUPs should include the following:

- A Project Eligibility List (PEL) of projects in the State that are eligible for assistance under section 1452 (b)(3)(B) of the Safe Drinking Water Act (SDWA) and are to be assisted pursuant to the plan.
- The list must include the name of the public water system, a description of the project, the category assigned to the project, the expected terms of financial assistance, and the size of the community served.
- In addition, the IUP must contain a description of the intended uses of the 50% additional subsidization reserve and the 20% provision for "green infrastructure" projects.
- The Project/Priority Fundable List must contain eligible projects where the total cost of assistance requested is at least equal to the amount of the grant being applied for before a grant can be awarded.
- The Project/Priority Fundable List must also contain a comprehensive list of projects that may receive Drinking Water Revolving Fund assistance from the supplemental appropriation provided under the ARRA or from other sources.
- The criteria and method established for the distribution of funds.

B. LIST OF ARRA PROJECTS

States are required to develop a comprehensive list of eligible projects for funding and to identify projects that will receive funding. The 2009 DWRF and State Drinking Water Grant Fund PEL was previously approved by the WQCC on November 10, 2008. The previously approved list includes Categories 1-5, and illustrates the current construction needs for all identified eligible drinking water projects, including source water projects, water conservation projects, and water treatment plant sludge projects.

To further ensure that all additional funds appropriated to Colorado under the ARRA are fully utilized, the WQCC held a rulemaking hearing on March 9, 2009. The WQCC amended WQCC Regulation #52 (5 CCR 1002-52) and established an additional category (Category 6) of eligible projects for potential

funding. The projects being added are listed as Category 6 projects in the Additions to the 2009 Project Eligibility List (Appendix J). Category 6 additions include those projects that are seeking funding under the ARRA and that were not already on the PEL as of January 1, 2009. Projects in Categories 1-5 that qualify for ARRA funds will be given consideration prior to funding of Category 6 projects.

Based on the information received by May 14, 2009, including Preliminary Engineering Reports, Loan Applications, and Technical Managerial and Financial Capacity Assessment Worksheets, the WQCD developed Appendix K - ARRA Project Priority/Fundable List for 2009.

C. CRITERIA AND METHODS FOR DISTRIBUTING ARRA FUNDS

1. Application and Other Administrative Deadlines

In accordance with the ARRA, priority for ARRA funds shall be given to projects on the PEL that are ready to proceed to construction within 12 months of the date of enactment of the ARRA. Colorado has chosen to identify an earlier date of September 30, 2009. Thus, in Colorado, projects that are ready to proceed to construction by September 30, 2009 will receive priority for ARRA funds. Applicants for ARRA funding must indicate in their application whether they have a ready-to-proceed-to-construction date on or before September 30, 2009.

The State must demonstrate that it can fully utilize its ARRA appropriation, in order to avoid the possibility of EPA reallocating such funds to other States. It is therefore imperative that recipients of ARRA funds consistently demonstrate that they are on track to commence construction by September 30, 2009. Colorado has adopted interim milestones to achieve this objective. If an applicant for ARRA funds fails to meet any of these milestones, it will not receive ARRA funding, and any funds available to that project will go towards the next project on the Project Priority/Fundable List. The State will not execute a loan for any ARRA project that has not received all required WQCD approvals. The milestones are as follows:

March 23, 2009: Submit an approvable Preliminary Engineering Report (PER) along with a completed PER checklist.

April 27, 2009: Submit a stimulus loan application and complete Technical, Managerial and Financial Capacity Assessment worksheets and applicable documentation.

May 31, 2009: Submit a complete/approvable Engineering Report in accordance with the Design Criteria for Potable Water Systems
<http://www.cdphe.state.co.us/wq/engineering/pdf/DesignCriteriaPotableWaterSystem.pdf>.
The Engineering Report must be approved by WQCD prior to submittal of Plans and Specifications.

June 30, 2009: Submit complete/approvable Plans and Specifications (in accordance with the Design Criteria for Potable Water Systems) and an Environmental Assessment Report, or proof that the project qualifies as a categorical exclusion from the environmental assessment process.

July 31, 2009: Fully respond to any WQCD questions and comments.

September 30, 2009: Complete bidding process, issue Notice to Proceed, and begin construction.

Should a project fail to meet the construction start date of September 30, funds will be reallocated, or the WQCD reserves the right to determine if there is sufficient cause for the delay and that the delay will not preclude use of the ARRA funds by the federal statutory deadline. The WQCD would need to approve any change order associated with

the delay. If the ARRA funds are reallocated any Category 1-5 projects will be eligible for prioritization for SRF funding.

Should additional federal ARRA funds become available through EPA's reallocation of unused funds from other States, Colorado intends to seek additional ARRA allocation and will provide EPA a list of additional projects that are ready to proceed to construction from the List of ARRA Projected Loans for 2009, prioritized using the criteria set forth herein.

2. Funding Categorization and Prioritization

Colorado uses a categorization and prioritization system to ensure the efficient and appropriate allocation of federal SRF monies. The State will employ this system in connection with ARRA funds, and projects will be funded in a priority order as outlined below. The State's existing PEL consists of six categories, with Category 6 recently added:

Project Priority System

Colorado's project priority system is set forth in the DWRF Rules, Regulation #52. The Rules include the following categories by priority ranking:

Priority 1 Acute Health Hazard:

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

Priority 2 Chronic (Long Term) Health Hazard:

The WQCD has identified a continuous violation of an MCL or an SWTR treatment technique requirement for a chronic contaminant.

Priority 3 Potential Acute Health Hazard:

The public water system (PWS) has periodically exceeded an acute MCL, has levels greater than 50 percent 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.

Priority 4 Potential Chronic Health Hazard:

The PWS has periodically exceeded a chronic MCL, has levels greater than 50 percent of a chronic MCL on a regular basis, or has short-term problems meeting other treatment technique requirements.

Priority 5 Other Future Needs:

The PWS 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 6 Funding under ARRA (Category 6):

Includes those projects that seek funding only under ARRA and that were not already on the PEL as of January 1, 2009. Projects in Categories 1-5 that qualify for funding under ARRA will be given consideration prior to funding of Category 6 projects.

The State will use its existing point system within WQCC Regulation #52 to prioritize projects within each category. See 5 CCR 1002-52, § 52.6(4). If it is determined that the State lacks sufficient ARRA funds to cover loans and loan subsidization for all eligible projects, Category 1 projects that are ready to proceed to construction will be funded prior to Category 2 projects, which will be funded prior to Category 3 projects, which will be funded prior to Category 4 projects, which will be funded prior to Category 5 projects, which will be funded prior to Category 6 projects - until all funds are obligated.

D. ARRA INTEREST RATES AND LOAN/LOAN FORGIVENESS TERMS

The following ARRA loan/loan forgiveness terms have been adopted by the Colorado Water Resources and Power Development Authority (Authority) Board:

<u>Background:</u>	Pursuant to the ARRA, not less than 50% of the ARRA funds will be applied to principal forgiveness as set forth below. It is the intention of this IUP that the balance of ARRA funds beyond approximately 50% will be made available through loans without principal forgiveness.
<u>Loan Term:</u>	Up to 20 Years plus the construction period (except for those DWRP loans that would qualify as disadvantaged could go up to 30 years).
<u>Interest Rate ARRA Loans:</u>	ARRA loans will be issued at an interest rate of 0%.
<u>Administrative Fees on ARRA Loans:</u>	No administrative fees will be charged on ARRA funded loans.
<u>Principal Forgiveness:</u>	Principal forgiveness of up to \$2,000,000 per project will be provided to the highest prioritized projects until such time as the amount of ARRA funds so applied is not less than 50% of the total ARRA funds available; recognizing, however, that depending upon the costs and priority list order of individual projects funded by ARRA funds, the total applied to principal forgiveness may slightly exceed 50%. Project cost in excess of \$2,000,000 for individual projects funded by ARRA funds will not be eligible for principal forgiveness.

For unobligated capitalization grant funds and re-loan funds, additional subsidization from the current loan program terms, including lower direct loan interest rates and lower leveraged loan interest rates, will be considered by the Authority, Department of Local Affairs, the WQCD and the WQCC.

E. GREEN INFRASTRUCTURE, WATER OR ENERGY EFFICIENCY IMPROVEMENTS, AND OTHER ENVIRONMENTALLY INNOVATIVE ACTIVITIES

The ARRA requires that, to the extent there are sufficient eligible project applications, not less than 20% of the ARRA funds appropriated to a State shall be used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

The State will rely upon the definitions of the terms "green infrastructure," "water efficiency," "energy efficiency," and "environmentally innovative projects" as found in Attachment 8 to EPA's ARRA Guidance dated March 2, 2009, to guide its administration of the ARRA's green projects component. The general terms "green projects" and "green components of projects" as used herein are intended to include all of these categories of projects. The WQCD will also rely upon the project descriptions and examples of qualifying projects contained in Attachment 8 to EPA's Guidance in determining whether certain projects meet EPA's green project criteria. The WQCD will also consider any subsequent policy and/or guidance provided by EPA in making green project determinations. The WQCD will document the bases for each of its determinations that individual projects (or components of projects) meet EPA's green project criteria.

The following is a description of how the State will strive to achieve the ARRA's 20% green projects funding goal within the framework of the category ranking system for projects established in Regulation #52 and this IUP. Upon receipt of the ARRA capitalization grant from EPA, Colorado will reserve 20% of the appropriated funds to finance green projects. This account will be referred to as the "Green Project

Reserve Account." The remaining 80% of the appropriated funds may be used to finance both conventional (non-green) projects and green projects. This account will be referred to as the "Unrestricted Account."

The WQCD will begin by offering funding to the highest ranking Category 1 project on the Project Eligibility List (PEL) that is ready to proceed to construction, and will continue down the list in order of project ranking until the Unrestricted Account is entirely utilized. Green projects or green components of projects will be funded from the Green Project Reserve Account, while conventional projects and conventional components of projects will be funded from the Unrestricted Account.

Once the funds in the Unrestricted Account are fully utilized, the WQCD will make a concerted effort to expend any and all remaining monies in the Green Project Reserve Account by funding only green projects or green components of projects. This may lead to certain conventional projects being "skipped over" in an effort to achieve the 20% green infrastructure goal. It may also result in split funding of some projects whereby the green components are eligible for ARRA funding and the conventional components are eligible for other State financial assistance. Entities offered ARRA funding for the green components of their projects must be ready to make an immediate decision as to whether they wish to accept the condition that the ARRA-specific requirements (i.e. the Davis-Bacon wage rate and "Buy American" provisions) will apply to all State-funded components of their projects. If an entity is not willing to accept this condition, then the WQCD will move to the next project on the PEL to offer funding. This process of proceeding down the PEL in priority order to identify green projects or green components of projects will continue until all funds in the Green Project Reserve Account have been utilized.

In the event the State cannot meet the 20% goal due to lack of green projects that are ready to proceed to construction by the September 30, 2009 deadline, then the State will request permission from EPA (through the certification process in Section V.C. of EPA's Guidance) to allow use of any remaining funds in the Green Project Reserve Account for conventional projects. If EPA accepts the State's certification thereby allowing such conversion of funds, the WQCD would offer funding to the first conventional project on the PEL that was skipped after the Unrestricted Account funds were fully utilized, and would proceed down the list from that point.

In the event that the State receives additional ARRA funds in the future, the priority ranking system contained in the Regulations and this IUP, along with any additional formal EPA Guidance, shall serve as the system for administering such funds.

F. ADMINISTRATIVE EXPENSES

A 4 percent administrative allocation from the ARRA funds is being reserved for DWRF administrative expenses. This revenue supports compliance with all federal requirements (i.e., reporting requirements, financial reviews, loan approvals, audit requirements, engineering document reviews, environmental document reviews, design review, construction inspection, monitoring, staff salary and other eligible expenses related to ARRA).

The WQCD intends to use the full 2% Small System Training and Technical Assistance (SSTTA) set-aside (\$687,040.) The WQCD will provide planning and design grants (up to \$25,000 per grant) and/or grants for planning studies that include a pilot project which addresses removal of radionuclides (up to \$50,000 per grant). In addition, a portion of the set-aside funding will be used for contractual support for administering the SSTTA grants.

The intent of the SSTTA grant program is to assist small systems with costs associated with planning/design of systems and for pilot projects associated with the removal of radionuclides in drinking water. The following criteria will need to be met:

- Population is under 10,000, and

- The 2000 median household income (MHI) is less than the state median (the 2000 MHI for the state is \$47,203) **or** current or post project water monthly rates are equal to or greater than the state average (current year, State monthly average for water - \$29.73), and
- Non-governmental entities must be in “Good Standing” with the Secretary of State, and
- Non-governmental entities must show proof of at least \$1,000,000 liability insurance with CDPHE named as co-insured

SSTTA Grants will be awarded to those systems identified on the 2009 Drinking Water Revolving Fund and State Drinking Water Grant Fund Intended Use Plan. Specifically:

Appendix B Drinking Water Revolving Fund 2009 Project Eligibility List or
Appendix H Drinking Water Grant Program 2009 Private, Not For Profit Project Eligibility List

Applications must be submitted by July 1, 2009, and projects will be funded in priority order using the Priority Systems criteria included in the 2009 Drinking water Revolving Fund and State Drinking Water Grant Fund Intended Use Plan. These grants do not require a match but are not necessarily intended to cover all of the costs associated with the project.

G. ARRA SHORT AND LONG-TERM GOALS

Long-Term Goals:

- Maintain compliance with all state and federal requirements of the ARRA.
- Maintain compliance with the requirement of the 50 percent additional subsidization of the ARRA funds.
- Maintain compliance with the 20 percent utilization of the green infrastructure, water or energy efficiency improvements, or other environmentally innovative technologies provisions of the ARRA.
- Maintain compliance with all new reporting requirements of the ARRA.

Short-Term Goals:

- Ensure the funds are prioritized and allocated in a manner that will achieve an overall economic and environmental benefit to the State.
- Allocate all ARRA funds within a time frame that will ensure all funds will be fully utilized.
- Ensure all recipients of the ARRA funds are in construction in a timely manner that will comply with the Act.
- Identify additional ready to proceed projects to utilize additional reallocated ARRA funds should they become available.

H. ADDITIONAL FEDERAL REQUIREMENTS

The ARRA includes a number of new cross-cutting requirements that will apply to projects funded in part or in whole with funds made available by the ARRA. Accordingly, applicants for ARRA funds must certify in their applications that their projects will comply with the following requirements (or submit a justification for a waiver under the ARRA):

1. Davis-Bacon

Section 1606 of the ARRA requires all laborers and mechanics employed by contractors and sub contractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor.

The purpose of this language is to apply Davis-Bacon Act wage rules to all assistance agreements made in whole or in part with funds appropriated under the ARRA. The Department of Labor provides all pertinent information related to compliance with labor standards, including prevailing wage rates and instructions for reporting.

2. American Iron, Steel, and Manufactured Goods

Section 1605 of the ARRA requires that none of the appropriated funds may be used for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project is produced in the United States unless (a) a waiver is provided to the recipient by EPA or (b) compliance would be inconsistent with United States obligations under international agreements. In order to receive a waiver, the State must send a written request to the EPA Administrator. A decision will be made based on the following criteria:

- a. The requirement is inconsistent with the public interest for purposes of the project for which a waiver has been requested,
- b. Iron, steel, and necessary manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality, and
- c. Inclusion of iron, steel, and manufactured goods produced in the United States will increase the overall cost of the project by more than 25 percent.

I. PUBLIC REVIEW AND COMMENT

- On January 30, 2009, the WQCC filed and posted a notice of a March 9th public Rulemaking Hearing to consider revisions to the WQCC's State Revolving Fund Regulations for inclusion of provisions necessary to implement the ARRA requirements. On the same day, the WQCC posted notice of a March 9th public Administrative Action Hearing to consider approval of revisions to the 2009 IUP for purposes of implementing ARRA funding requirements. On February 2, 2009, these notices were distributed to a list of persons who have requested notification of WQCC rulemaking hearings. The notices were also sent to all persons on the WQCD's Water Quality Bulletin distribution list.
- On February 3, 2009, the WQCD distributed a survey to all entities on the Water Quality Information Bulletin distribution list, to all governmental entities listed on the 2009 eligibility list for which the WQCD had electronic contact information, to a stakeholder list compiled during recent consideration of a potential fee bill, to all Regional Councils of Government, and to the Department of Local Affairs, soliciting requests from interested parties to add Category 6 projects to the PEL, with a deadline of February 13, 2009. The survey was also posted on the WQCD website and the Colorado Water Resources and Power Development Authority website.
- On February 5, 2009, the WQCC posted the proposed revisions to the State Revolving Fund Rules for consideration in the March 9, 2009 Rulemaking Hearing.
- On February 27, 2009, the WQCC filed and posted a notice of an April 13th public Rulemaking Hearing to consider any additional revisions to the WQCC's State Revolving Fund Regulations that may be needed to implement ARRA requirements. On the same day, the WQCC posted notice of an April 13th public Administrative Action Hearing to consider additional revisions to the 2009 IUP for purposes of implementing ARRA funding requirements to be described in forthcoming final EPA Guidance. These notices were distributed in the same manner as the initial January 30, 2009 notices.
- On March 3, 2009, the WQCC posted notice of slight changes to the initial proposal for revisions to the State Revolving Fund Regulations. The WQCC also posted the text of the WQCD's proposal dealing with administration of ARRA funds (Addendum #1 to the 2009 IUP).

- On March 6, 2009, the WQCC posted notice of proposed revisions to the March 3 version of Addendum #1 to the IUP (mainly to include specific funding terms from the Colorado Water Resources and Power Development Authority).
- On March 9, 2009, the WQCC conducted a public Rulemaking Hearing during which it considered and adopted the WQCD's proposal to revise the State Revolving Fund Regulations to include a new Category 6 for projects seeking funding under the ARRA which were not on the PEL prior to January 1, 2009. On the same day, the WQCC conducted a public Administrative Action Hearing during which it approved the WQCD's proposed Addendum #1 to the IUP and addition of the Category 6 projects to the PEL.
- On March 20, 2009, the WQCC posted notice of a May 11th public Administrative Action Hearing to consider approval of proposed additional revisions to 2009 IUP, to identify projects potentially receiving funding.
- On April 13, the WQCC conducted a public Administrative Action Hearing during which it considered and approved the WQCD's additions to Addendum #1 to the IUP (mainly dealing with administration of the Green Project Reserve Fund).
- On May 11, with a continuation to May 29, 2009, the WQCC conducted a public Administrative Action Hearing during which it considered and approved the WQCD's additions to Addendum #1 to the IUP including information about the use of the Small System Training and Technical Assistance set-aside funds, Appendix K – ARRA Project Priority/Fundable List for 2009 and the adoption of Appendix L – Project Category Ranking for Potential ARRA Funding

Appendix J
Drinking Water Revolving Fund
Category 6 Additions to the 2009 Project Eligibility List

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
090088D	6	Academy Water & Sanitation District		Colorado Springs	El Paso	Water Storage Facilities	\$42,000	1,200
090131D	6	Aurora, City of	Holbrook Reservoir Enlargement	Aurora	Otero	Water Storage Facilities	\$23,000,000	314,000
090132D	6	Aurora, City of	Rampart Parallel Pipeline Phase 1	Aurora	Arapahoe & Douglas	Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$40,000,000	314,000
090133D	6	Aurora, City of	Valco Gravel Pit Storage	Aurora	Otero	Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$7,000,000	314,000
090151D	6	Aurora, City of		Aurora	Arapahoe	Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$12,000,000	314,000
090099D	6	Bailey Water & Sanitation District	Bailey to Conifer DW Project	Denver	Park and Jefferson	Construction of New Water Treatment Facilities; Water Storage Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$10,665,424	50,000
090071D	6	Blue Mountain Water District		Golden	Jefferson	Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities	\$700,000	380
090086D	6	Blue Valley Metropolitan District		Silverthorne	Grand	Improvement / Expansion of Existing Water Treatment Plant; Construction / Rehabilitation of Distribution / Transmission Lines; Water Storage Facilities	\$416,709	375
090115D	6	Boulder, City of		Boulder	Boulder	Water Supply Facilities	\$33,000,000	115,000
090112D	6	Brush, City of		Brush	Morgan	Distribution / Transmission Lines Construction / Rehabilitation	\$877,750	5,471
090085D	6	Buena Vista, Town of		Buena Vista	Chaffee	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$1,766,490	2,589
090077D	6	Canon City, City of		Canon City	Fremont	Water Supply Facilities; Water Meters	\$1,529,400	34,800
090058D	6	Carbondale, Town of		Carbondale	Garfield/Pitkin	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Green Infrastructure, water efficiency improvements or other environmentally innovative projects	\$3,280,000	6,000
090094D	6	Castle Rock, Town of		Castle Rock	Douglas	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters; Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$3,200,000	46,000
090065D	6	Cherokee Metropolitan District		Colorado Springs	El Paso	Distribution / Transmission Lines Construction / Rehabilitation	\$10,000,000	18,000
090096D	6	Cortez, City of		Cortez	Montezuma	Construction of New Water Treatment Facilities; Water Storage Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$870,000	8,800
090102D	6	Craig, City of		Craig	Moffat	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,350,000	9,300
090084D	6	Crestview Water and Sanitation District		Denver	Adams	Construction / Rehabilitation of Distribution / Transmission Lines	\$575,000	17,000
090049D	6	DeBeque, Town of	Schlumberger Campus	DeBeque	Mesa	Water Storage Facilities	\$600,000	1,200
090038D	6	Delta County	Ginters Grove Domestic Water Corporation	Cedaredge	Delta	Distribution / Transmission Lines Construction / Rehabilitation	\$350,000	90
090116D	6	Delta, City of		Delta	Delta	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$8,108,000	8,400
090042D	6	Denver, City of		Denver	Denver	Improvement / Expansion of Existing Water Treatment Plant; Water Supply Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$33,900,000	571,848
090078D	6	Dillon Valley Water and Sanitation District		Crawford	Summit	Improvement / Expansion of Existing Water Treatment Plant; Water Meters	\$2,600,000	2,700
090125D	6	Donala Water & Sanitation District		Colorado Springs	El Paso	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$9,092,000	5,700
090055D	6	Durango, City of		Durango	La Plata	Green Infrastructure, water efficiency improvements or other environmentally innovative projects	\$1,500,000	19,000

Appendix J
Drinking Water Revolving Fund
Category 6 Additions to the 2009 Project Eligibility List

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
090140D	6	Eagle, Town of		Eagle	Eagle	Distribution / Transmission Lines Construction / Rehabilitation	\$1,970,000	6,200
090141D	6	Eagle, Town of		Eagle	Eagle	Distribution / Transmission Lines Construction / Rehabilitation	\$2,015,000	6,200
090142D	6	Eagle, Town of		Eagle	Eagle	Construction of New Water Treatment Facilities	\$20,400,000	6,200
090143D	6	Eagle, Town of		Eagle	Eagle	Water Storage Facilities	\$495,000	6,200
090144D	6	Eagle, Town of		Eagle	Eagle	Improvement / Expansion of Existing Water Treatment Plant	\$1,970,000	6,200
090098D	6	East Larimer County Water District		Ft Collins	Larimer	Distribution / Transmission Lines Construction / Rehabilitation	\$4,250,000	16,693
090128D	6	Edgemont Ranch Metropolitan District		Durango	La Plata	Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities	\$2,250,000	925
090136D	6	Empire, Town of		Empire	Clear Creek	Water Supply Facilities	\$444,000	400
090070D	6	Englewood, City of		Englewood	Arapahoe	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$5,150,000	30,000
090106D	6	Erie, Town of		Erie	Weld	Improvement / Expansion of Existing Water Treatment Plant;	\$60,000	17,000
090050D	6	Estes Park, Town of	Colorado Big Thompson Project	Estes Park	Larimer	Distribution / Transmission Lines Construction / Rehabilitation	\$1,300,000	5,720
090126D	6	Evergreen Metropolitan District		Evergreen	Jefferson	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$3,100,000	18,428
090082D	6	Ft. Morgan, City of		Ft Morgan	Morgan	Improvement / Expansion of Existing Water Treatment Plant; Water Meters	\$330,000	12,000
090044D	6	Garden Valley Water & Sanitation District		Colorado Springs	El Paso	Water Storage Facilities	\$25,000	2,000
090123D	6	Georgetown, Town of		Georgetown	Clear Creek	Water Meters	\$277,000	1,400
090053D	6	Goodman Point Water District		Cortez	Montezuma	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$1,260,000	75
090045D	6	Granby, Town of	Moraine Park Water System	Granby	Grand	Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation	\$510,000	550
090090D	6	Granby, Town of		Granby	Grand	Construction of New Water Treatment Facilities; Water Storage Facilities; Consolidation of Water Treatment Facilities; Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Green Infrastructure, water efficiency improvements or other environmentally innovative projects	\$6,882,000	1,200
090107D	6	Grand County Water & Sanitation District #1		Winter Park	Grand	Improvement / Expansion of Existing Water Treatment Plant; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$1,800,000	3,500
090092D	6	Grand Junction, City of		Grand Junction	Mesa	Distribution / Transmission Lines Construction / Rehabilitation	\$2,750,000	40,000
090114D	6	Grand Lake, Town of		Grand Lake	Grand	Consolidation of Water Treatment Facilities; Water Storage Facilities	\$1,550,000	7,250
090039D	6	Greeley, City of	Bellvue Project	Greeley	Weld	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation	\$7,250,000	96,540
090040D	6	Greeley, City of		Greeley	Weld	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	\$3,140,000	96,540

Appendix J
Drinking Water Revolving Fund
Category 6 Additions to the 2009 Project Eligibility List

Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
090041D	6	Greeley, City of	Eight Street Gravel Pit	Greeley	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$1,630,000	96,540
090146D	6	Gypsum, Town of		Gypsum	Eagle	Improvement / Expansion of Existing Water Treatment Plant	\$1,500,000	4,000
090147D	6	Gypsum, Town of		Gypsum	Eagle	Water Supply Facilities; Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$855,000	4,000
090061D	6	Haxtun, Town of		Haxtun	Phillips	Improvement / Expansion of Existing Water Treatment Plant	\$30,000	982
090068D	6	Highland Lakes Water District		Divide	Teller	Water Supply Facilities	\$100,000	
090117D	6	Idaho Springs, City of		Idaho Springs	Clear Creek	Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$200,000	1,885
090100D	6	Indian Hills Water District		Indian Hills	Jefferson	Construction of New Water Treatment Facilities; Water Storage Facilities	\$375,000	1,100
090129D	6	Kiowa, Town of		Kiowa	Elbert	Construction of New Water Treatment Facilities; Connect To Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$470,000	618
090054D	6	Lafayette, City of		Lafayette	Boulder	Improvement / Expansion of Existing Water Treatment Plant	\$1,050,000	27,000
090111D	6	Lake Creek Metropolitan Water District		Edwards	Eagle	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$507,000	350
090060D	6	Las Animas, City of		Las Animas	Bent	Green Infrastructure, water efficiency improvements or other environmentally innovative projects	\$200,000	2,758
090105D	6	Little Thompson Water District		Berthoud	Boulder, Larimer, Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$360,000	20,000
090135D	6	Little Thompson Water District		Ft Morgan	Morgan	Water Supply Facilities	\$400,000	7,100
090108D	6	Lochbuie, Town of		Lochbuie	Weld	Distribution / Transmission Lines Construction / Rehabilitation	\$1,268,000	5,200
090081D	6	Longmont, City of		Longmont	Boulder	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation	\$3,220,000	86,000
090047D	6	Louviers Water & Sanitation District		Louviers	Douglas	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$836,000	238
090149D	6	Loveland, City of		Loveland	Larimer	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$550,000	63,000
090113D	6	Lyons, Town of		Lyons	Boulder	Distribution / Transmission Lines Construction / Rehabilitation	\$245,000	1,895
090051D	6	Mancos, Town of		Mancos	Montezuma	Water Meters	\$350,000	1,300
090057D	6	Mid Valley Metropolitan District		Basalt	Eagle	Improvement / Expansion of Existing Water Treatment Plant; Water Storage Facilities; Water Supply Facilities	\$440,000	3,400
090083D	6	Minturn, Town of		Minturn	Eagle	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation	\$11,000,000	1,200
090069D	6	Monte Vista, City of		Monte Vista	Rio Grande	Distribution / Transmission Lines Construction / Rehabilitation	\$1,705,000	4,700
090074D	6	Morrison Creek Metropolitan Water & Sanitation District		Oak Creek	Routt	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$3,300,000	800

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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
090124D	6	Mt Werner Water & Sanitation District		Steamboat Springs	Routt	Water Storage Facilities	\$1,500,000	5,000
090087D	6	Nederland, Town of		Nederland	Boulder	Distribution / Transmission Lines Construction / Rehabilitation; Water Meters	\$460,000	1,650
090063D	6	New Castle, Town of		New Castle	Garfield	Distribution / Transmission Lines Construction / Rehabilitation; Green Infrastructure, water efficiency improvements or other environmentally innovative projects	\$850,000	3,800
090104D	6	North Lincoln Water & Sanitation District		Denver	Adams	Distribution / Transmission Lines Construction / Rehabilitation	\$400,000	700
090048D	6	Norwood, Town of	Norwood Water Commission	Norwood	San Miguel	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	\$7,399,370	1,500
090046D	6	Ovid, Town of		Ovid	Sedgwick	Water Supply Facilities	\$372,850	330
090062D	6	Palisade, Town of		Palisade	Mesa	Green Infrastructure, water efficiency improvements or other environmentally innovative projects	\$527,000	3,000
090072D	6	Palmer Lake, Town of		Palmer Lake	El Paso	Water Storage Facilities	\$500,000	2,330
090091D	6	Parkville Water District		Leadville	Lake	Distribution / Transmission Lines Construction / Rehabilitation	\$1,830,500	6,000
090076D	6	Perry Park Water & Sanitation District		Larkspur	Douglas	Improvement / Expansion of Existing Water Treatment Plant	\$2,000,000	3,315
090093D	6	Pinewood Springs Water District		Lyons	Larimer	Water Meters	\$49,000	800
090052D	6	Rangely, Town of		Rangely	Rio Blanco	Water Supply Facilities	\$350,000	2,100
090150D	6	Resource Colorado Water & Sanitation Metropolitan District	2050 Green Prairie Program Rangeview MD	Lakewood	Weld, Adams, Arapahoe	Construction of New Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$65,600,000	70,000
090101D	6	Rockvale, Town of		Rockvale	Fremont	Water Storage Facilities	\$174,733	426
090097D	6	Ruedi Shores Metropolitan District		Glenwood Springs	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	\$2,682,000	180
090067D	6	Saguache, Town of		Saguache	Saguache	Green Infrastructure, water efficiency improvements or other environmentally innovative projects	\$45,000	578
090109D	6	Security Water District		Colorado Springs	El Paso	Water Storage Facilities; Consolidation of Water Treatment Facilities	\$11,714,000	18,000
090134D	6	Sedalia Water & Sanitation District		Sedalia	Douglas	Construction of New Water Treatment Facilities	\$750,000	215
090137D	6	So Adams County Water & Sanitation District	Emergency Power Supply	Commerce City	Adams	Improvement / Expansion of Existing Water Treatment Plant	\$215,500	65,000
090138D	6	So Adams County Water & Sanitation District	Water Line Extension	Commerce City	Adams	Distribution / Transmission Lines Construction / Rehabilitation	\$300,000	65,000
090139D	6	So Adams County Water & Sanitation District	Chlorine Analyzers	Commerce City	Adams	Improvement / Expansion of Existing Water Treatment Plant	\$140,000	65,000
090079D	6	Somerset Domestic Waterworks District		Somerset	Gunnison	Water Meters	\$16,500	100
090103D	6	St Mary's Glacier Water & Sanitation District		Denver	Clear Creek	Water Supply Facilities	\$120,000	350
090095D	6	Steamboat Springs, City of		Steamboat Springs	Routt	Distribution / Transmission Lines Construction / Rehabilitation	\$400,000	6,000
090127D	6	Strasburg Water & Sanitation District		Strasburg	Arapahoe	Improvement / Expansion of Existing Water Treatment Plant; Consolidation of Water Treatment Facilities; Water Meters	\$150,000	2,500
090080D	6	Thornton, City of		Thornton	Adams	Construction / Rehabilitation of Distribution / Transmission Lines; Green Infrastructure, water efficiency improvements or other environmentally innovative projects	\$20,252,000	132,000

Appendix J
Drinking Water Revolving Fund
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Project Number	Elig Cat	Entity	Project Name	City	County	Project Description	Project Cost (\$)	Pop
090043D	6	Tree Haus Metropolitan District		Steamboat Springs	Routt	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities	\$1,850,000	300
090110D	6	Tri-County Water Conservancy District	La Salle Road Pipeline Replacement	Montrose	Montrose	Distribution / Transmission Lines Construction / Rehabilitation	\$7,454,000	18,000
090145D	6	Two Rivers Metropolitan District		Glenwood Springs	Eagle	Distribution / Transmission Lines Construction / Rehabilitation; Water Supply Facilities; Water Meters	\$27,000	325
090148D	6	W/J Metropolitan District		Woody Creek	Pitkin	Water Supply Facilities; Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$73,962	250
090066D	6	Walsenburg, City of		Walsenburg	Huerfano	Water Storage Facilities	\$1,500,000	4,400
090130D	6	Weld County	Aristocrat Ranchette Water	Ft. Lupton	Weld	Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Meters	\$1,590,000	1,600
090075D	6	Wellington, Town of		Wellington	Larimer	Distribution / Transmission Lines Construction / Rehabilitation	\$5,300,000	6,450
090118D	6	Westminster, City of	Semper Water Treatment Facility	Westminster	Adams & Jefferson	Improvement / Expansion of Existing Water Treatment Plant	\$3,200,000	156,000
090119D	6	Westminster, City of	Gregory Hill and Kershaw Pump Stations	Westminster	Adams & Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$700,000	156,000
090120D	6	Westminster, City of	PRV Rehabilitation	Westminster	Adams & Jefferson	Distribution / Transmission Lines Construction / Rehabilitation	\$175,000	156,000
090121D	6	Westminster, City of	Northwest Water Treatment Facility	Westminster	Adams & Jefferson	Improvement / Expansion of Existing Water Treatment Plant	\$5,000,000	156,000
090122D	6	Westminster, City of	Rebate Funding	Westminster	Adams & Jefferson	Green Infrastructure, water efficiency improvements or other environmentally innovative projects.	\$100,000	156,000
090056D	6	Wiggins, Town of		Wiggins	Morgan	Construction of New Water Treatment Facilities	\$800,000	975
090064D	6	Yuma, City of		Yuma	Yuma	Construction of New Water Treatment Facilities	\$3,750,000	3,379

Total: \$456,510,188

**DRINKING WATER STATE REVOLVING FUND AMERICAN RECOVERY AND REINVESTMENT ACT FUNDABLE LIST 2009
APPENDIX K**

**STATE: Colorado
DATE: 05/29/09**

ARRA Grant \$34,352,000
4% Set Aside \$1,374,080
2% Other Set-Asides \$687,040
50% Subsidy \$17,176,000
20% GPR \$6,870,400
ARRA Funds for Loans \$15,114,880

* The project award amount is an estimate. The project must continue to meet all future deadlines and state and federal requirements associated with ARRA funding
** Interest rates are estimated based on project amount and MHI (median household income). ARRA loans are at 0% interest. The base SRF interest rates range from 0% to 2.5% for 2009 only. This includes 0% for populations of 5,000 or less with a MHI less than 61% of the state average MHI. DACs at 61-80 % of the state average for MHI interest rates are 1%. Direct loans up to \$2 million are 2% and leveraged loans over \$2 million are 2.5%
***Green Project Reserve amount are estimates. Some "Green Projects" require a "Business Case"

Project Rank	Category Ranking	Priority Points Assigned	Project Number	Source of Funds	Assistance Recipient	PWSID	Service Area Population	Project Description	Estimated Construction Date	Funding Amount Requested	*Estimated Eligible Amount	Loan Amount	*Principal Forgiveness	Interest Rate **	Repayment Terms **	***Green Project Reserve Amount	Categorical = C Business = B
1	1	75	020020D	ARRA	Hi-Land Acres WSD	CO0101075	350	Distribution system	9/30/09	\$ 1,200,000	\$ 1,200,000	\$ -	\$ 1,200,000	0.0%	20 Years	\$ 1,200,000	B
2	1	70	960047D	ARRA	Hot Sulphur Springs, Town of	CO0125352	614	New intake piping, treatment, constructing a new clearwell and storage improvements.	9/30/09	\$ 3,300,000	\$ 3,300,000	\$ 1,300,000	\$ 2,000,000	0.0%	20 Years		
3	1	50	050013D	ARRA	Colorado City Metro District	CO0151200	2,041	Reclassify GWUDI	9/30/09	\$ 1,780,000	\$ 1,780,000	\$ -	\$ 1,780,000	0.0%	20 Years	\$ 518,300	B
4	1	25	040003D	ARRA	Brighton, City of	CO0101025	33,397	UV Disinfection	9/30/09	\$ 1,044,000	\$ 1,044,000	\$ -	\$ 1,044,000	0.0%	20 Years		
5	2	60	960056D	ARRA	Kit Carson, Town of	CO0109011	214	Replacements, installations, improvements, and modifications to the water system's collection, treatment, and distribution facilities	9/30/09	\$ 392,000	\$ 392,000	\$ -	\$ 392,000	0.0%	20 Years	\$ 319,225	C = \$46,000 B = \$273,225
6	2	40	960080D	ARRA	Norwood, Town of	CO0157500	1,740	Rehabilitate the Town's 500,000 gallon water storage tank, upgrade a pressure reducing valve and implement chlorination treatment.	9/30/09	\$ 570,150	\$ 540,150	\$ -	\$ 540,150	0.0%	20 Years		
7	2	30	960227D	ARRA	Rocky Ford, City of	CO0145600	4,277	Distribution transmission lines construction/rehabilitation (Hancock)	9/30/09	\$ 945,337	\$ 945,337	\$ -	\$ 945,337	0.0%	20 Years		
8	3	67	000017D	ARRA	Siebert, Town of	CO0132015	182	Improvements to wells and transmission lines, upgrades to treatment and distribution system and storage tank improvements	9/30/09	\$ 1,719,500	\$ 1,719,500	\$ -	\$ 1,719,500	0.0%	20 Years		
9	3	55	080006D	ARRA	Cheyenne Wells, Town of	CO0109006	985	Distribution transmission lines construction/rehabilitation and meters	9/30/09	\$ 1,732,517	\$ 1,732,517	\$ -	\$ 1,732,517	0.0%	20 Years	\$ 1,077,189	B
10	3	50	090028D	ARRA	Kremmling, Town of	CO0125455	1,570	Replace distribution lines	9/30/09	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,000,000	0.0%	20 Years	\$ 2,000,000	B
11	3	45	070006D	ARRA	Arabian Acres Metro District	CO0160075	620	Shallow main replacement, service line replacement, storage tank improvement well 5 redrill	9/30/09	\$ 287,440	\$ 287,440	\$ -	\$ 287,440	0.0%	20 Years	\$ 171,624	B
12	3	45	960009D	ARRA	Blanca, Town of	CO0112100	400	Water Meters	9/30/09	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	0.0%	20 Years	\$ 50,000	C
13	3	45	050025D	ARRA	Fraser, Town of	CO0125288	996	1-Replacement of raw water trans line; 2-Emergency Power, controls & instrumentation; 3-Water system emergency interconnection; 4-Meter vault rehab	9/30/09	\$ 751,060	\$ 751,060	\$ -	\$ 751,060	0.0%	20 Years	\$ 261,400	C
14	3	40	030026D	ARRA	Georgetown, Town of	CO0110015	1,088	Membrane Filtration System, tank, 400K addition, micro-hydroelectric, water meters	9/30/09	\$ 3,340,000	\$ 3,340,000	\$ 1,340,000	\$ 2,000,000	0.0%	20 Years	\$ 185,000	C
15	3	35	050034D	ARRA	Manitou Springs, City of	CO0121450	4,980	Raw water interconnect, and transmission line, replace 18 PRVs, storage tank, distribution line pressure sensors with telemetry, isolation valves, fluorine analyzer	9/30/09	\$ 7,746,480	\$ 7,746,480	\$ 7,012,484	\$ 733,996	0.0%	20 Years	\$ 4,410,000	B
										ARRA LOAN FORGIVENESS AMOUNT-->		\$ 17,176,000			GPR Total	\$ 10,192,738	
16	3	35	090007D	ARRA	La Junta, City of	CO0145420	7,857	Water tank, pumps, reserve tank, reserve pump, appurtenances	9/30/09	\$ 1,830,000	\$ 1,830,000	\$ 1,830,000	\$ -	0.0%	20 Years	\$ 306,484	C = \$57,746 B = \$248,738
17	3	30	080014D	ARRA	Florence, City of	CO0122500	9,359	Replace existing 1 mg clear well with 2 425k clear wells	9/30/09	\$ 3,025,930	\$ 3,025,930	\$ 3,025,930	\$ -	0.0%	20 Years		
18	3	20	990039D	ARRA	Salida, City of	CO0108700	5,425	Water tank roof rehabilitation, complete security fencing around tank site.	9/30/09	\$ 325,000	\$ 325,000	\$ 325,000	\$ -	0.0%	20 Years		
19	4	55	050019D	ARRA	Divide MPC	CO0160295	198	Transmission lines, test & complete two wells	9/30/09	\$ 184,395	\$ 145,930	\$ 145,930	\$ -	0.0%	20 Years		
20	4	42	960005D	ARRA	Baca Grande WSD	CO0155200	900	Distribution system main line upgrades, interconnection of two public water systems, add telemetry and automated controls.	9/30/09	\$ 1,483,750	\$ 1,483,750	\$ 135,536	\$ -	0.0%	20 Years		
										\$ 15,114,880							
20	4	42	960005D	DWSRF	Baca Grande WSD	CO0155200	900	Water Main, Meter Replacements, Well 18 Improvements	9/30/09	Continued from line 30		\$ 1,348,214	\$ -	0.0%	20 Years		
21	4	25	040025D	DWSRF	Ridgway, Town of	CO0146676	1,036	Line replacement, pump station replacement and controls and transmission line	9/30/09	\$ 975,000	\$ 975,000	\$ 975,000	\$ -	2.0%	20 Years	\$ 1,025,000	B
22	5	65	090020D	DWSRF	East Cherry Hills WSD	CO0103234	200	Replace water main lines and hydrants	9/30/09	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	2.0%	20 Years		
23	5	55	090002D	DWSRF	Bow Mar WSD	CO0103153	847	Water Replacement Project	9/30/09	\$ 1,150,000	\$ 1,150,000	\$ 1,150,000	\$ -	2.0%	20 Years	\$ 1,150,000	B
24	5	45	080008D	DWSRF	Gateway Metro District	CO0149300	365	Replace existing storage tanks, distribution system improvements including looping, additional valves and road restoration.	9/30/09	\$ 576,575	\$ 576,575	\$ 576,575	\$ -	2.0%	20 Years	\$ 356,496	B
25	5	45	960208D	DWSRF	Kersey, Town of	CO0162439	1,450	Replacement of water mains, removal of lead loops, replace water meters, street restoration	9/30/09	\$ 1,990,000	\$ 1,990,000	\$ 1,990,000	\$ -	2.0%	20 Years	\$ 1,990,000	B
26	5	40	050038D	DWSRF	Ovid, Town of	CO0158005	333	Water distribution line replacement	9/30/09	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	0.0%	20 Years	\$ 247,000	B

Project Rank	Category Ranking	Priority Points Assigned	Project Number	Source of Funds	Assistance Recipient	PWSID	Service Area Population	Project Description	Estimated Construction Date	Funding Amount Requested	*Estimated Eligible Amount	Loan Amount	*Principal Forgiveness	Interest Rate **	Repayment Terms **	***Green Project Reserve Amount	Categorical = C Business = B	
27	5	35	960137D	DWSRF	Hayden, Town of	CO0154333	1,869	Booster chlorination and gravity water storage	9/30/09	\$ 2,540,070	\$ 2,540,070	\$ 2,540,070	\$ -	2.5%	20 Years			
28	5	35	090021D	DWSRF	Collbran, Town of	CO0139185	600	Improvements to existing water distribution lines.	9/30/09	\$ 511,325	\$ 511,325	\$ 511,325	\$ -	1.0%	20 Years			
29	5	30	030044D	DWSRF	Ophir, Town of	CO0157600	175	Construction of a new water treatment plant and water storage facilities and installation of new water supply lines.	9/30/09	\$ 500,000	\$ 208,476	\$ 208,476	\$ -	2.0%	20 Years			
30	5	30	960045D	DWSRF	Holly, Town of	CO0150600	1,015	Water distribution Line, water meters, materials and appurtenances	9/30/09	\$ 90,145	\$ 90,145	\$ 90,145	\$ -	0.0%	20 Years	\$ 323,120	C = \$62,600 B = \$260,520	
31	5	30	090032D	DWSRF	Hotchkiss, Town of	CO0115352	1,024	New Water Line	9/30/09	\$ 775,000	\$ 775,000	\$ 775,000	\$ -	0.0%	20 Years			
32	5	30	960227D	DWSRF	Rocky Ford, City of	CO0145600	4,277	Distribution transmission lines construction/rehabilitation	9/30/09	\$ 2,674,065	\$ 2,674,065	\$ 2,674,065	\$ -	2.5%	20 Years			
33	5	25	050022D	DWSRF	Fairplay, Town of	CO0147020	1,100	Tank and transmission line	9/30/09	\$ 1,889,754	\$ 486,420	\$ 486,420	\$ -	2.0%	20 Years	\$ 25,000	B	
34	5	25	010018D	DWSRF	Idaho Springs, Town of	CO0110020	1,885	Design & Construction of a 6 inch 2,750 foot	9/30/09	\$ 481,900	\$ 481,900	\$ 481,900	\$ -	2.0%	20 Years			
35	5	25	050035D	DWSRF	Milliken, Town of	CO0162511	6,300	North Ethel Water line rehab	9/30/09	\$ 354,884	\$ 354,884	\$ 354,884	\$ -	2.0%	20 Years	\$ 339,300	B	
36	5	20	050031D	DWSRF	Lamar, City of	CO0150700	8,661	Relocation of the existing chlorine building, storage tank improvements, modifications and improvements to the valve house, and installation of a new 24" transmission main	9/30/09	\$ 5,020,000	\$ 5,020,000	\$ 5,020,000	\$ -	2.5%	20 Years			
37	5	15	960163D	DWSRF	Crested Butte, South MD	CO0126189	1,283	300K storage tank, pump facility	9/30/09	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	1.0%	20 Years			
38	5	10	050016D	DWSRF	Cortez, City of	CO0142200	8,900	Multi-media filters, Solar hot water Heating, Chlorine Dioxide	9/30/09	\$ 481,500	\$ 481,500	\$ 481,500	\$ -	0.0%	20 Years	\$ 25,000	C	
39	5	5	080007D	DWSRF	Colorado Springs, City of	CO0121150	394,177	Highline Reservoir at Mesa WWTP	9/30/09	\$ 12,633,307	\$ 12,633,307	\$ 12,633,307	\$ -	2.5%	20 Years			
40	5	5	090034D	DWSRF	Parker Water & San District	CO0118040	41,000	Raw Water pipeline, over excavation, repurchased equipment, pipeline, wells	9/30/09	\$ 14,942,400	\$ 4,076,400	\$ 4,076,400	\$ -	2.5%	20 Years			
41	6*	20	090084D	ARRA	Crestview Water & San Dist	CO0101040	16,140	Water line replacement	9/30/09	\$ 1,384,720	\$ 1,384,720	\$ 1,384,720	\$ -	0.0%	20 Years			
42	6*	10	090147D	ARRA	Gypsum, Town of	CO0119329	5,821	Replace water supply piping, install hydroelectric power generator & appurtenances	9/30/09	\$ 936,726	\$ 936,726	\$ 936,726	\$ -	0.0%	20 Years	\$ 936,726	C	
43	6*	10	090095D	ARRA	Steamboat Springs, City of	CO0154725	12,130	Replace water main	9/30/09	\$ 400,000	\$ 400,000	\$ 400,000	\$ -	0.0%	20 Years	\$ 584,650		
44	6*	5	090059D	ARRA	Durango, City of	CO0134150	18,500	Photovoltaic system	9/30/09	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	0.0%	20 Years	\$ 1,500,000	C	
											BASE SRF LOAN AMOUNT-->	\$ 43,294,727	\$ 17,176,000					
											\$ 88,214,930	\$ 75,585,607	\$ 58,409,607	\$ 75,585,607			\$ 29,194,252	

STATE: COLORADO
DATE: May 21, 2009

**PROJECT CATEGORY RANKINGS FOR POTENTIAL
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) FUNDING
DRINKING WATER REVOLVING FUND
APPENDIX L**

Eligibility Category	Project Number	Assistance Recipient	PWS ID#	Project Description	Funding Amount Requested	Amount Eligible
1	040003D	Brighton, City of	CO0101025	UV Disinfection	\$ 1,044,000	\$ 1,044,000
1	050013D	Colorado City Metro District	CO0151200	Improvement to WTP to comply with GWUDI	\$ 1,780,000	\$ 1,780,000
1	020020D	Hi-Land Acres WSD	CO0101075	Distribution system	\$ 1,200,000	\$ 1,200,000
1	960047D	Hot Sulphur Springs, Town	CO0125352	New baffled clear well with gravity flow to existing clear well	\$ 3,300,000	\$ 3,300,000
2	960056D	Kit Carson, Town of	CO0109011	Replacements, installations, improvements, and modifications to the water system's collection, treatment, and distribution facilities	\$ 392,000	\$ 392,000
2	960080D	Norwood, Town of	CO0157500	Storage tank, PRV #1 upgrades, Chloramination treatment	\$ 570,150	\$ 540,150
2	960027D	Rocky Ford, City of	CO0145600	Distribution transmission lines construction/rehabilitation (Hancock)	\$ 945,337	\$ 945,337
3	070006D	Arabian Acres Metro District	CO0160075	Shallow main replacement, service line replacement, storage tank improvement well 5 re-drill	\$ 287,440	\$ 287,440
3	960009D	Blanca, Town of	CO0112100	Water Meters	\$ 50,000	\$ 50,000
3	080006D	Cheyenne Wells, Townof	CO0109006	Distribution System Model and Reuse Planning	\$ 1,732,517	\$ 1,732,517
3	080014D	Florence, City of	CO0122500	Replace existing 1 mg clear well with 2 425k clear wells	\$ 3,025,930	\$ 3,025,930
3	050025D	Fraser, Town of	CO0125288	1-Replacement of raw water trans line for well #5r; 2-Emergency power controls; 4-Meter vault rehab	\$ 751,060	\$ 751,060
3	030026D	Georgetown, Town of	CO0110015	Membrane Filtration System, tank, 400K addition, micro-hydroelectric, water meters	\$ 3,340,000	\$ 3,340,000
3	090028D	Kremmling, Town of	CO0125455	Replace distribution lines	\$ 2,000,000	\$ 2,000,000
3	090007D	La Junta, City of	CO0145420	Water tank, pups, reserve tank, reserve pump, appurtenances	\$ 1,830,000	\$ 1,830,000
3	050034D	Manitou Springs, City of	CO0121450	Raw water interconnect, and transmission line, replace 18 PRVs, storage tank, distribution line, pressure sensors with telemetry, isolation valves, fluorine analyzer	\$ 7,746,480	\$ 7,746,480
3	990039D	Salida, City of	CO0108700	Rehab water tank, repair fencing of water tank site	\$ 325,000	\$ 325,000

3	000017D	Siebert, Town of	CO0132015	Improvements to wells and transmission lines, upgrades to treatment and distribution system and storage tank improvements	\$ 1,719,500	\$ 1,719,500
4	960005D	Baca Grande WSD	CO0155200	Water Main, Meter Replacements, Well 18 Improvements	\$ 1,483,750	\$ 1,483,750
4	050019D	Divide MPC	CO0160295	Transmission lines, test & complete two wells	\$ 184,395	\$ 145,930
4	040025D	Ridgway, Town of	CO0146676	Line replacement, pump station replacement and controls and transmission line	\$ 975,000	\$ 975,000
5	090002D	Bow Mar WSD	CO0103153	Water Replacement Project	\$ 1,150,000	\$ 1,150,000
5	090021D	Collbran, Town of	CO0139185	Improvements to existing water distribution lines.	\$ 511,325	\$ 511,325
5	080007D	Colorado Springs, City of	CO0121150	Highline Reservoir at Mesa WWTP	\$ 12,633,307	\$ 12,633,307
5	050016D	Cortez, City of	CO0142200	Multi-media filters, Solar hot water Heating, Chlorine Dioxide	\$ 481,500	\$ 481,500
5	960163D	Crested Butte, South MD	CO0126189	300K storage tank, pump facility	\$ 1,000,000	\$ 1,000,000
5	090020D	East Cherry Hills WSD	CO0103234	Replace water main lines and hydrants	\$ 1,500,000	\$ 1,500,000
5	050022D	Fairplay, Town of	CO0147020	Tank and transmission line	\$ 1,889,754	\$ 486,420
5	080008D	Gateway Metro District	CO0149300	Water tank, looped system, replacement	\$ 576,575	\$ 576,575
5	960137D	Hayden, Town of	CO0154333	Booster chlorination and gravity water storage	\$ 2,540,070	\$ 2,540,070
5	960045D	Holly, Town of	CO0150600	Water distribution Line, water meters, materials and appurtenances	\$ 90,145	\$ 90,145
5	090032D	Hotchkiss, Town of	CO0115352	New Water Line	\$ 775,000	\$ 775,000
5	010018D	Idaho Springs, Town of	CO0110020	Design & Construction of a 6 inch 2,750 foot water line	\$ 481,900	\$ 481,900
5	960208D	Kersey, Town of	CO0162439	Replacement of water mains, removal of lead loops, replace water meters, street restoration	\$ 1,990,000	\$ 1,990,000
5	050031D	Lamar, City of	CO0150700	Relocation of the existing chlorine building, storage tank improvements, modifications and improvements to the valve house, and installation of a new 24" transmission main	\$ 5,020,000	\$ 5,020,000
5	050035D	Milliken, Town of	CO0162511	North Ethel Water line rehab	\$ 354,884	\$ 354,884
5	030044D	Ophir, Town of	CO0157600	Transmission Line, storage tank	\$ 500,000	\$ 208,476
5	050038D	Ovid, Town of	CO0158005	Water distribution line replacement	\$ 200,000	\$ 200,000
5	090034D	Parker Water & San District	CO0118040	Raw Water pipeline, over excavation, prepurchased equipment, pipeline, wells	\$ 14,942,400	\$ 4,076,400
5	960027D	Rocky Ford, City of	CO0145600	Distribution transmission lines construction/rehabilitation	\$ 2,674,065	\$ 2,674,065
6	090084D	Crestview Water & San Dist	CO0101040	Water line replacement	\$ 1,384,720	\$ 1,384,720
6	090059D	Durango, City of	CO0134150	Photovoltaic system	\$ 1,500,000	\$ 1,500,000
6	090147D	Gypsum, Town of	CO0119329	Replace water supply piping, install hydroelectric power generator & appurtenances	\$ 936,726	\$ 936,726
6	090095D	Steamboat Springs, City of	CO0154725	Replace water main	\$ 400,000	\$ 400,000

Attachment 7

2007 Project Eligibility/ Fundable List Status

**APPENDIX B
FY 2007
Drinking Water Revolving Fund Project Priority / Fundable List**

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	2007 Loan Amount	^DC	Expected Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description	Remarks
050005D	1	87	Boone, Town of	Pueblo	151150	326	\$514,297	Y	10/2006	30	D	0	Exceeding MCL for nitrate / nitrite.	Improvements to water supply; installation of new treatment plant; rehabilitate existing storage tanks; and distribution system upgrades.	Not Ready to Proceed, received DWRP P&D
960107D	1	80	Silver Plume, Town of	Clear Creek	110035	1,220	\$450,000	Y	5/2007	30	D	1.75	Replace aged infrastructure to eliminate natural disaster potential and maintain SDWA compliance.	Construct new treatment plant outside natural disaster area; upgrade water tank; and distribution system replacement and improvements.	Not Ready to Proceed
040033D	2	97	Hillrose, Town of	Morgan	144010	275	\$1,095,158	Y	10/2006	30	D	0	Replace aged infrastructure to comply with primary and secondary drinking water standards; improve storage facilities to prevent contamination.	Connection to Morgan Co. Quality WD including well rehabilitation; piping; new treatment facility; storage tank; distribution system with meters and hydrants.	Funded with DWRP, CDBG, and DWRP P&D
000001D	2	95	Alamosa, City of	Alamosa	102100	8,300	\$12,000,000	N	5/2007	20	L	3.5	Exceeding MCL for arsenic	Construct new 5.04 MGD treatment plant; install transmission lines between 6 wells and new plant and install irrigation lines to large users to reduce treated water demand.	Funded with DWRP, CDBG, STAG, and DWRP P&D
000007D	2	90	East Alamosa WSD	Alamosa	102200	1,432	\$2,000,000	Y	5/2007	30	D	0	Exceeding MCL for arsenic	Connection to the City of Alamosa proposed treatment plant including cost sharing of capital costs; a new water supply pipeline for district system; new water tank; pumps; control system and meters.	Funded with DWRP, Energy & Mineral Impact, and DWRP P&D
960061D	2	80	Larkspur, Town of	Douglas	118030	280	\$1,730,000	N	5/2007	20	D	3.75	Exceeding MCL for radium.	Construct WTP, upgrade distribution lines.	Not Ready to Proceed, received DWRP P&D
040022D	3	50	Palisade, Town of	Mesa	139600	2,645	\$6,500,000	Y	5/2006 and 10/2006*	30/20*	D/L*	0/3.5*	Aged water treatment plant and inadequate treated water storage.	Construct new 2 MGD treatment plant and 2.5 MG storage tank.	Funded with DAC DWRP, Leveraged DWRP, and DWRP P&D Grant
960115D	3	47	Walden, Town of	Jackson	129834	734	\$900,000	Y	9/2006	30	D	1.75	The 24 year old plant must be replaced to reduce chemical usage and enhance filtration.	Improvement to drinking water treatment plant; water storage facilities.	Funded with DWRP, STAG, and DWRP P&D
060002D	3	35	Cucharas SWD	Huerfano	128100	145	\$269,000	N	1/2007	20	D	3.75	Inadequate looping, flushing and circulation as well as winter freezing of distribution lines.	Distribution system improvements.	Funded with DWRP and DWRP P&D
050025D	3	25	Fraser, Town of	Grand	125288	996	\$384,200	N	5/2007	20	D	3.75	The system is not metered. This creates problems in effectively managing water usage and promoting water conservation.	Installation of approximately 350 water meters, installation and replacement of transmitting units and installation of back-flow prevention devices.	Not Ready to Proceed

*The \$6M loan for Palisade will be comprised of a \$4.5M leveraged loan and a \$2M DC loan.

**APPENDIX B
FY 2007
Drinking Water Revolving Fund Project Priority / Fundable List**

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	2007 Loan Amount	^DC	Expected Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description	Remarks
050021D	4	36	Eckley, Town of	Yuma	163001	278	\$775,000	Y	10/2007	30	D	0	Exceeding MCL for arsenic	Treatment plant improvements to remove arsenic.	Funded with DAC DWRP, Energy & Mineral Impact, State Grinking Water Grant Fund, and DWRP P&D
960161D	5	60	Genoa, Town of	Lincoln	137005	211	\$175,000	Y	1/2007	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Install new distribution lines	Funded with DAC DWRP, Energy & Mineral Impact, State Grinking Water Grant Fund, and DWRP P&D
960105D	5	55	Sedalia WSD	Douglas	118060	220	\$2,000,000	Y	5/2007	30	D	1.75	Replace aged infrastructure for compliance with Total Coliform Rule and upcoming Groundwater Rule.	New chemical feed system, well redevelopment; pump upgrades; new storage tanks; transmission line installation and distribution system improvements including hydrants.	Not Ready to Proceed, received DWRP P&D
990013D	5	45	Cottonwood WSD	Douglas	118020	2,375	\$10,000,000	N	10/2006	20	L	3.75	Iron, maganese and hydrogen sulfide contamination.	Construct water treatment plant; new water supply wells; pipelines serving plant and property acquisition.	Funded with DWRP and GO Bonds
960126D	5	45	Arapahoe County WWA	Arapahoe	203002	24,536	\$15,800,000	N	10/2006	20	L	3.75	Replace aged infrastructure to ensure compliance with Enhanced Surface Water Treatment Rules.	Construct water treatment plant; new water supply wells; install pipelines serving new plant; and property acquisition for new plant.	Funded with DWRP and own GO Bonds
960055D	5	42	Kiowa, Town of	Elbert	122015	660	\$1,900,000	N	5/2007	20	L	3.75	Inadequate pressure in water lines.	Construct new storage tank, transmission mains and booster pump stations.	Not Ready to Proceed
060012D	5	35	Ralston Valley WSD	Jefferson	130667	1,300	\$1,300,000	N	5/2007	20	D	3.75	Aged transmission and distribution system that may cause contamination if not replaced. Compliance with Total Coliform Rule.	Install pressure reducing stations, new distribution lines; control valves and fire hydrants.	Not Ready to Proceed
030045D	5	20	Ordway, Town of	Crowley	113700	1,322	\$200,000	Y	1/2007	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Install new distribution lines	Funded with a 1st and 2nd DAC DWRP Loan, Energy & Mineral Impact, and DWRP P&D

Total: \$57,992,655

^DC - Disadvantaged Communities
Y-Yes, N-No

*The \$6M loan for Palisade will be comprised of a \$4.5M leveraged loan and a \$2M DC loan.

Attachment 8

2008 Project Eligibility/ Fundable List Status

**APPENDIX B
Drinking Water Revolving Fund
2008 Project Priority / Fundable List**

Project No	Cat	Pts	Facility	County	PWS ID#	Pop	Estimated Project Cost	*Approved Loan Amount	^DC	Expected/Actual Loan Date	Term (Yrs)	Loan Type	Interest Rate	Problem Description	Project Description	Remarks
050005D	1	87	Boone, Town of	Pueblo	151150	326		\$514,297	Y	8/15/06	30	D	0	Exceeding MCL for nitrate / nitrite.	Improvements to water supply; installation of new treatment plant; rehabilitate existing storage tanks; and distribution system upgrades.	Funded with P&D Grant in 2005 and with DAC Loan in 2006. WQCD Grant in 2007.
040033D	2	97	Hillrose, Town of	Morgan	144010	275		\$995,097	Y	5/13/07	30	D	0	Replace aged infrastructure to comply with primary and secondary drinking water standards; improve storage facilities to prevent contamination.	Connection to Morgan Co. Quality WD including well rehabilitation; piping; new treatment facility; storage tank; distribution system with meters and hydrants.	Funded with P&D Grant in 2004 and with DAC Loan in 2007. Received CDBG Grant.
000001D	2	95	Alamosa, City of	Alamosa	102100	8,300		\$11,865,062	N	11/2/06	20	L	3.42	Exceeding MCL for arsenic	Construct new 5.04 MGD treatment plant; install transmission lines between 6 wells and new plant and install irrigation lines to large users to reduce treated water demand.	Funded with P&D Grant in 2006 and with DWRF Loan in 2007.
000007D	2	90	East Alamosa WSD	Alamosa	102200	1,432	\$2,100,000	\$2,000,000	Y	12/07	30	D	0	Exceeding MCL for arsenic	Connection to the City of Alamosa proposed treatment plant including cost sharing of capital costs; a new water supply pipeline for district system; new water tank; pumps; control system and meters.	Received funding from Energy & Mineral Impact Assistance Fund. Funded with DAC Loan in 2008
960061D	2	80	Larkspur, Town of	Douglas	118030	280	\$2,474,500		N	5/2008	20	D	3.75	Exceeding MCL for radium.	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility; Consolidation of Water Treatment Facilities; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	Received P&D Grant in 2004. Not Ready to proceed.
010017D	2	30	Hotchkiss, Town of	Delta	0115352	2,000		\$925,000	Y	11/2007	20	D	0	Inadequate treatment capacity due to more stringent turbidity regulations.	Construction of a New Water Treatment Facility; Improvement / Expansion of Water Treatment Facility	Funded with P&D Grant in 2005 and DAC Loan in 2008
040005D	3	55	De Beque, Town of	Mesa	0139205	500	\$270,000		Y	5/2008	20	D	1.875	System requires minor rehabilitation of aging facilities and infrastructure and replacement of existing filtration technology	Improvement / Expansion of Water Treatment Facility; Connect to Existing Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities	Received funding from Energy & Mineral Impact Assistance Fund and P&D Grant in 2005
060011D	3	55	Platte Canyon WSD	Jefferson	103614	196	\$400,000	\$400,000	N	5/2008	20	D	3.5	Distribution system deficiencies and Total Coliform Rule compliance challenges.	Replace distribution system serving Columbine Townhouses IV, loop lines, add water meters, service lines, taps and fire hydrants.	Funded with DWRF loan in 2008
010009D	3	50	Craig, City of	Moffat	141188	9,189		\$6,056,378	N	4/27/06	21	L	3.65	Aged water treatment plant and inadequate chlorine contact time.	Water treatment plant conversion to dissolved air flotation; addition of multi-media filters; ultraviolet disinfection and mechanical system upgrades.	Funded with DWRF loan in 2006. Received Federal Grant for \$2.26 million.
960115D	3	47	Walden, Town of	Jackson	129834	734		\$900,000	Y	9/6/06	25	D	1.75	The 24 year old plant must be replaced to reduce chemical usage and enhance filtration.	Improvement to drinking water treatment plant; water storage facilities.	Funded with P&D Grant in 2004 and DAC Loan in 2008
020024D	3	45	La Veta, Town of	Huerfano	0128500	960	\$3,524,000	\$1,134,000	N	5/2008	30	D	3.75	Aging infrastructure and system fails to meet SWTR treatment requirements for minimum contact time.	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities	Received funding from Energy & Mineral Impact Assistance Fund. Funded with P&D Grant in 2007 and DAC Loan in 2008

*Projects with an approved loan remain on the Priority / Fundable List until the project is complete.

**APPENDIX B
Drinking Water Revolving Fund
2008 Project Priority / Fundable List**

060002D	3	35	Cucharas SWD	Huerfano	128100	145		\$269,000	N	11/29/06	20	D	3.75	Inadequate looping, flushing and circulation as well as winter freezing of distribution lines.	Distribution system improvements.	Funded with P&D Grant in 2007 and DWRF Loan in 2008
050025D	3	25	Fraser, Town of	Grand	125288	996	\$1,534,500		N	5/2008	20	D	3.75	The system is not metered. This creates problems in effectively managing water usage and promoting water conservation.	Installation of approximately 350 water meters, installation and replacement of transmitting units and installation of back-flow prevention devices.	Not Ready to Proceed
050021D	4	36	Eckley, Town of	Yuma	163001	278	\$1,025,000	\$100,000	Y	10/2007	30	D	0	Exceeding MCL for arsenic	Treatment plant improvements to remove arsenic.	Received funding from State WQCD Grant. Funded with P&D Grant in 2004 and DAC Loan in 2008
960161D	5	60	Genoa, Town of	Lincoln	137005	211		\$175,000	Y	12/20/06	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Install new distribution lines	Received funding from State WQCD Grant. Funded with P&D Grant in 2006 and DAC Loan in 2008
960105D	5	55	Sedalia WSD	Douglas	118060	220	\$2,525,000		N	5/2008	30	D	3.75	Replace aged infrastructure for compliance with Total Coliform Rule and upcoming Groundwater Rule.	New chemical feed system, well redevelopment; pump upgrades; new storage tanks; transmission line installation and distribution system improvements including hydrants.	Not Ready to Proceed
050048D	5	55	Stratton, Town of	Kit Carson	132020	630	\$1,000,000	\$483,000	Y	11/2007	30	D	1.875	Ensure compliance with ground water rule, install disinfection to meet MCLs on coliform, aging distribution system	Improvement / Expansion of Water Treatment Facility; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities;	Received funding from Energy & Mineral Impact Assistance Fund. Funded with P&D Grant in 2006 and DAC Loans in 2007 and 2008.
960126D	5	45	Arapahoe County WWA	Arapahoe	203002	24,536		\$16,049,975	N	11/2/06	15	L	3.31	Replace aged infrastructure to ensure compliance with Enhanced Surface Water Treatment Rules.	Construct water treatment plant; new water supply wells; install pipelines serving new plant; and property acquisition for new plant.	Funded with DWRF loan in 2007.
990013D	5	45	Cottonwood WSD	Douglas	118020	2,375		\$9,996,005	N	11/2/06	20	L	3.42	Iron, manganese and hydrogen sulfide contamination.	Construct water treatment plant; new water supply wells; pipelines serving plant and property acquisition.	Funded with DWRF loan in 2006
050032D	5	40	Las Animas, City of	Bent	0106300	2,758		\$812,000	Y	11/2007	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Improvement / Expansion of Existing Water Treatment Plant; Distribution / Transmission Lines Construction / Rehabilitation; Water Storage Facilities; Water Supply Facilities; Water Meters	Received funding from CDBG. Funded with P&D Grant in 2007 and DAC Loan in 2008.
060012D	5	35	Ralston Valley WSD	Jefferson	130667	1,300		\$1,300,000	N	8/9/06	20	D	3.75	Aged transmission and distribution system that may cause contamination if not replaced. Compliance with Total Coliform Rule.	Install pressure reducing stations, new distribution lines; control valves and fire hydrants.	Funded with P&D Grant in 2006 and DAC Loan in 2006.
030045D	5	20	Ordway, Town of	Crowley	113700	1,322		\$114,300	Y	12/2/06	30	D	0	Aged transmission and distribution system that may cause contamination if not replaced.	Install new distribution lines	Received funding from State WQCD Grant. Funded with P&D Grant in 2006 and DAC Loan in 2006.

Total: \$14,853,000 \$54,089,114

^DC - Disadvantaged Communities

Y-Yes, N-No

*Projects with an approved loan remain on the Priority / Fundable List until the project is complete.

Attachment 9

Compliance Data Worksheet

DWRF Biennial Report - Compliance Data Worksheet

January 1, 2008 - December 31, 2008

Entity/Project	Project Number	Loan Amount	Population	Assistance for System Compliance with SDWA				Loan Closing Date
				Non-Compliant <i>to achieve</i> Compliance	Compliant <i>to maintain</i> Compliance	Compliant <i>to meet</i> Future Requirements	Other assistance not compliance related	
Del Norte, Town of	080003D	\$934,000.00	1,674		\$934,000			12/31/08
East Alamosa W&SD	000007D	\$2,000,000.00	1,200	\$2,000,000				07/24/08
Eckley, Town of	050021D	\$100,000.00	278	\$100,000				07/30/08
Estes Park, Town of	990019D	\$5,494,410.09	5,921			\$5,494,410		06/12/08
Hotchkiss, Town of	010017D	\$925,000.00	960	\$925,000				04/23/08
Kim, Town of	030033D	\$118,000.00	79	\$118,000				05/30/08
La Veta, Town of	020024D	\$1,134,000.00	896		\$1,134,000			04/11/08
Las Animas, City of	050032D	\$812,000.00	2,600		\$812,000			03/26/08
Olde Stage WD	960084D	\$150,000.00			\$150,000			10/17/08
Pagosa Area WSD	960087D	\$7,158,869.96	17,730			\$7,158,870		06/12/08
Paonia, Town of	000015D	\$448,200.00	1,500		\$448,200			11/05/08
Platte Canyon W&SD #2	060011D-2	\$475,000.00	900		\$475,000			07/15/08
Project 7 Water Auth	990036D	\$10,176,512.03			\$10,176,512			11/25/08
Stratton, Town of	050048D	\$90,000.00	630			\$90,000		12/03/08
Cumulative Dollar Amount:		\$30,015,992		\$3,143,000	\$14,129,712	\$12,743,280	\$0	
Cumulative Number of Agreements:		14		4	7	3	0	
Cumulative Population Served:			34,368	#REF!	#REF!	#REF!	0	

January 1, 2007 - December 31, 2007

Entity/Project	Project Number	Loan Amount	Population	Assistance for System Compliance with SDWA				Loan Closing Date
				Non-Compliant <i>to achieve</i> Compliance	Compliant <i>to maintain</i> Compliance	Compliant <i>to meet</i> Future Requirements	Other assistance not compliance related	
Hillrose, Town of	040033D	\$995,097.00	296			\$995,097		05/31/07
Stratton, Town of	050048D	\$483,000.00	630			\$483,000		12/20/07
Ordway, Town of	030045D	\$114,300.00	1,155		\$114,300			12/21/07
Cumulative Dollar Amount:		\$1,592,397		\$0	\$114,300	\$1,478,097	\$0	
Cumulative Number of Agreements:		3		0	1	2	0	
Cumulative Population Served:			2,081	0	1,155	896	0	

Compliance Objective	Loan Amount
Non-Compliant to Achieve Compliance: 4	\$3,143,000.00
Compliant to Maintain Compliance: 8	\$14,244,012.00
Compliant to Meet Future Requirements: 5	\$14,221,377.00
	\$31,608,389.00

