

Colorado Water Conservation Board

CONSTRUCTION FUND
AND
SEVERANCE TAX TRUST FUND
PERPETUAL BASE ACCOUNT

SMALL PROJECT LOAN REPORT



Colorado Water Conservation Board
Department of Natural Resources

2005

PREFACE

Pursuant to Section 37-60-122(b) of the C.R.S. the Colorado Water Conservation Board (CWCB) is required to submit a report by January 15th of each year to the Colorado General Assembly describing the basis for all Construction Fund and Severance Tax Trust Fund Perpetual Base Account loans authorized by the CWCB under \$5,000,000. This report fulfills the CWCB reporting obligations for those small project loans for calendar year 2004.

The report includes a summary spreadsheet identifying each loan approval date, the project sponsor or borrower, the project name, the loan amount, and the name of the County and river basin where the project is located. There were 12 loan projects under \$5 million approved by the CWCB in calendar year 2005. The Board also approved loan amount increases to 3 previously approved projects. The total loan value of the 15 projects was almost \$20,000,000

Also included in the report is a loan project data sheet for each project that includes a project description, project location map, and other pertinent loan and project information.

Colorado Water Conservation Board
 Small Project Loans - Severance Tax Trust Fund Perpetual Base Account
 For Calendar Year 2005

Item	Date Approved	Sponsor	Project	Amount Approved	County	Basin
1	01/26/05	Dolores Water Conservancy District	WETPACK II Project	\$ 3,323,180	Montezuma	Dolores & San Juan
2	05/24/05	Bijou Irrigation District	Empire Reservoir Rehabilitation	\$ 672,660	Morgan & Weld	South Platte
3	05/24/05	Sheek Ditch Company	Sheek Ditch Pipeline Project	\$ 427,200	Montezuma	Dolores & San Juan
4	05/24/05	Carpenter & Mitchell Ditch Company	Carpenter & Mitchell Ditch Pipeline Project	\$ 607,200	Montezuma	Dolores & San Juan
5	07/18/05	Overland Ditch and Reservoir Company	Overland Reservoir Rehabilitation	\$ 1,141,300	Delta	Gunnison
6	07/18/05	Number Six Ditch Company	Number Six Ditch Pipeline Project	\$ 688,942	Montezuma	Dolores & San Juan
7	07/18/05	East Mancos Highline Ditch Company	East Highline Ditch Pipeline Project	\$ 904,000	Montezuma	Dolores & San Juan
8	09/14/05	Little Thompson Water District	Dry Creek Reservoir Construction	\$ 4,994,955	Larimer	South Platte
9	09/14/05	Central Weld County Water District	Dry Creek Reservoir Construction	\$ 4,994,955	Larimer	South Platte
10	09/14/05	The High Line Canal Company	Smith Arroyo Siphon Rehabilitation	\$ 458,540	Otero	Arkansas River
11	11/16/05	The Highland Ditch Company	Foothills Reservoir Dam Repair Project	\$ 545,400	Boulder & Weld	South Platte
12	03/22/05	Guenzi Farms	Increase to Groundwater Recharge Project	\$ 17,261	Logan	South Platte
13	11/16/05	Buffalo Farms Water Development, LLC	Increase to Groundwater Recharge Project	\$ 81,810	Logan	South Platte

Total Small Project Loans Approved in 2005 From Severance Tax

\$ 18,857,403

Colorado Water Conservation Board
 Small Project Loans - Construction Fund
 For Calendar Year 2005

Item	Date Approved	Sponsor	Project	Amount Approved	County	Basin
1	03/22/05	Lower Sacramento Creek Reservoir Company	Lower Sacramento Creek Reservoir Rehabilitation	\$ 375,013	Park	South Platte
2	05/24/05	Stromberger Land & Cattle Company, LLC	Increase to Stromberger Land & Cattle Co. Recharge Project	\$ 259,860	Grand	Colorado River

Total Small Project Loans Approved in 2005 From Construction Fund

\$ 634,873

Water Project Construction Loan Program - Project Data Sheet

Borrower: Dolores Water Conservancy
District – Water Activity Enterprise

Project Name: WETPACK II

Drainage Basin: Dolores

Total Project Cost: \$3,692,000

Type of Borrower: Agricultural

CWCB STTFPBA Loan: \$3,323,180

County: Montezuma

Project Type: Pressurized Irrigation

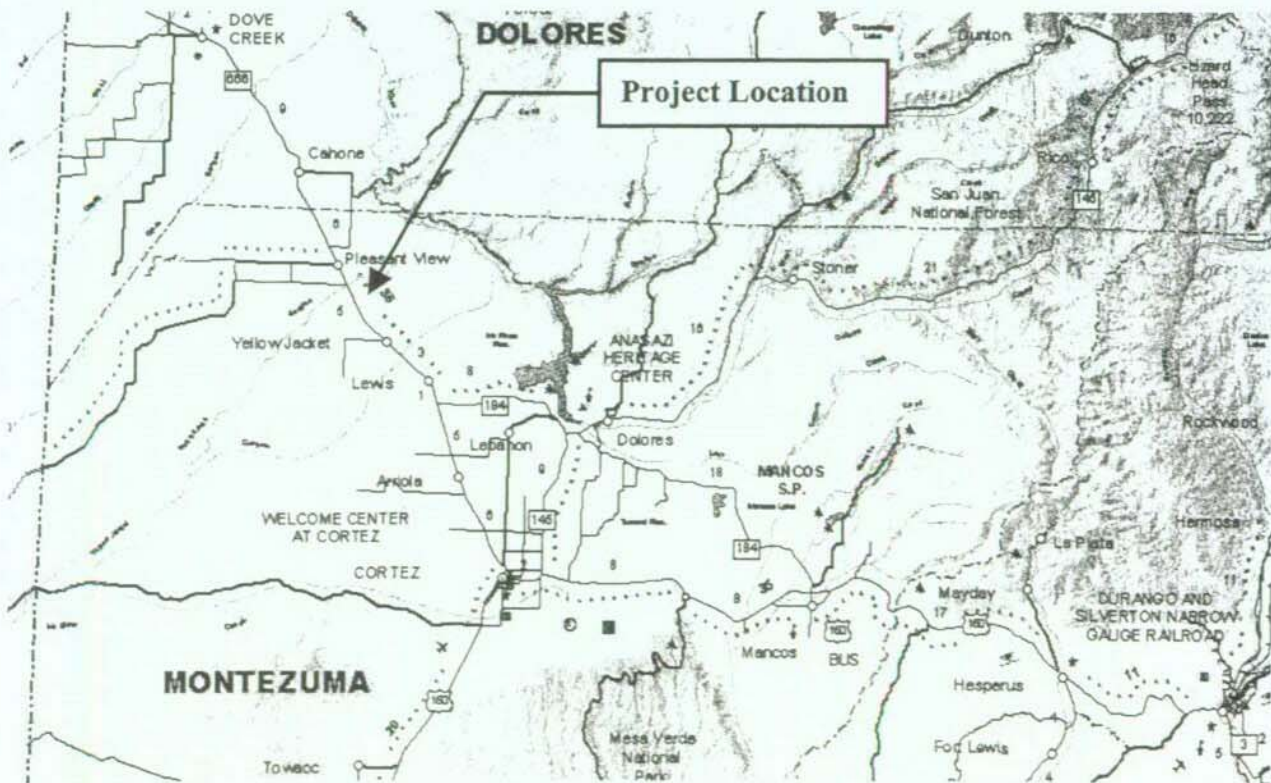
Water Source: Montezuma Valley Irrigation
Irrigation Company (MVIC)

Funding Sources: CWCB, DWCD

Aver. Delivery: 4400 AF

Interest Rate: 2.50% **Term:** 30 years

DWCD is applying for a loan to construct pumping plant and pipeline facilities to provide water to irrigate existing dry land, as part of WETPACK (Water for Everyone Tomorrow Package.) The new loan would replace the remaining unused amount (\$2,931,200) on an existing \$5,461,200 (3.5%, 30-year) loan contract approved in 2002. DWCD has incurred cost increases due to drought-related delays. To date, 1500 MVIC Class B Shares providing 6,000 AF/year have been acquired, and construction on the 440-acre Sandstone West irrigation project is in process. The proposed project would irrigate approximately 2,200 acres in the Yellow Jacket East (1,011 ac.) and Pleasant View East (1,189 ac.) areas, using approximately 4,400 acre-feet of the MVIC Class B shares. Construction at this level would provide irrigation to a total of 2892 acres and utilize 5,780 AF of water per year. Construction will involve pipelines, pumps and related facilities to deliver water, through the Dove Creek Canal System, under pressure for sprinkler irrigation only. The project will provide the irrigated land with delivery boxes for each 160 acres (or less) providing at least 45 psi of pressure to operate sprinkler systems. In the Yellow Jacket East area, facilities will include a new pump station along the Dove Creek Canal, approximately 10,560 feet of pipe ranging in size from 10 inches to 16 inches, and 9 delivery boxes; and in the Pleasant View East area, will consist of a new pump station, approximately 15,840 feet of pipe ranging in size from 10 inches to 24 inches, and 12 delivery boxes.

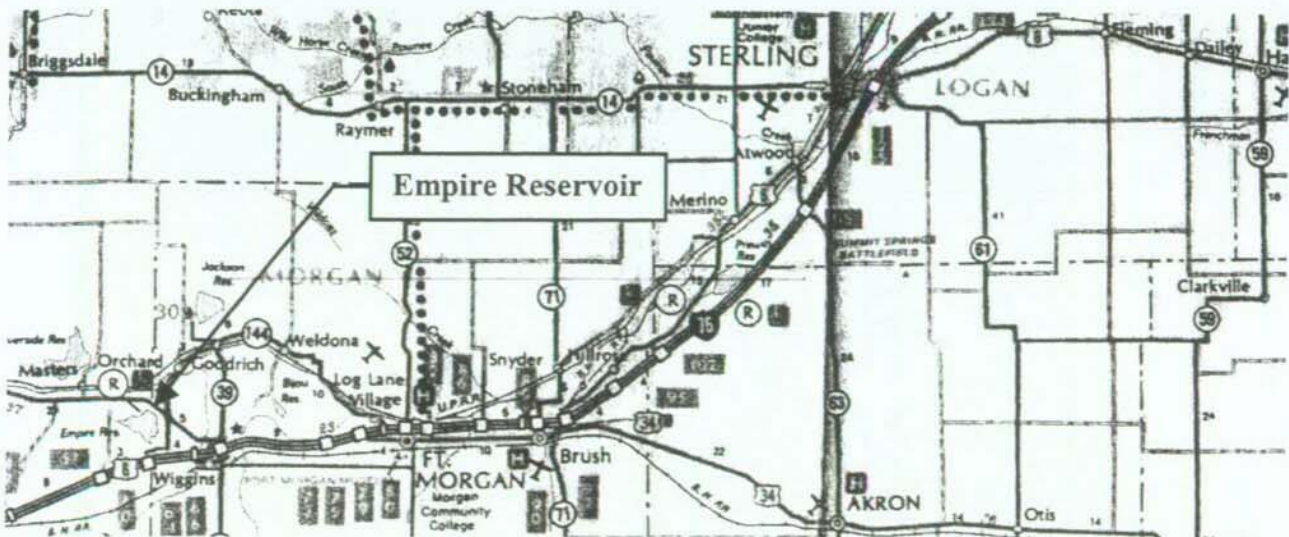


Location Map

Water Project Construction Loan Program - Project Data

Borrower: Bijou Irrigation District (BID)	County: Morgan & Weld
Project Name: Empire Reservoir	Project Type: Reservoir Rehabilitation
Drainage Basin: South Platte	Water Source: So. Platte River
Total Project Cost: \$740,000	Funding Sources: CWCB, BID
Type of Borrower: Agricultural	Aver. Delivery: 19,900 acre-feet
CWCB STTFPBA Fund Loan: \$666,000	Interest Rate: 2.50% Term: 30 years

BID is a statutory Irrigation District (1905) and owns and operates Empire Reservoir located west of Fort Morgan in Weld and Morgan Counties. It is an off-stream reservoir primarily impounded by four separate dams constructed in about 1905. Water is diverted from the South Platte River through the Empire Intake Ditch. The water storage rights are 37,709 acre-feet and there is one refill right. The water storage at gage height 30.0 is 36,142 AF. Currently, the reservoir is restricted to a gage height of 29.0 by the SEO. The reservoir has a history of seepage problems through the Outlet Dam and the McIntyre Dam, but the East Dam had toe drains installed in the mid -1980's. The SEO has concerns about seepage increase and stability due to the additional head from storm runoff, and has required the installation of an emergency spillway. The proposed project will consist of the construction of new unregulated 40' wide spillway and outfall channel with a crest elevation of 30.0. The one-foot increase in storage height will result in 2,682 AF of recovered storage. In addition, the project will include 4,400 linear feet of toe drain located in the Outlet Dam and the McIntyre Dam. BID is a special taxing district that levies a tax per acre, with an assessment zone currently consisting of 19,177 acres. The existing levy of \$10 per acre will be increased to \$12 per acre for CWCB loan repayment.



Location Map

CWCB Construction Loan Program Project Data Sheet

Borrower: Sheek Ditch Co

County: Montezuma

Project Name: Sheek Ditch Pipeline Project

Project Type: Ditch Piping for Salinity Control

Drainage Basin: San Miguel-Dolores/San Juan

Water Source: Mancos River

Total Project Cost: \$427,200

Funding Sources: NRCS, CWCB

Type of Borrower: Agricultural

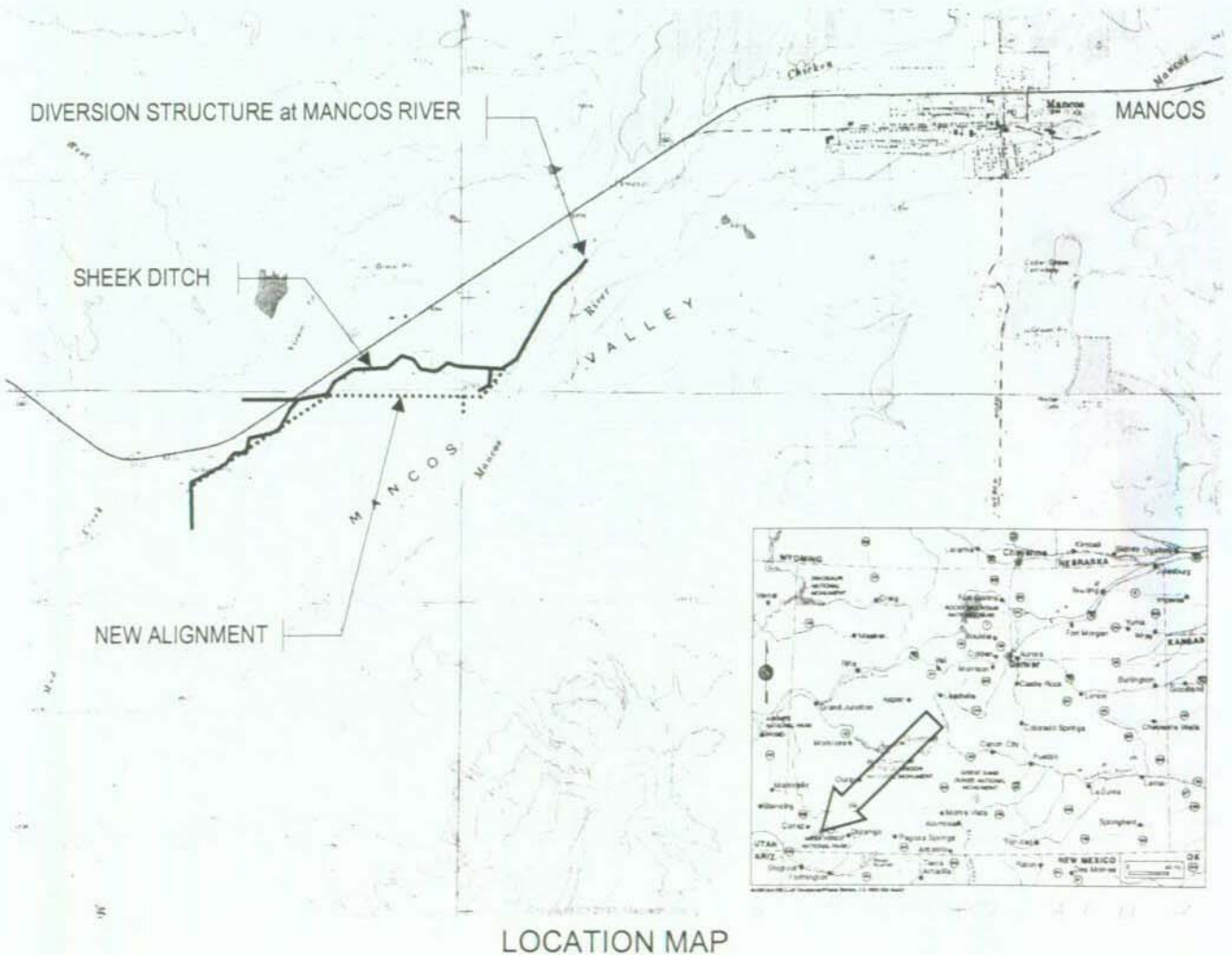
Average Delivery: 1,781 acre-feet

Loan Amount: \$160,200 (Initial loan \$427,200)

Interest Rate: 2.5%

Term: 30 years

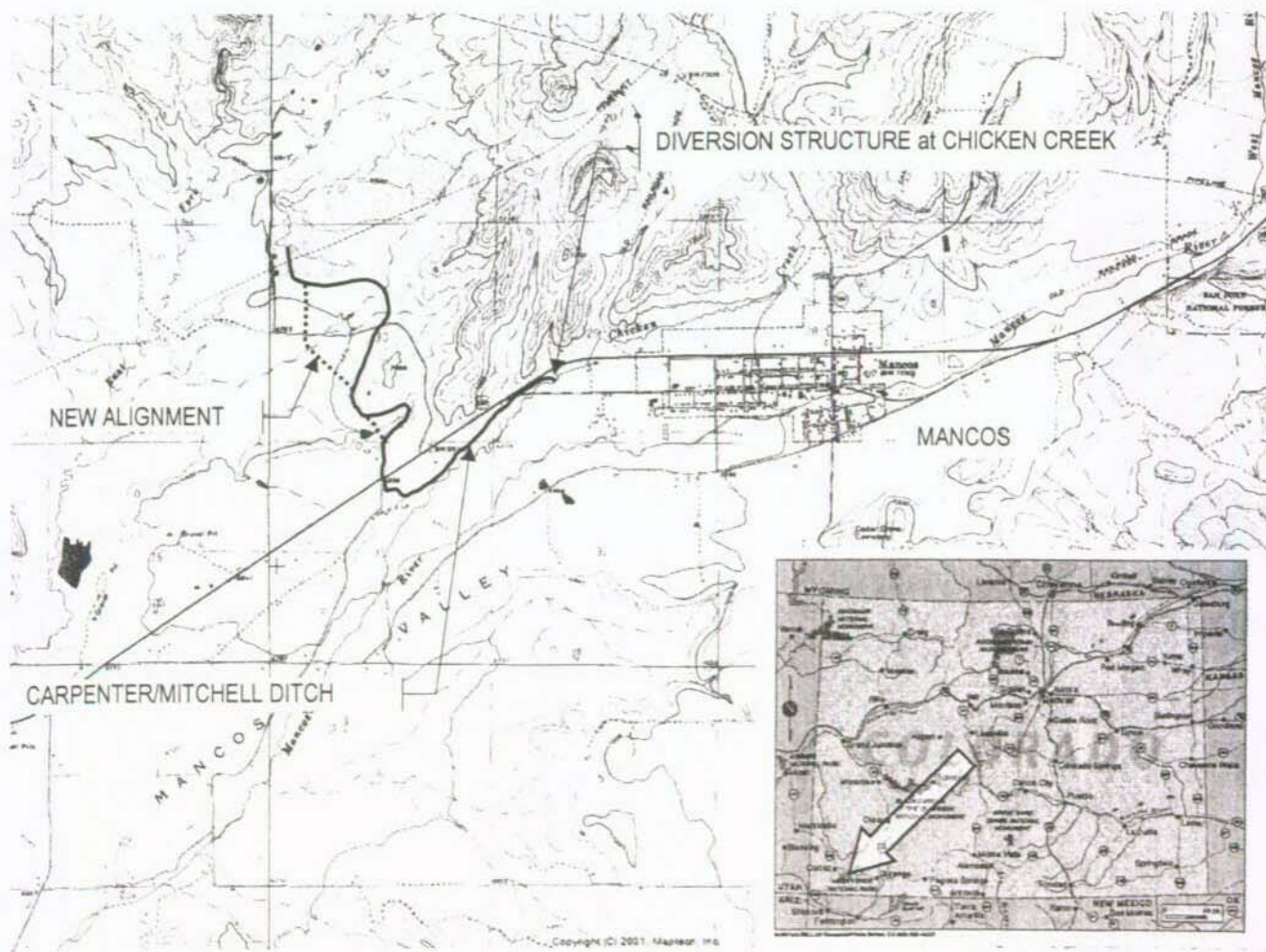
The Sheek Ditch Company is a non-profit corporation established in the State of Colorado in 2004. The Company manages the Sheek Ditch for the seventeen (17) members that own water rights and land served by the ditch. The diversion point is located west of the Town of Mancos, The ditch is approximately 3.6 miles (19,000 feet) long and carries approximately 9.3 cfs. The proposed ditch pipeline project will install new PVC piping from 21-inch to 8-inch pipe along with metered delivery points at member-owned lands. NRCS will provide planning, design and field engineering services. Proposed CWCB funding consists of an initial loan from CWCB for \$427,200 that will be reduced by an NRCS Colorado River Basin Salinity Control Program grant for \$267,000 following project completion. The remaining \$160,200 will become a 30-year CWCB Loan.



CWCB Construction Loan Program Project Data Sheet

Borrower: Carpenter & Mitchell Ditch Co	County: Montezuma
Project Name: Ditch Pipeline Project	Project Type: Ditch Piping for Salinity Control
Drainage Basin: San Miguel-Dolores/San Juan	Water Source: Chicken Creek (Mancos River)
Total Project Cost: \$607,200	Funding Sources: NRCS, CWCB
Type of Borrower: Agricultural	Average Delivery: 756 acre-feet
Loan Amount: \$227,700 (Initial loan \$607,200)	Interest Rate: 2.5% Term: 30 years

The Carpenter & Mitchell Ditch Company is a non-profit corporation established in the State of Colorado in 2004. The Company manages the Carpenter & Mitchell Ditch for the five (5) members that own water rights and land served by the ditch. The diversion point is located west of the Town of Mancos, The ditch is approximately 2.5 miles (13,000 feet) long and carries approximately 11.25 cfs. The proposed ditch pipeline project will install new PVC piping from 21-inch to 8-inch pipe along with metered delivery points at member-owned lands. NRCS may provide planning, design and field engineering services. Proposed CWCB funding consists of an initial loan from CWCB for \$607,200 that will be reduced by an NRCS Colorado River Basin Salinity Control Program grant for \$379,500 following project completion. The remaining \$227,700 will become a 30-year CWCB Loan.



LOCATION MAP

CWCB Construction Loan Program Project Data Sheet

Borrower: Overland Ditch and Reservoir Co.	County: Delta
Project Name: Overland Reservoir Enlargement	Project Type: Reservoir Enlargement
Drainage Basin: Gunnison River Basin	Water Source: Cow Creek
Total Project Cost: \$1,255,555	Funding Sources: CWCB & Local Bank
Type of Borrower: Agricultural	Average Delivery: 17,000 acre-feet
Loan Amount: \$1,130,000	Interest Rate: 2.5% Term: 30 years

The Overland Reservoir Company is a non-profit mutual ditch company established in the State of Colorado in 1895. The Company owns and operates the Overland Reservoir for the 120 shareholders and delivers an average of 17,000 AF of irrigation water annually. The Reservoir is located in Delta County in the Gunnison National Forest at an elevation of 10,000 feet. The Reservoir has a current storage capacity of 6,200 AF and will be increased to 7,171 AF with this project. The reservoir was built in 1905 and required significant repair work in 1987 by the Company with financial assistance from CWCB and the Bureau of Reclamation. This project consists of raising the spillway elevation by 3.8 feet, installing toe drains, increasing the dam crest width and adding necessary embankment protection. Construction is scheduled to begin in the summer of 2007.



CWCB Construction Loan Program Project Data Sheet

Borrower: Number Six Ditch Co

County: Montezuma

Project Name: Ditch Pipeline Project

Project Type: Ditch Piping for Salinity Control

Drainage Basin: San Miguel-Dolores/San Juan

Water Source: Mancos River

Total Project Cost: \$688,942

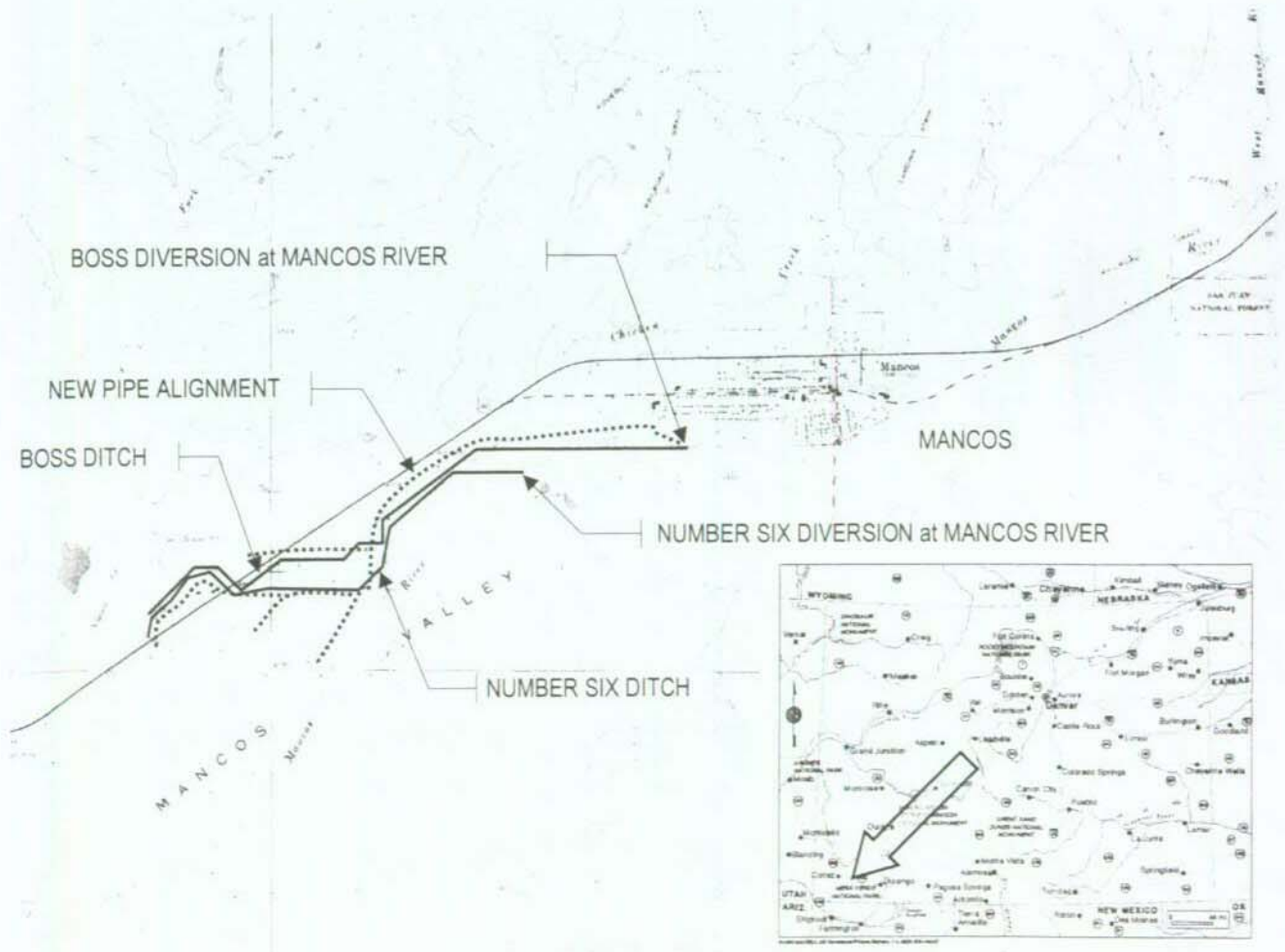
Funding Sources: NRCS, CWCB

Type of Borrower: Agricultural

Average Delivery: 2591 acre-feet

Loan Amount: \$258,353 (Initial loan \$688,942) **Interest Rate:** 2.5% **Term:** 30 years

The Number Six Ditch Company is a non-profit corporation established in the State of Colorado in 2004. The Company manages the Number Six Ditch for the 23 members that own water rights and land served by the ditch. The diversion point is located southwest of the Town of Mancos. The new pipeline ditch is approximately 5.5 miles long and carries approximately 9.5 cfs. The proposed ditch pipeline project will install new PVC piping from 24-inch to 4-inch pipe along with metered delivery points at member-owned lands. This pipeline will combine the Boss and the Number Six ditches. NRCS may provide planning, design and field engineering services. Proposed CWCB funding consists of an initial loan from CWCB for \$688,942 that will be reduced by an NRCS Colorado River Basin Salinity Control Program grant for \$430,589 following project completion. The remaining \$258,353 will become a 30-year CWCB Loan.

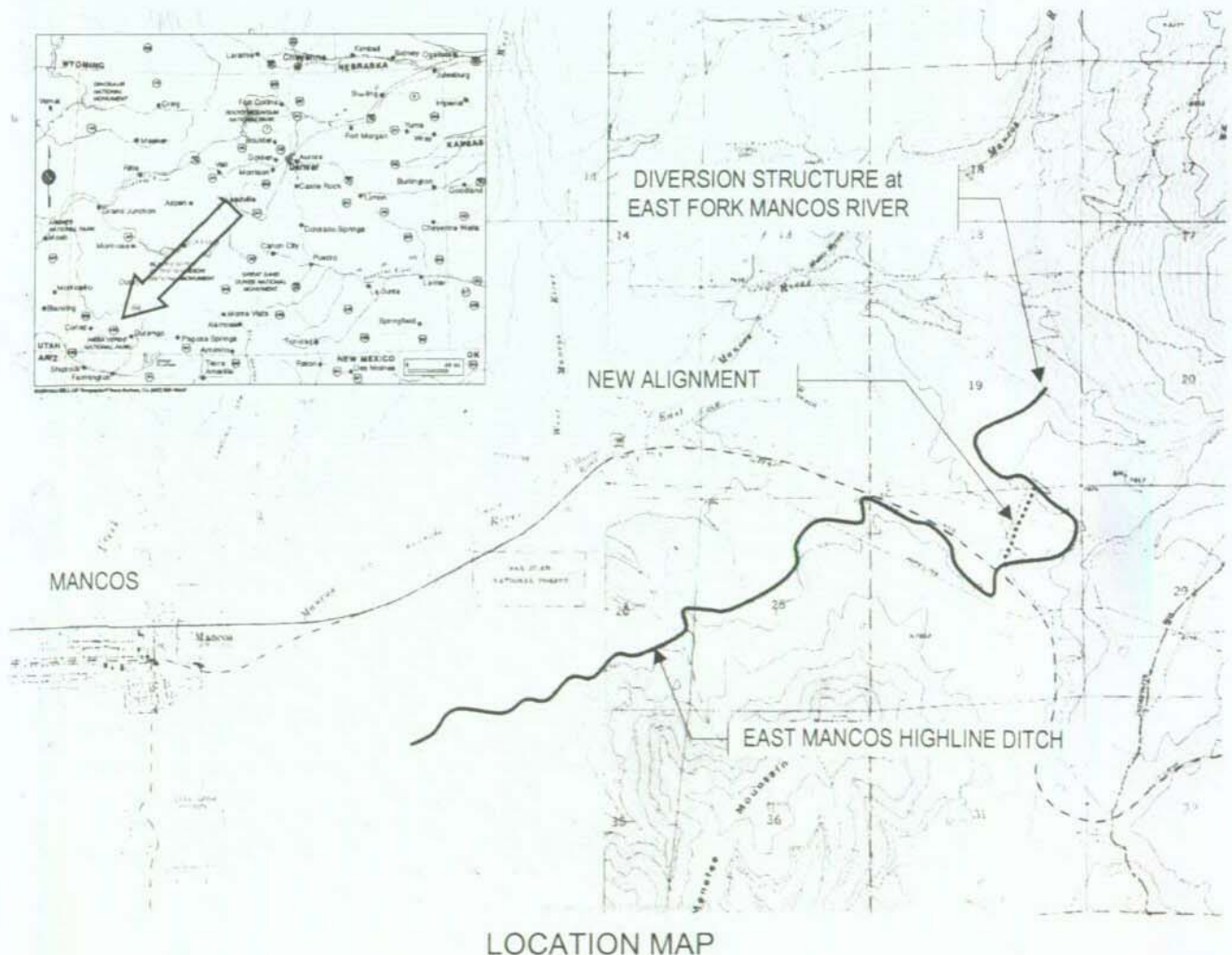


LOCATION MAP

CWCB Construction Loan Program Project Data Sheet

Borrower: East Mancos Highline Ditch Co	County: Montezuma
Project Name: Ditch Pipeline Project	Project Type: Ditch Piping for Salinity Control
Drainage Basin: San Miguel-Dolores/San Juan	Water Source: East Fork Mancos River
Total Project Cost: \$904,000	Funding Sources: NRCS, CWCB
Type of Borrower: Agricultural	Average Delivery: 869 acre-feet
Loan Amount: \$458,074 (Initial loan \$904,000)	Interest Rate: 2.5% Term: 30 years

The East Mancos Highline Ditch Company is a non-profit corporation established in the State of Colorado in 2004. The Company manages the East Mancos Highline Ditch for the six members that own water rights and land served by the ditch. The diversion point is located east of the Town of Mancos. The ditch is approximately 5.75 miles long and carries approximately 8.6 cfs. The proposed ditch pipeline project will install new PVC piping from 15-inch to 10-inch pipe along with metered delivery points at member-owned lands. NRCS may provide planning, design and field engineering services. Proposed CWCB funding consists of an initial loan from CWCB for \$904,000 that will be reduced by an NRCS Colorado River Basin Salinity Control Program grant for \$445,926 following project completion. The remaining \$458,074 will become a 30-year CWCB Loan.



Water Project Construction Loan Program-Project Data

Borrower: Little Thompson Water District

County: Larimer

Project Name: Dry Creek Reservoir

Project Type: New Reservoir

Drainage Basin: South Platte

Water Source: CBT

Total Project Cost: \$21,600,000

Funding Sources: CWCB, LTWD, CWCWD

Type of Borrower: Municipal (Middle/High)

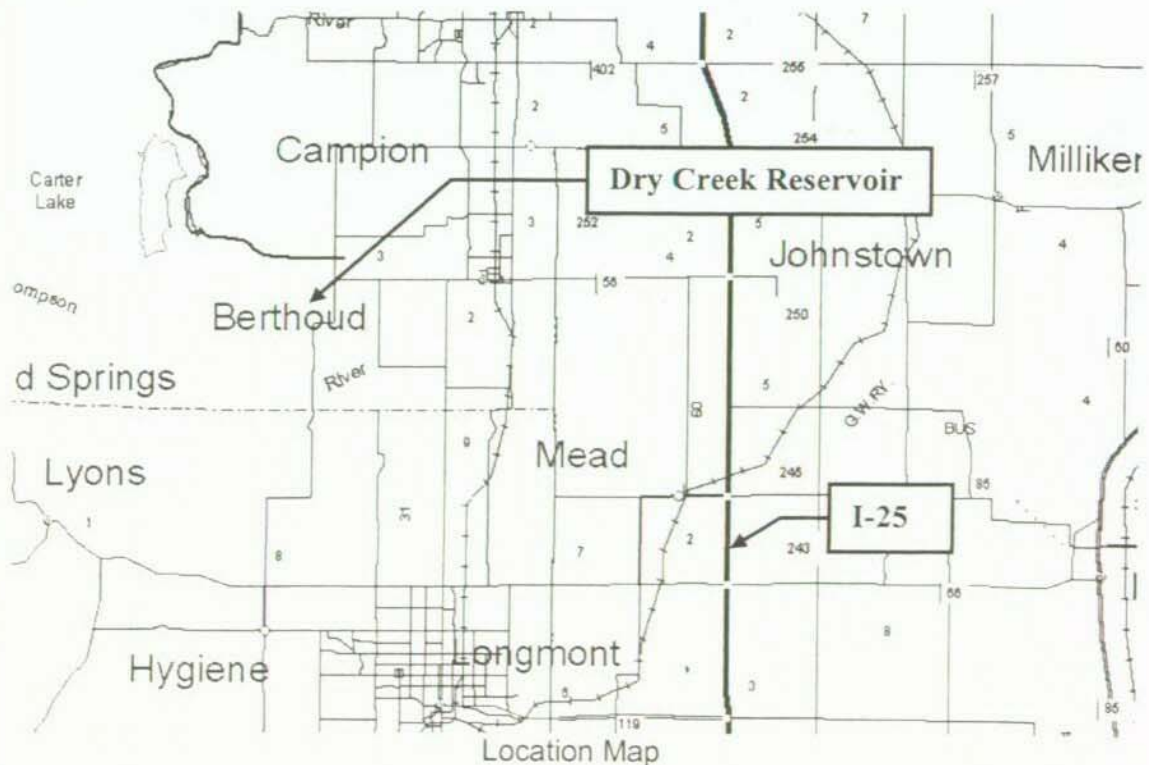
Aver. Delivery: 8,850 acre-feet

CWCB STTFPBA Fund Loan: \$4,945,500

Interest Rate: 3.60%

Term: 20 years

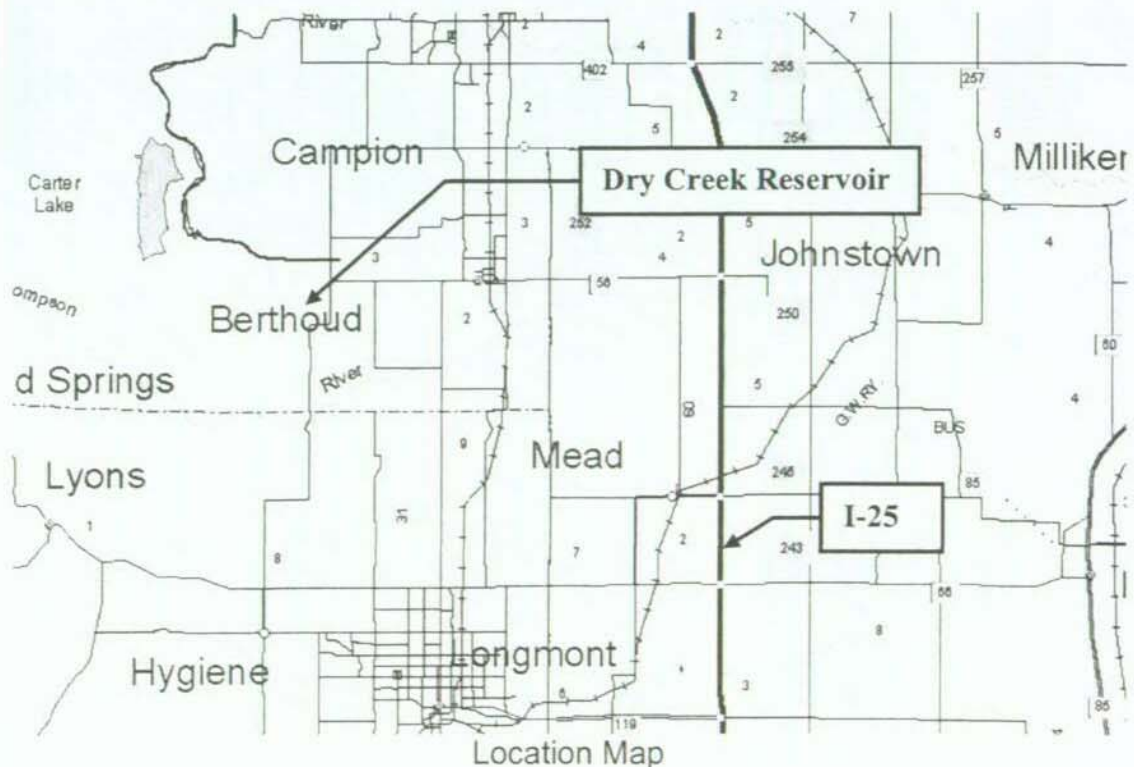
The Little Thompson Water District (LTWD) and Central Weld County Water District (CWCWD) are each applying for a CWCB loan to construct a new water storage reservoir in a 50/50 partnership. Both districts would jointly build, own and operate the proposed reservoir. This loan is in addition to a previous loan for a smaller 5200 acre-foot reservoir for \$3,937,500, approved in November 2002. LTWD and CWCWD jointly own the Carter Lake Filter Plant that treats Colorado-Big Thompson (C-BT) water. Currently, the filter plant has no raw water storage facility. All water treated by the plant is delivered directly from Carter Lake to the filter plant through the St. Vrain Supply Canal. Consequently, the Districts are entirely dependent on availability of water from Carter Lake. In wet years, the Districts are unable to treat and store all of the water to which they are entitled. In dry years, the Districts can have a shortage of water and are forced to meet their demands with water from outside entities. In addition, any condition that would interrupt supply from Carter Lake such as maintenance to Carter Lake or the St. Vrain Supply Canal also would cause interruption in operation of the treatment plant. The proposed project, located 2-3 miles southeast of Carter Lake, would include construction of an approximately 8,850 acre-foot reservoir, including a 55-foot high, 4,820-foot long earthen dam with emergency spillway and outlet works, construction of a 6,300 GPM pump station, and approx. 6500 lf of new 24" ductile iron line to connect to the existing 20" line at the NW corner of the reservoir leading to the Filter Plant. The reservoir will also gravity fill through this pipeline.



Water Project Construction Loan Program-Project Data

Borrower: Central Weld County Water District **County:** Larimer
Project Name: Dry Creek Reservoir **Project Type:** New Reservoir
Drainage Basin: South Platte **Water Source:** CBT
Total Project Cost: \$21,600,000 **Funding Sources:** CWCB, LTWD, CWCWD
Type of Borrower: Municipal (Middle/High) **Aver. Delivery:** 8,850 acre-feet
CWCB STTFPBA Fund Loan: \$4,945,500 **Interest Rate:** 3.70% **Term:** 20 years

The Central Weld County Water District (CWCWD) and Little Thompson Water District (LTWD) are each applying for a CWCB loan to construct a new water storage reservoir in a 50/50 partnership. Both districts would jointly build, own and operate the proposed reservoir. This loan is in addition to a previous loan for a smaller 5200 acre-foot reservoir for \$3,937,500, approved in November 2002. LTWD and CWCWD jointly own the Carter Lake Filter Plant that treats Colorado-Big Thompson (C-BT) water. Currently, the filter plant has no raw water storage facility. All water treated by the plant is delivered directly from Carter Lake to the filter plant through the St. Vrain Supply Canal. Consequently, the Districts are entirely dependent on availability of water from Carter Lake. In wet years, the Districts are unable to treat and store all of the water to which they are entitled. In dry years, the Districts can have a shortage of water and are forced to meet their demands with water from outside entities. In addition, any condition that would interrupt supply from Carter Lake such as maintenance to Carter Lake or the St. Vrain Supply Canal also would cause interruption in operation of the treatment plant. The proposed project, located 2-3 miles southeast of Carter Lake, would include construction of an approximately 8,850 acre-foot reservoir, including a 55-foot high, 4,820-foot long earthen dam with emergency spillway and outlet works, construction of a 6,300 GPM pump station, and approx. 6500 lf of new 24" ductile iron pipe line to connect to the existing 20" line at the NW corner of the reservoir leading to the Filter Plant. The reservoir will also gravity fill through this pipeline.



CWCB Construction Loan Program Project Data Sheet

Borrower: High Line Canal Co.

County: Otero

Project Name: Smith Arroyo Siphon Replacement

Type: Ditch Rehabilitation

Drainage Basin: Arkansas River

Water Source: Arkansas River

Total Project Cost: \$505,000

Funding Sources: Company & CWCB

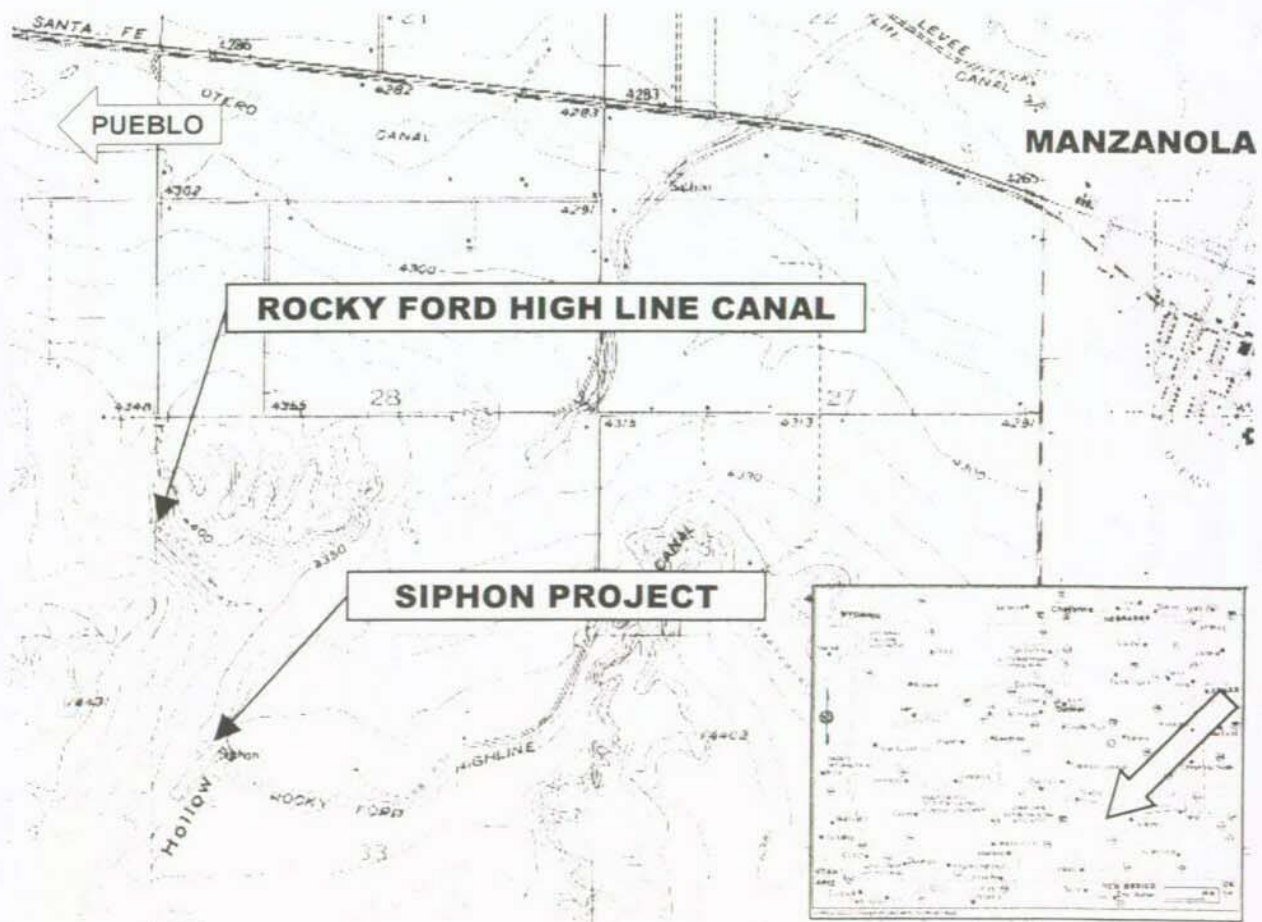
Type of Borrower: Agricultural

Average Delivery: 100,000 acre-feet

Loan Amount: \$454,000

Interest Rate: 2.25% **Term:** 20 years

The High Line Canal Company is a non-profit mutual ditch company established in 1889. The Company owns and operates the Rocky Ford High Line Canal for the 230 shareholders and delivers an average of 100,000 AF of irrigation water annually. The Canal diverts water from the Arkansas River near the Town of Boone and runs on the south side of the river and ends south of Rocky Ford. The Canal runs a decreed flow of 501 cfs and is used to irrigate agricultural land to grow corn, wheat, alfalfa, hay and vegetables. The Smith Arroyo Siphon was originally constructed with concrete encased wood stave pipe and requires repair. The six-foot diameter Siphon is 300 feet long and delivers approximately 330 cfs to 15,000 acres of land downstream. The Siphon was constructed in the early 1920's and repairs are several years overdue. This project consists of installing new 72-inch diameter reinforced concrete pipe and a traveling water screen, conveyor and trash rack. Construction is scheduled to begin in the fall/winter of 2005.



CWCB Construction Loan Program Project Data Sheet

Borrower: Highland Ditch Company

County: Boulder & Weld

Project Name: Foothills Reservoir Dam Repair Project

Type: Dam Rehabilitation

Drainage Basin: South Platte River

Water Source: Saint Vrain River

Total Project Cost: \$600,000

Funding Sources: Company & CWCB

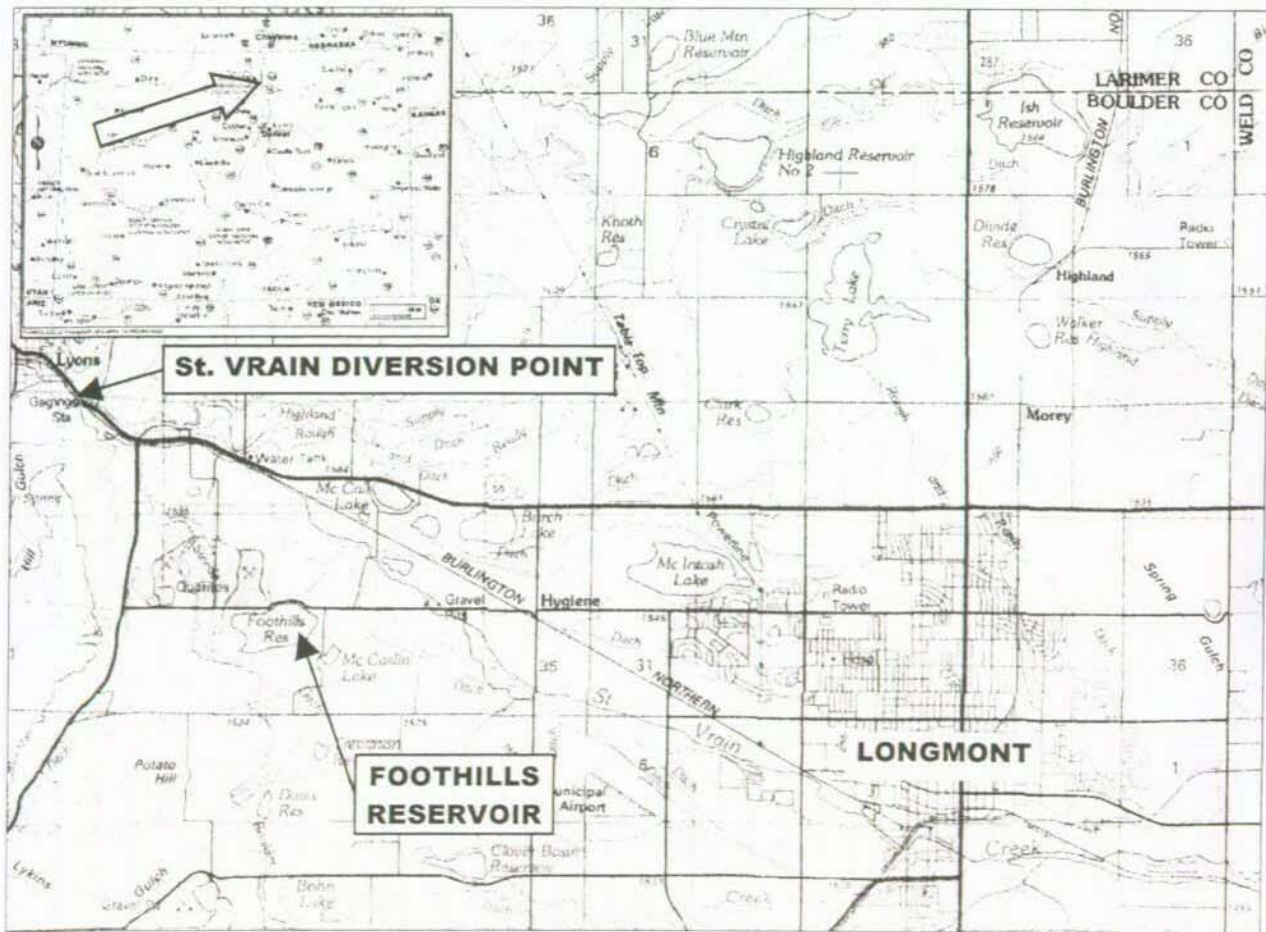
Type of Borrower: Agricultural

Average Delivery: 32,550 acre-feet

Loan Amount: \$545,400

Interest Rate: 2.25% **Term:** 20 years

The Highland Ditch Company is a non-profit mutual ditch company established in 1872. The Company owns and operates the Foothills Reservoir and several other reservoirs and ditches in the Boulder/Weld county area. The Company delivers an average of 32,200 AF of irrigation water to its shareholders. The Reservoir Dam was rehabilitated in 2001 with the assistance of a CWCB Loan. After the rehabilitation was complete, the reservoir was filled above gage height 39 feet for the first time since the 1970's and excessive seepage was noted in an isolated portion of the dam. The Reservoir is currently restricted by the SEO to about 70% of its 4,320AF capacity. The current Project will include excavating a core trench into the center of the dam to cut off seepage and add stability. The Project is currently under construction utilizing bridge financing.

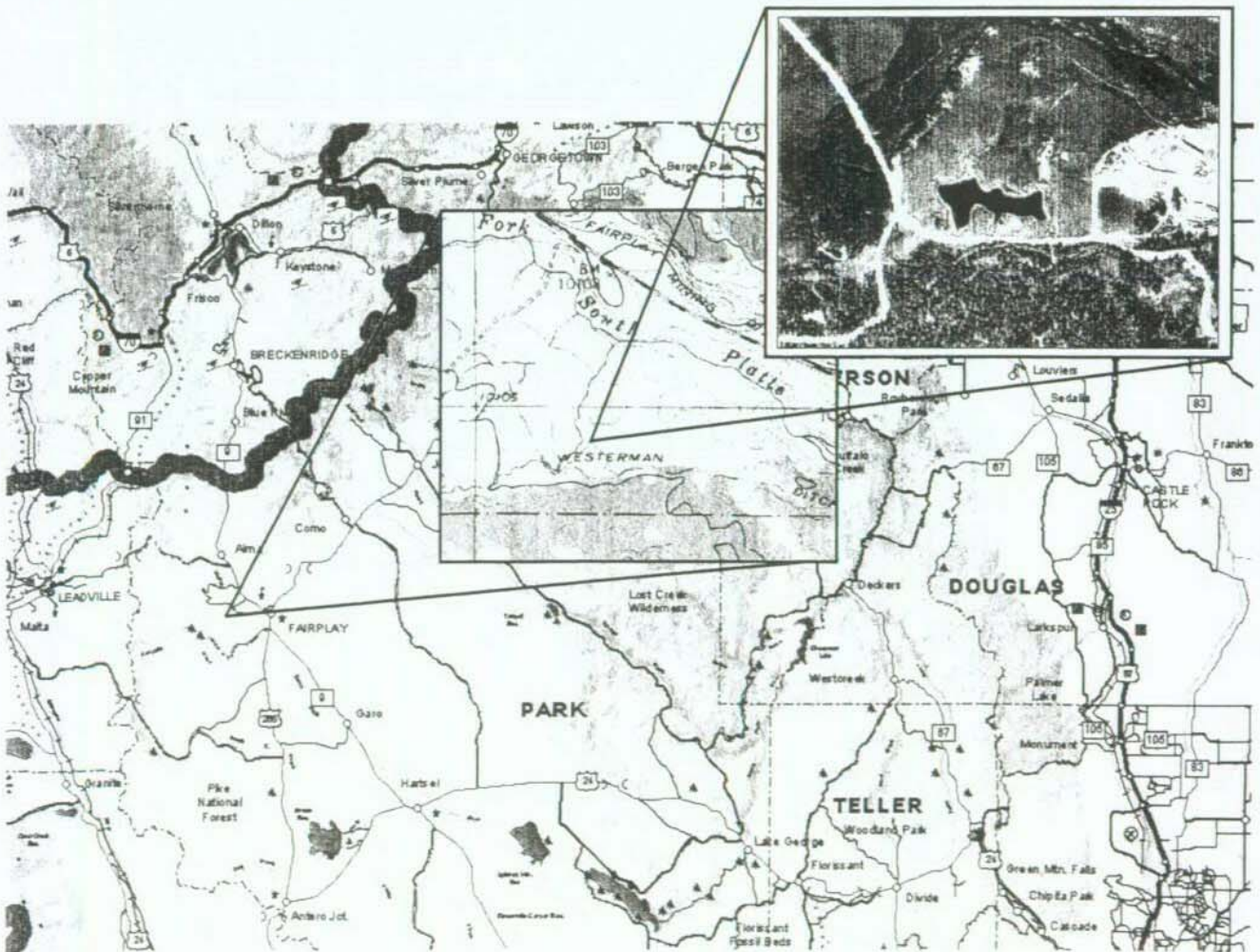


LOCATION MAP

CWCB Construction Loan Program PROJECT DATA SHEET

Borrower: Lower Sacramento Creek Reservoir Company	County: Park
Project Name: Reservoir Rehabilitation Project	Drainage Basin: South Platte
Project Type: Reservoir Rehabilitation	Water Source: Sacramento Creek
Total Project Cost: \$495,072	Funding Sources: CWCB & Company
Loan Amount: \$371,300	Reservoir Capacity: 37 AF (Currently 26 AF)
Type of Borrower: Municipal	Interest Rate: 3.75% Term: 20 years

The Lower Sacramento Creek Reservoir (Reservoir) is located in Park County at an elevation of 10,100 feet. The Reservoir is used for winter augmentation water storage for several developments in the Fairplay area. The Reservoir receives water (cumulative diversion rate of all seven shareholders is 2.4 cfs) from the Sacramento Creek via the Platte City Placer Mine Ditch. The current Reservoir capacity is 26 AF, however it has a decreed capacity of 37 AF. The original clay lining, installed in 1980, began to fail soon after construction and continues to degrade. The inability of the Reservoir to hold water makes it extremely difficult to use for augmentation purposes. The Project will increase the Reservoir capacity and install a new PVC liner. The Project is expected to cost \$495,072 and be completed in the summer of 2005. The Reservoir Company is comprised of 3700 shares (100 shares = 1.0 AF). The Project is expected to be completed in the summer of 2005.



LOCATION MAP