



## COLORADO

### Colorado Water Conservation Board

Department of Natural Resources  
1313 Sherman Street, Room 718  
Denver, CO 80203

January 15, 2023

Members of the 2023 Colorado General Assembly

Re: CWCB - Small Project Loan Report  
Loans Approved in Calendar Year 2022  
Construction Fund and Severance Tax Perpetual Base Fund

Pursuant to C.R.S. § 37-60-122(b), the Colorado Water Conservation Board (CWCB) is submitting the attached written determination of the basis for all loans under \$10,000,000 authorized during the 2022 calendar year. The report will be presented to the CWCB at the January 23-24, 2023 Board meeting.

The report will be posted on the web at [www.leg.colorado.gov](http://www.leg.colorado.gov) and on the CWCB website [www.cwcb.state.co.us](http://www.cwcb.state.co.us). A copy of the report has been submitted to the Legislative Library, Room 029 of the State Capitol Building. Paper copies of the Report can be made available upon request.

If you have questions or need additional copies of the report, please contact Ms. Daphne Gervis, Legislative Liaison, at 303-866-3311 x8664.

Sincerely,

Rebecca Mitchell, Director  
Colorado Water Conservation Board



# **Colorado Water Conservation Board**

CONSTRUCTION FUND  
AND  
SEVERANCE TAX  
PERPETUAL BASE FUND

## **SMALL PROJECT LOAN REPORT** (2022 CALENDAR YEAR)



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

Colorado Water Conservation Board  
Department of Natural Resources

January 15, 2023

## 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 15<sup>th</sup> of each year to the Colorado General Assembly describing the basis of all Construction Fund and Severance Tax Perpetual Base Fund loans authorized by the CWCB under \$10,000,000. This report fulfills the CWCB reporting obligations for those “Small Project” loans for Calendar Year 2022.

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 new loan projects under \$10,000,000 approved by the CWCB in Calendar Year 2022. The total loan value is approximately \$26 million.

Included in the report is a loan project Data Sheet for each new loan project. The Data Sheet includes a project description, project location map, and other pertinent loan and project information.

January 15, 2023

**Colorado Water Conservation Board  
Small Project Loans  
For Calendar Year 2022**

	<b>Date Approved</b>	<b>Borrower</b>	<b>Project</b>	<b>Amount Approved</b>	<b>Funding Source*</b>	<b>County</b>	<b>Basin</b>
1	01/24/22	Town of Dove Creek	Reservoir No. 2	\$ 808,000	CF	Pueblo	Southwest
2	01/24/22	Triview Metropolitan District	Stonewall Springs Reservoir Complex	\$ 4,778,310	CF	Dolores	Arkansas
3	05/17/22	The City of Grand Junction	Kannah Creek Flowline Replacement	\$ 3,232,000	ST	Mesa	Gunnison
4	07/21/22	Grand View Irrigation Company	Siphon Repair Project	\$ 353,500	ST	Fremont	Arkansas
5	07/21/22	Sunnyside Park Ditch Company	Sunnyside Park Ditch Piping	\$ 654,480	ST	Chaffee	Arkansas
6	09/20/22	North Poudre Irrigation Company	Park Creek Expansion Project	\$ 6,544,800	ST	Larimer, Weld	South Platte
7	09/20/22	Morrisania Water Supply Company	Ditch Rehabilitation Project	\$ 141,400	ST	Garfield	Colorado
8	09/20/22	Smith and Emmons Ditch Company	Diversion Structures Replacement Project	\$ 414,100	ST	Weld	South Platte
9	09/20/22	Uncompahgre Valley Water Users Association	Taylor Park Hydro Powerplant	\$ 1,701,850	ST	Gunnison	Gunnison
10	09/20/22	Town of Keenesburg	Alluvial Water Rights Extension Project	\$ 2,121,000	ST	Weld	South Platte
11	11/16/22	Rio Grande Water Conservancy District – Special Subdistrict No. 3	Alpha Hay Farms Augmentation	\$ 2,580,550	ST	Conejos	Rio Grande
12	11/16/22	Groundwater Management Subdistrict of the TWCD	Alpha Hay Farms Augmentation	\$ 2,251,290	ST	Conejos	Rio Grande

**Total Amount Approved in 2022**

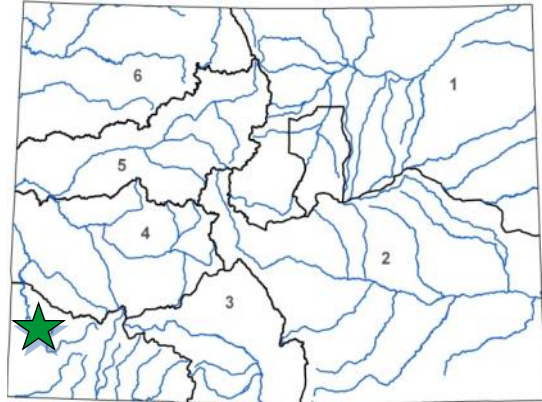
**\$ 25,581,280**

\*Indicates whether the funding source is from Construction Fund (CF) or Severance Tax Fund (ST)

**Loan Increases in 2022**

1	01/24/22	City of Victor	Victor Reservoir No. 2 Dam Rehabilitation	\$ 136,350	CT	Teller	Arkansas
2	03/15/22	South Platte Ditch Company	Diversion Structure Rehabilitation	\$ 378,750	ST	Washington	South Platte
3	05/17/22	The City of Grand Junction	Carson Reservoir Dam Rehabilitation Project	\$ 1,313,000	ST	Mesa	Colorado
4	09/20/22	Genesee Water and Sanitation District	Genesee Reservoir No. 1 Enlargement	\$ 1,313,000	CF	Jefferson	South Platte

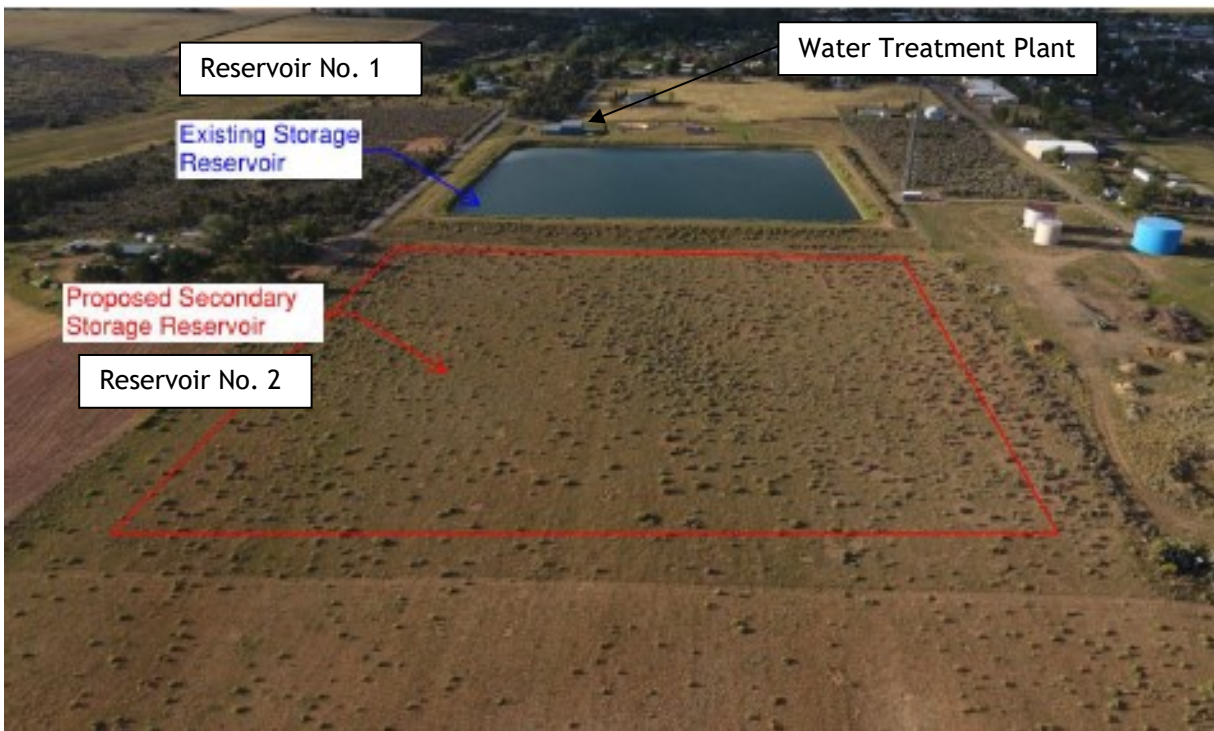
L O A N   D E T A I L S	
Project Cost:	\$1,600,000
Water Plan Grant	\$800,000
CWCB Loan (with 1% Service Fee):	\$808,000
Loan Term and Interest Rate:	30 Yrs @ 1.55%
Funding Source:	Construction Fund
B O R R O W E R   T Y P E	
Agriculture	Municipal
0%	100% Low - 0% Mid - 0% High
Commercial	0%
P R O J E C T   D E T A I L S	
Project Type:	Reservoir Storage
Average Annual Storage:	95 AF
New Storage Created:	100 AF



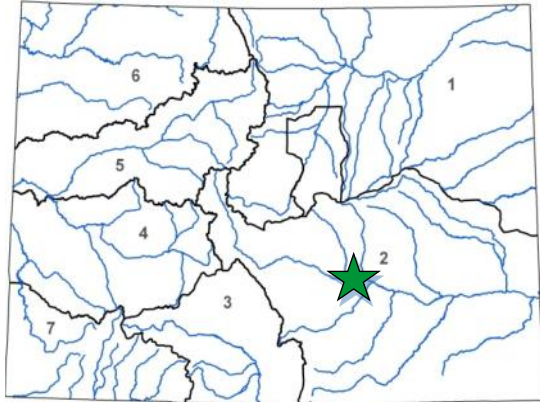
L O C A T I O N	
County:	Dolores
Water Source:	Dolores River
Drainage Basin:	Southwest
Division: 7	District: 32

The Town of Dove Creek (Town) provides domestic water to approximately 501 households and 200 additional users of water from a permanent water fill station in the Town’s service area. Over the last several years, annual water use for the Town has averaged 125 AF. The Town’s water is supplied by the Dolores Water Conservancy District via an open canal, Dove Creek Canal, to the Town’s water treatment plant. Water is stored in an existing 95 AF reservoir adjacent to the treatment plant (Reservoir No. 1).

The Project will design and construct an additional 100 AF reservoir, Reservoir No. 2, adjacent to the existing reservoir on the Town’s property. This additional storage space will allow the Town to store more of their already contracted water and will help meet the Town’s water demand. The Project will be funded in conjunction with a Water Plan Grant approved at the September 2021 CWCB meeting in the amount of \$800,000. Construction is expected to begin in late 2022, and will be completed by December 2023.



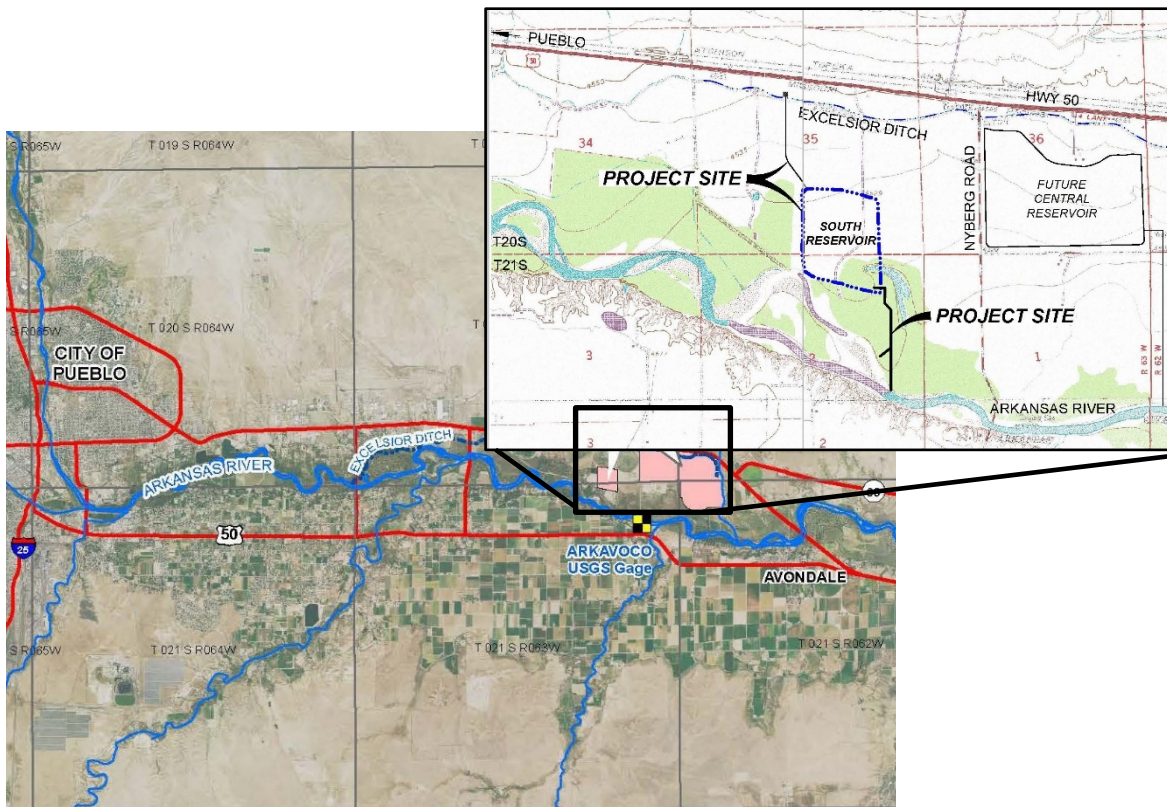
L O A N   D E T A I L S		
Project Cost:	\$4,731,000	
CWCB Loan (with 1% Service Fee):	\$4,778,310	
Loan Term and Interest Rate:	30 Yrs @ 2.05%	
Funding Source:	Construction Fund	
B O R R O W E R   T Y P E		
Agriculture	Municipal	Commercial
0%	0% Low - 0% Mid - 100% High	0%
P R O J E C T   D E T A I L S		
Project Type:	Reservoir Rehabilitation	
New Storage:	2,050 AF	
Average Annual Diversions:	750 AF	



The Triview Metropolitan District (District) was formed in 1985 and provides water, wastewater and stormwater services along with maintenance of roads, parks, and other amenities within the Town of Monument. This service area includes 1,988 homes and 60 commercial customers.

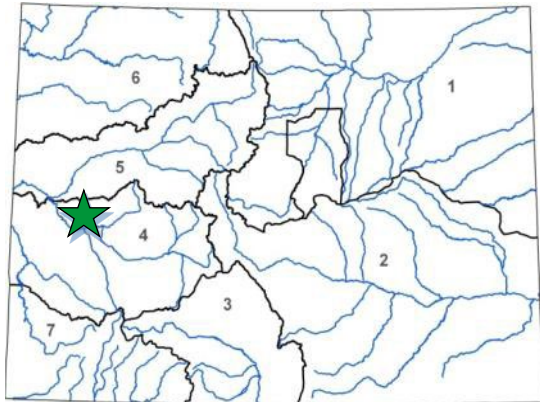
L O C A T I O N	
County:	Pueblo
Water Source:	Arkansas River
Drainage Basin:	Arkansas
Division: 2	District: 14

The Stonewall Springs Reservoir Complex consists of three planned reservoirs: South, Central and East Reservoirs. This Project focuses on the South Reservoir and will support the replacement of non-renewable Denver Basin groundwater supplies with renewable surface water supplies and will not be used to expand the District’s service area. Work included in the project is comprised of construction of a diversion structure, inlet channel, spillway, remote telemetry and monitoring equipment, installation of a pump station system from the Arkansas River, a SCADA system for the diversion structure, and outlet works for the reservoir. Construction is expected to be completed in the end of 2022.





L O A N   D E T A I L S		
Project Cost:	\$3,500,000	
CWCB Loan (with 1% Service Fee):	\$3,232,000	
Loan Term and Interest Rate:	20 Yrs @ 1.65%	
Funding Source:	Severance Tax Perpetual Base Fund	
B O R R O W E R   T Y P E		
Agriculture	Municipal	Commercial
0%	100% Low - 0% Mid - 0% High	0%
P R O J E C T   D E T A I L S		
Project Type:	Municipal System Rehabilitation	
Average Annual Diversions:	5,300 AF	

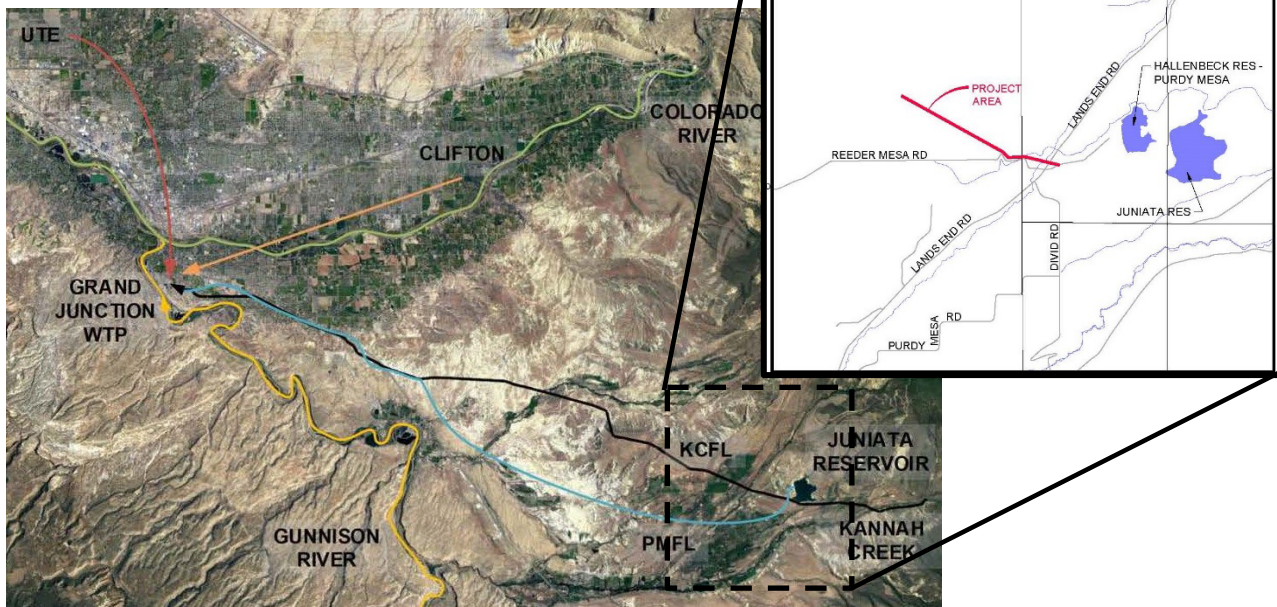


L O C A T I O N			
County:	Mesa		
Water Source:	Kannah Creek		
Drainage Basin:	Gunnison Basin		
Division:	4	District:	42

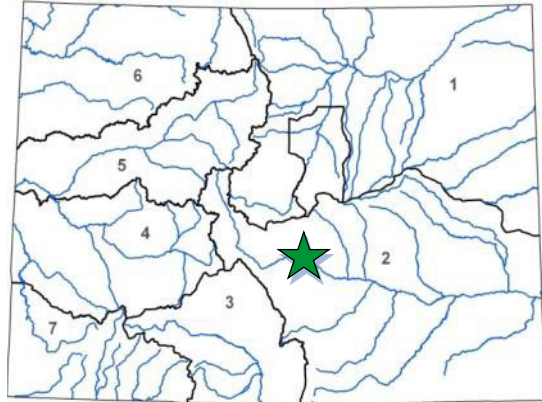
The City of Grand Junction, acting by and through its Water Activity Enterprise, has numerous water and storage rights on the Grand Mesa, as well as water rights in the Gunnison and Colorado Rivers. These rights can be used to provide for the municipal water supply needs of a portion of the City. Due to poor water quality, however, the water rights on the Gunnison and Colorado Rivers are largely unused. The City currently serves approximately 30,000 residents, however, this number is projected to grow to 49,000 by 2069.

30,000 residents, however, this number is

The 17.5 mile Kannah Creek Flowline (KCFL or Line) supplies water from Kannah Creek to Juniata Reservoir and acts as a secondary supply line to carry water from the Creek directly to the Grand Junction water treatment plant in case the Purdy Mesa Flowline is unavailable. The Line has reached the end of its useful life as shown by numerous breaks that necessitated replacement of most of the Line. This project will replace approximately 3 miles of the upper segment of the Line with a 20" PVC pipe providing a new design life of 100 years and an increase in capacity to 9.8 MGD. The project will be funded in conjunction with a \$300,000 Bureau of Reclamation grant. Construction is expected to begin in the fall of 2022 and be completed in early 2023.



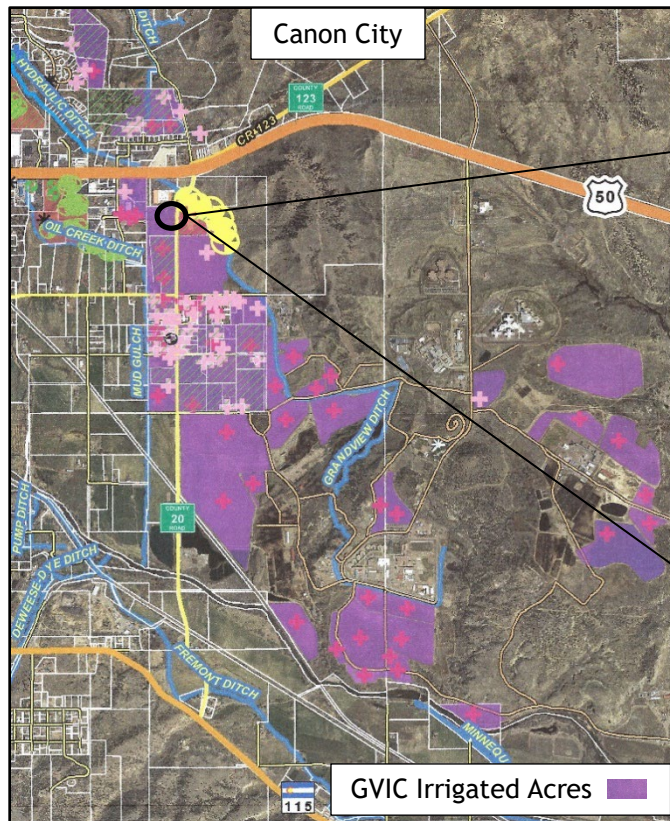
L O A N   D E T A I L S		
Project Cost:	\$350,000	
CWCB Loan (with 1% Service Fee):	\$353,500	
Loan Term and Interest Rate:	30 Yrs @ 2.25%	
Funding Source:	Severance Tax Perpetual Base Fund	
B O R R O W E R   T Y P E		
Agriculture	Municipal	Commercial
23%	0% Low - 77% Mid - 0% High	0%
P R O J E C T   D E T A I L S		
Project Type:	Ditch Rehabilitation	
Average Annual Diversions:	7,883 AF	



The Grand View Irrigation Company is a mutual ditch company incorporated in 1955 that currently provides irrigation water to 54 shareholders in its 600-acre service area located in and around Canon City. Irrigated acreage is typically cattle ranch, hay fields, and small truck farms.

L O C A T I O N			
County:	Fremont		
Water Source:	Arkansas River		
Drainage Basin:	Arkansas		
Division:	2	District:	12

The project will provide emergency repairs to a siphon that allows irrigation water to flow under Highway 50 and several commercial properties including a Home Depot. In November 2021 the siphon was shut down to stop water coming out of the ground and flooding the Home Depot parking lot. A contractor was brought in to determine the cause, but inspection was not possible due to standing water in the siphon. In April 2022, the contractor returned and was able to determine that caulking in some of the pipe joints had deteriorated, leading to a significant release of water, and that the monitoring pipe was not functioning due to debris blockage. The loan will repay costs for inspection, engineering, and legal fees in addition to repairs to the siphon and the monitoring system. Construction was completed in May of 2022.





**COLORADO**

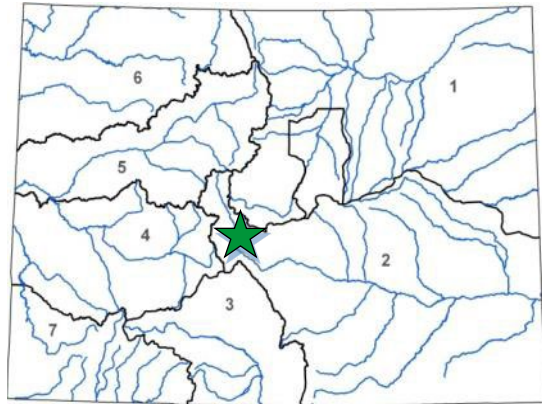
Colorado Water Conservation Board  
Department of Natural Resources

## Sunnyside Park Ditch Piping

Sunnyside Park Ditch Company

July 2022 Board Meeting

L O A N   D E T A I L S		
Project Cost:	\$850,000	
CWCB Loan (with 1% Service Fee):	\$654,480	
Loan Term and Interest Rate:	10 Yrs @ 1.00%	
Funding Source:	Severance Tax Perpetual Base Fund	
B O R R O W E R   T Y P E		
Agriculture	Municipal	Commercial
100%	0% Low - 0% Mid - 0% High	0%
P R O J E C T   D E T A I L S		
Project Type:	Ditch Piping	
Average Annual Diversions:	5,000 AF	



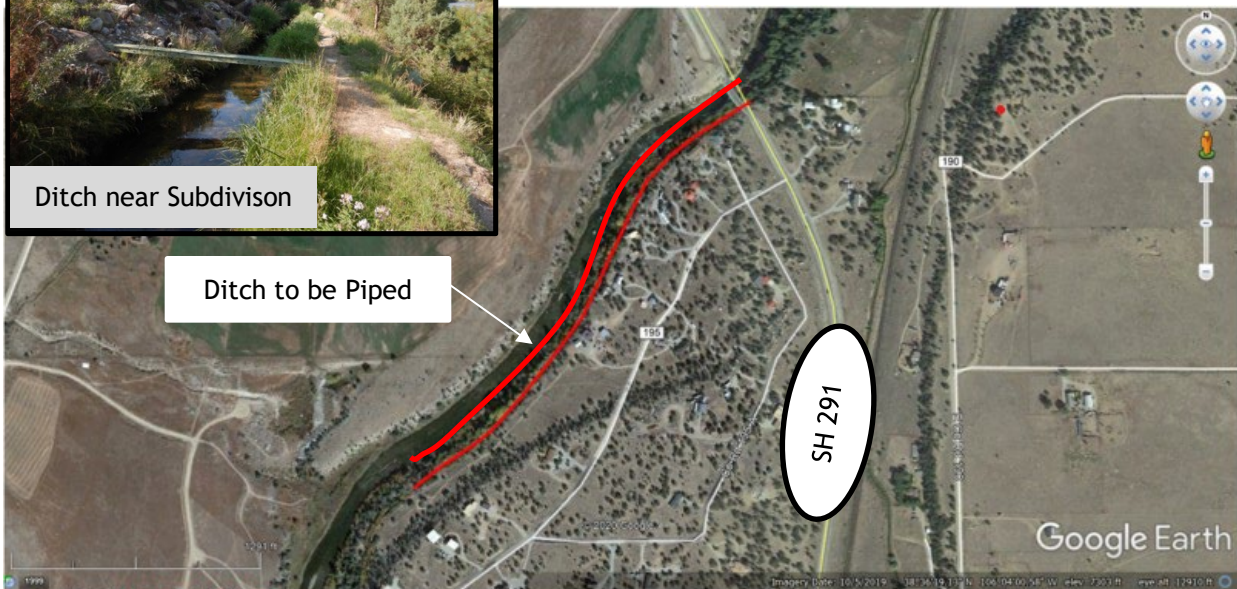
The Sunnyside Park Ditch Company was incorporated in 1884 and provides direct flow irrigation water to 17 shareholders 5 miles northwest of Salida. The water is used year round for stock water, and from April through October for irrigation of about 1,000 acres. The upper portion of the ditch runs along the Arkansas River for approximately 2 miles, and passes by two growing subdivisions south of SH 291.

L O C A T I O N			
County:	Chaffee		
Water Source:	Arkansas River		
Drainage Basin:	Arkansas		
Division:	2	District:	11

The project will pipe approximately 3,000 feet of the ditch where it passes near the two subdivisions. The ditch has failed multiple times in this area due to issues stemming from the subdivisions located above it, and Natural Resource Conservation Service (NRCS) has identified it as needing treatment. Piping the ditch in this area will eliminate ditch failures and seepage losses, and reduce overall maintenance requirements. The project will primarily be funded with NRCS grant funds, a Chaffee County Common Ground grant, Colorado State Conservation Board grant funds, and a WSRF grant approved at the March 2022 CWCB Board Meeting in the amount of \$127,300. The loan will cover interim project costs. Construction is expected to begin in September Of 2022 and be completed in the spring of 2023.



Ditch near Subdivision



Ditch to be Piped

SH 291

Google Earth

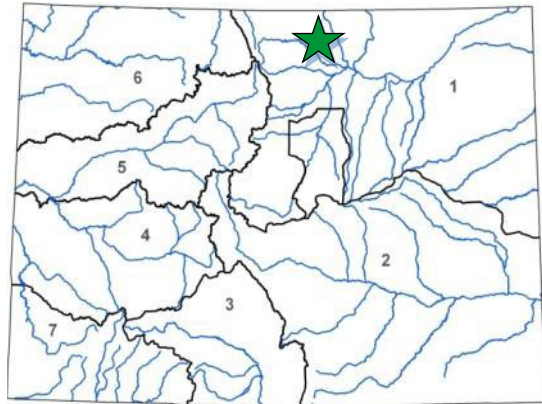


## Park Creek Expansion Project

North Poudre Irrigation Company

September 2022 Board Meeting

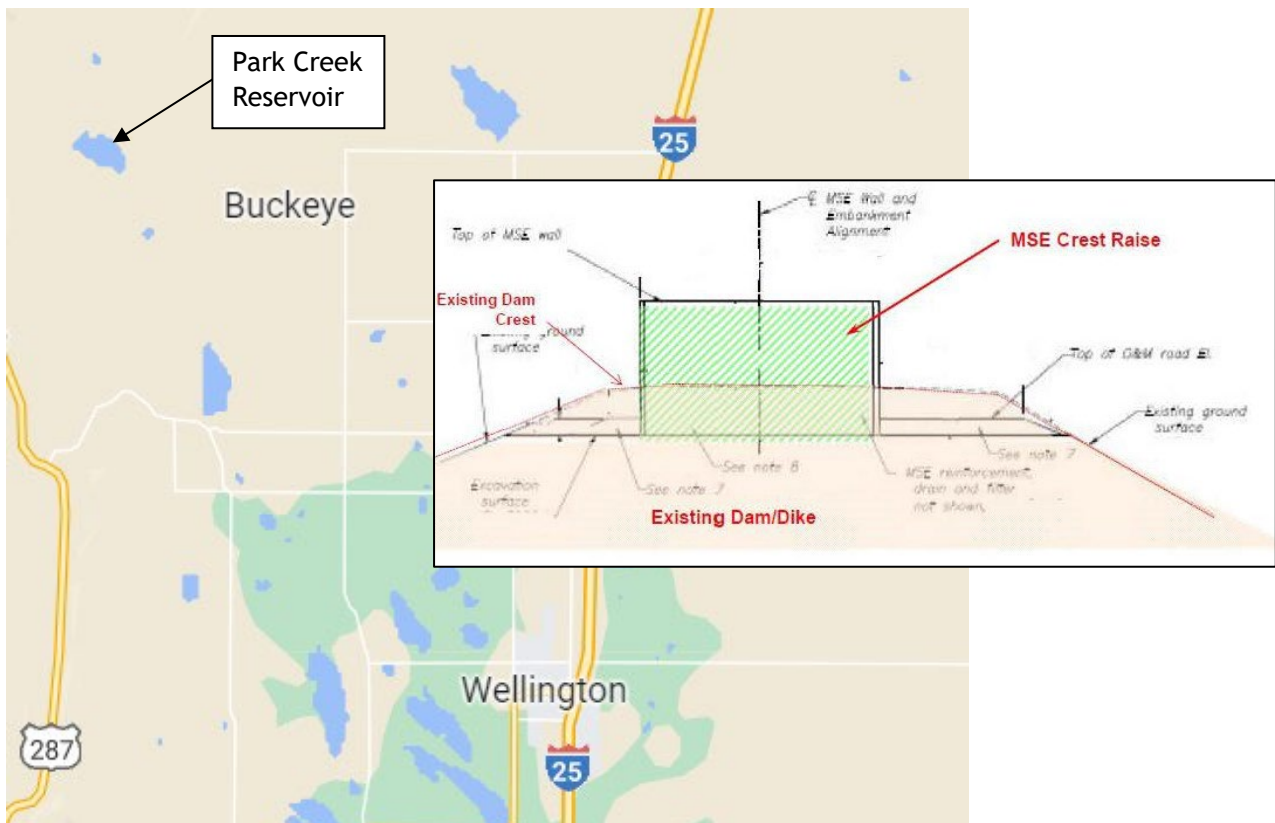
L O A N   D E T A I L S		
Project Cost:	\$6,580,000	
Water Plan Grant	\$100,000	
CWCB Loan (with 1% Service Fee):	\$6,544,800	
Loan Term and Interest Rate:	30 Yrs @ 2.55%	
Funding Source:	Severance Tax Perpetual Base Fund	
B O R R O W E R   T Y P E		
Agriculture	Municipal	Commercial
19%	12% Low - 60% Mid - 7% High	2%
P R O J E C T   D E T A I L S		
Project Type:	Reservoir Enlargement	
Storage Created:	3,000 AF	
Average Annual Diversions:	65,000 AF	



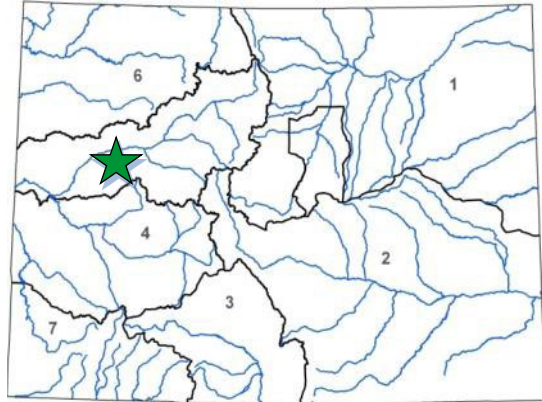
L O C A T I O N			
County:	Larimer, Weld		
Water Source:	Park Creek		
Drainage Basin:	South Platte		
Division:	1	District:	3

The North Poudre Irrigation Company (Company) is a mutual ditch company that was incorporated in 1901. The Company provides water to 250,000 residents and 23,000 acres of agricultural land in north-central Colorado through a system of 21 reservoirs and 200 miles of canals, ditches and laterals.

The project will be funded in conjunction with a Water Plan Grant (Water Storage and Supply) and will rehabilitate and enlarge the existing dam. The enlargement will consist of installing a parapet wall along the length of the existing dam crest, and a 10 foot buttressed concrete overflow weir in the spillway thereby raising the normal water storage level by 10 feet. The loan and grant will fund the complete project. Construction is expected to begin in the fall of 2022 and be completed before the 2024 irrigation season.



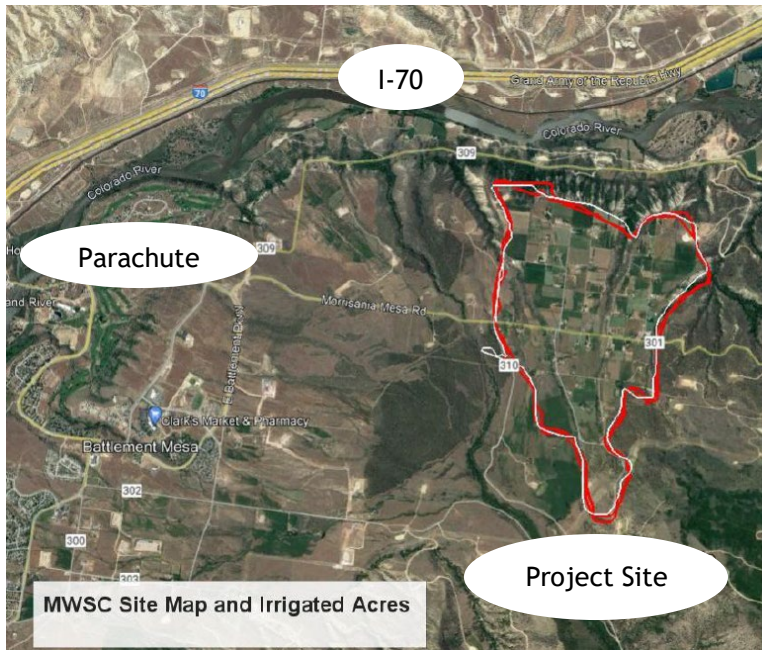
L O A N   D E T A I L S	
Project Cost:	\$420,000
CWCB Loan (with 1% Service Fee):	\$141,400
Loan Term and Interest Rate:	20 Yrs @ 2.45%
Funding Source:	Severance Tax Perpetual Base Fund
B O R R O W E R   T Y P E	
Agriculture	Municipal
100%	0% Low - 0% Mid - 0% High
Commercial	0%
P R O J E C T   D E T A I L S	
Project Type:	Ditch Rehabilitation
Average Annual Diversions:	2,448 AF



The Morrisania Water Supply Company, established in 1910, owns and operates diversion and supply infrastructure primarily for irrigation, which is supplied with water from Battlement Creek. The Company’s infrastructure includes a headgate structure, more than three miles of mainlines, and twenty-three diversion boxes, which serve 65 shareholders on 880 acres.

L O C A T I O N	
County:	Garfield
Water Source:	Battlement Creek
Drainage Basin:	Colorado
Division:	5
District:	45

The Project will improve the most vulnerable portions of the Company’s ditch system. The Company’s headgate will be improved with new concrete where the existing is spalled and cracked and immediately downstream of the headgate, a 1,350 foot reach of open ditch will be piped with 24-inch HDPE. Rehabilitation of the headgate structure will reduce the risk of failure and piping a long length of open ditch will reduce transit and evaporative losses. The contractor intends to mobilize in early October and complete the work by the 2023 irrigation season.



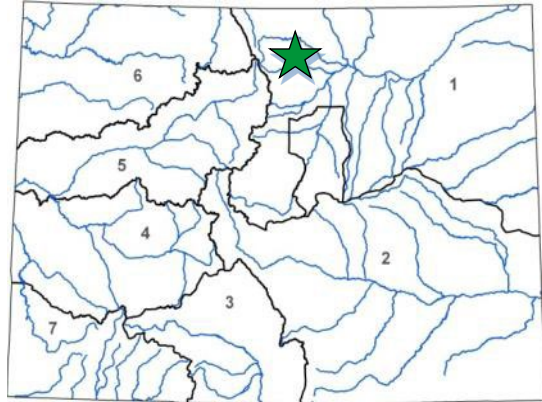


# Diversion Structures Replacement Project

Smith and Emmons Ditch Company

September 2022 Board Meeting

L O A N   D E T A I L S		
Project Cost:	\$455,550	
CWCB Loan (with 1% Service Fee):	\$414,100	
Loan Term and Interest Rate:	30 Yrs @ 3.90%	
Funding Source:	Severance Tax Perpetual Base Fund	
B O R R O W E R   T Y P E		
Agriculture	Municipal	Commercial
22%	0% Low - 31% Mid - 3% High	44%
P R O J E C T   D E T A I L S		
Project Type:	Ditch Rehabilitation	
Average Annual Diversions:	740 AF	



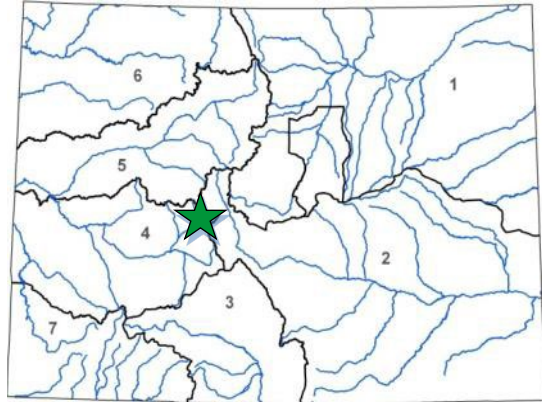
The Smith and Emmons Ditch Company is a mutual ditch company established in 1946. The Company operates and maintains the Smith and Emmons Ditch for the benefit of five agricultural, municipal, and commercial shareholders.

L O C A T I O N			
County:	Weld		
Water Source:	Boulder Creek		
Drainage Basin:	South Platte		
Division:	1	District:	6

The Company owns three structures at the head of their ditch system which will be replaced as part of this Project: a headgate structure, measurement flume, and check structure. The headgate's stability is threatened by leakage occurring around the structure and the measurement flume is of a non-standard configuration making it difficult to use. Additionally, the diversion check structure will be improved. The Company intends to undertake the project during the fall and winter of 2022. The Project will likely be completed in March 2023.



L O A N   D E T A I L S	
Project Cost:	\$3,280,000
CWCB Loan (with 1% Service Fee):	\$1,701,850
Loan Term and Interest Rate:	30 Yrs @ 2.0%
Funding Source:	Severance Tax Perpetual Base Fund
B O R R O W E R   T Y P E	
Agricultural - Hydroelectric	
P R O J E C T   D E T A I L S	
Project Type:	Hydroelectric
Average Annual Diversions:	870,000 AF



The Uncompahgre Valley Water Users Association (Association) was organized in 1902 and currently provides irrigation water to over 85,000 acres in Montrose and Delta Counties. It operates the Bureau of Reclamation’s Uncompahgre Unit, which includes Taylor Park Reservoir north of the Town of Gunnison.

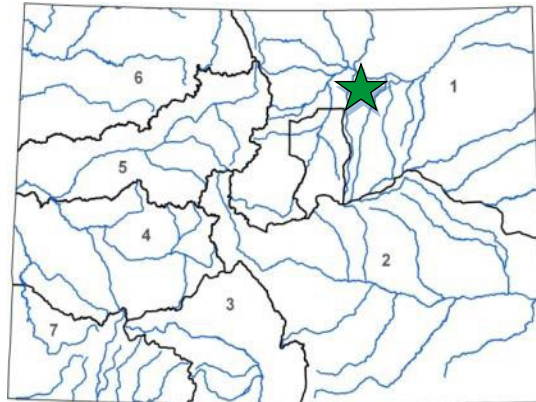
L O C A T I O N	
County:	Gunnison
Water Source:	Taylor River
Drainage Basin:	Gunnison
Division:	4      District: 59

The Project will construct a 500 KW hydroelectric power plant at Taylor Park Reservoir to be owned and operated by a joint venture named Taylor River Hydro, LLC, which is made up of the Association and Gunnison County Electric Association (GCEA). Generated electricity will serve the GCEA service area. Funding for the project will be evenly split between the two partners. This loan will pay for the Association’s portion of project costs, with construction commencing in the spring of 2023 and continuing for approximately 6 months.





L O A N   D E T A I L S	
Project Cost:	\$3,110,000
CWCB Loan (with 1% Service Fee):	\$2,121,000
Loan Term and Interest Rate:	30 Yrs @ 2.70%
Funding Source:	Severance Tax Perpetual Base Fund
B O R R O W E R   T Y P E	
Agriculture	Municipal
0%	0% Low - 100% Mid - 0% High
Commercial	0%
P R O J E C T   D E T A I L S	
Project Type:	Water Rights Purchase
Average Annual Delivery:	233 AF



L O C A T I O N	
County:	Weld
Water Source:	Lost Creek
Drainage Basin:	South Platte
Division:	1
District:	1

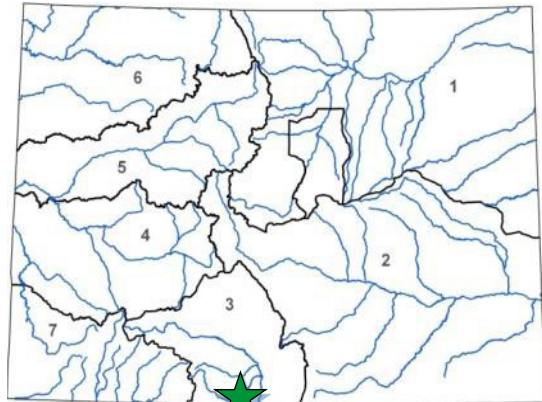
The Town of Keenesburg, by and through its water activity enterprise, serves 854 taps with an estimated population of 2,500. The Town is experiencing significant population growth, including requests for annexation, and is expected to continue to grow thereby requiring new water supplies. Water for the Town is currently served by 5 wells in the Laramie-Fox Hills Aquifer, which has high levels on fluoride requiring blending with another well in the Lost Creek (LC) alluvial aquifer to meet state water quality standards.

The Project includes the purchase of a LC well, and construction of a well pump and 1.3 miles of pipeline to connect the well to Town's existing water system. The Town anticipates using the loan to fund 70% of the Project. The Town intends to complete the purchase of the water rights when funds are secured and a joint application for municipal use is approved; construction is expected to begin in late 2023 and complete in late 2024.





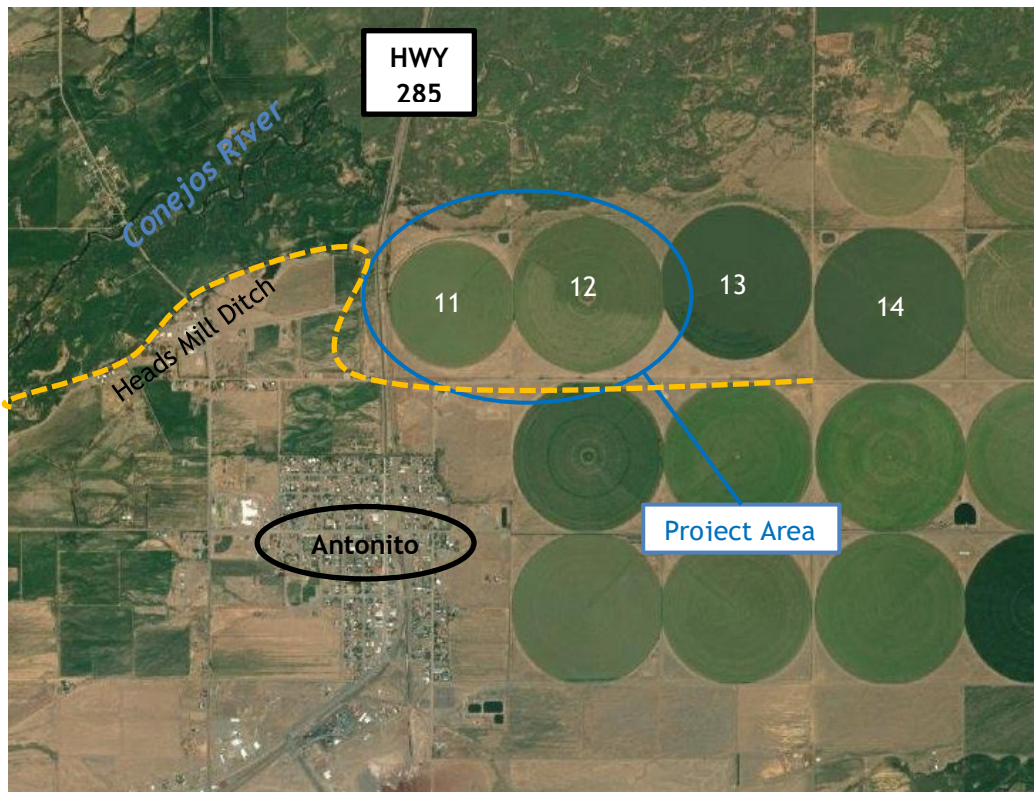
L O A N   D E T A I L S	
Project Cost:	\$5,158,575
CWCB Loan (with 1% Service Fee):	\$2,580,550
Loan Term and Interest Rate:	30 Yrs @ 2.50%
Funding Source:	Severance Tax Perpetual Base Fund
B O R R O W E R   T Y P E	
Agriculture	Municipal      Commercial
70%	15% Low - 0% Mid - 0% High      15%
P R O J E C T   D E T A I L S	
Project Type:	Water Rights Purchase
Average Annual Withdrawals:	30,000 AF



L O C A T I O N	
County:	Conejos
Water Source:	Conejos River, Groundwater
Drainage Basin:	Rio Grande
Division:	3      District: 22

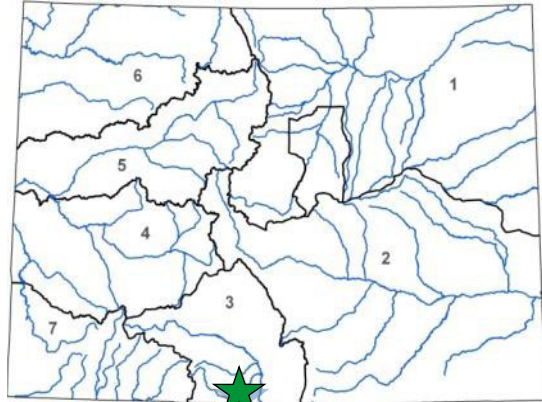
The Special Improvement District No. 3 of the Rio Grande Water Conservation District (Subdistrict No. 3) was established in 2017 to provide well owners in the Conejos Response Area a system to promote responsible groundwater management and remedy injuries to surface water rights from groundwater use in its service area. The Subdistrict currently consists of 166 wells, with additional well owners expressing an intent to contract for coverage.

The project will include the purchase of land and associated water rights for two center-pivot irrigation circles northeast of Alamosa, the construction of pipeline and/or augmentation stations, and necessary measurement devices. The water right purchase will include 433.91 AF of surface water and 89 AF of groundwater consumptive use to replace depletions to the Conejos River and the Rio Grande. Currently, the water is leased by agreement with the landowner, Alpha Hays Farms, LLC. and is in an approved Substitute Water Supply Plan. The purchase will be made in the spring of 2023 with project bidding and construction occurring soon after.





L O A N   D E T A I L S	
Project Cost:	\$5,158,575
CWCB Loan (with 1% Service Fee):	\$2,251,290
Loan Term and Interest Rate:	30 Yrs @ 2.10%
Funding Source:	Severance Tax Perpetual Base Fund
B O R R O W E R   T Y P E	
Agriculture	Municipal      Commercial
91%	2% Low - 0% Mid - 0% High      7%
P R O J E C T   D E T A I L S	
Project Type:	Water Rights Purchase
Average Annual Withdrawals:	25,000 AF



The Groundwater Management Subdistrict of the Trinchera Water Conservancy District (Groundwater Management Subdistrict) was formed in 2018 in order to pursue a Ground Water Management Plan as an alternative to individual augmentation plans. The Subdistrict consists of 177 wells used located in the confined and unconfined aquifers in Costilla County.

L O C A T I O N	
County:	Conejos
Water Source:	Conejos River
Drainage Basin:	Rio Grande
Division:	3      District: 22

The project will include the purchase of land and associated water rights for two center-pivot irrigation circles northeast of Antonito for augmentation and replacement of depletions. These surface water rights will provide 569 AF of consumptive use to replace depletions on the Conejos River and the Rio Grande. Currently the water is leased by agreement with the landowner, Alpha Hay Farms, LLC. The purchase will be made in the spring of 2023.

