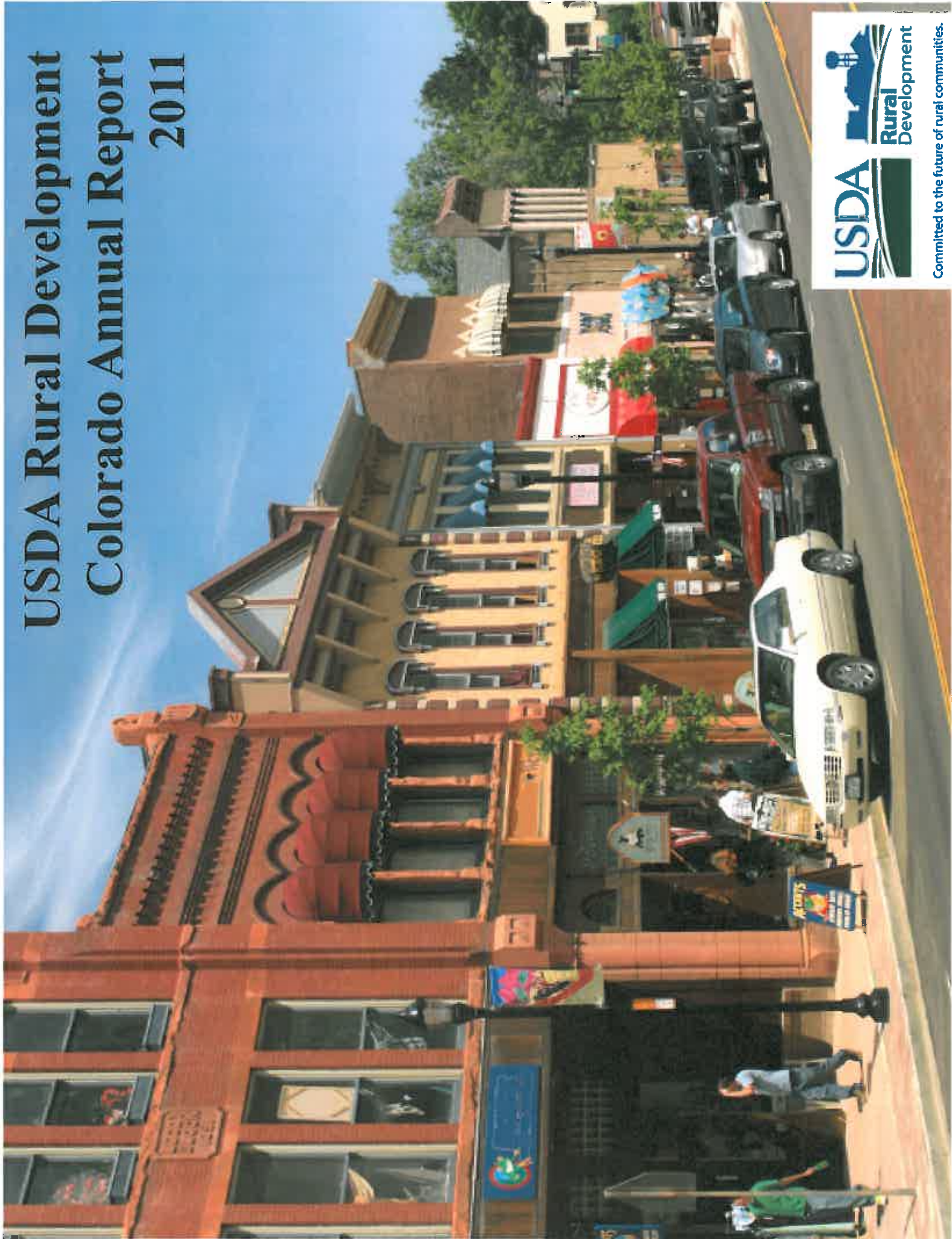


USDA Rural Development Colorado Annual Report 2011



Committed to the future of rural communities.

A Message from Secretary Vilsack and Under Secretary Tonsager

Message from the Secretary Tom Vilsack



Strong rural communities are key to a stronger America. President Obama has acknowledged as much in his travel to rural communities, and through the creation of the first-ever White House Rural Council, and at USDA we share his conviction. Our employees understand the prosperity challenges of rural America and how each community's needs are unique. Our dedicated Rural Development staff, who live and work in the communities they serve, are able to hear and respond quickly to local issues. Through a variety of business, economic development, utility and housing programs, our Rural Development specialists are doing more for rural communities than ever before.

Message from the Under Secretary For Rural Development Dallas Tonsager



In Fiscal Year 2011, USDA Rural Development delivered programs to the American people that created jobs and new economic opportunities in rural communities. Our Rural Development programs help create and sustain good paying jobs, and will have a lasting impact across the country. In addition to the investments of countless businesses, nonprofits, cooperatives, Tribes and local governments that partner with us, much credit is due to our talented, efficient and dedicated workforce of USDA employees who deliver Rural Development assistance in small communities and remote areas across all 50 states and the territories of the United States. Their continued commitment to rebuilding and revitalizing rural America is shared by myself, Secretary Vilsack and President Obama. In the upcoming year, we will continue to work with communities, residents and others to ensure that rural America continues to be a healthy, safe and prosperous place to live, work and raise a family.

A Message from the State Director



Across the country, Americans are taking a hard look at what is takes to bring about improvements to our infrastructure, quality of life and, of course, our economic vitality. What can we do to promote economic growth and create jobs? Sometimes, the far-reaching economic benefits of federal assistance are not always apparent; however, it is critical that we recognize how government resources are helping create an environment for the success of private businesses and communities. That is especially true here in Colorado.

Although they can go unnoticed, USDA Rural Development programs are providing support that may otherwise be unavailable—but is absolutely necessary for communities to grow and thrive. USDA funding may be a critical component in your new hospital project, clinic construction, or sewer system improvement plan. It may be a contributing factor in your community's library construction project, or in a small energy conservation project undertaken by a local farmer or your grocer. It might have funded the ambulance used by the rescue squad to rush your neighbor to a medical facility. Our programs often supply the missing pieces needed to promote private investment, infrastructure build-out, affordable housing, and economic development in rural America. We also support businesses — helping with the capital funding they need to start, expand and hire new employees.

Our Business and Industry Guaranteed Loan Program and several other USDA Rural Development programs have expanded capital markets in rural areas where employers driving job creation need business financing options. USDA programs are also often at work when construction workers are hired to build or rehabilitate homes and apartment complexes in small towns.

Our programs also boost rural economies by providing affordable financing to homebuyers. According to the National Association of Realtors, the sale of an existing median-priced home gener-

ates more than \$58,000 in local real estate revenues, retail sales and other economic activity. Given that USDA Rural Development provided rural Colorado families with 1452 direct loans and loan guarantees last year, the economic benefits are significant.

Let's not forget the important benefits of modern infrastructure and public facilities. To create an environment where economic development is possible, communities must offer reliable and affordable water, waste treatment, electric power, telecommunications, health care, emergency services, schools and more. Not only do these critical services improve the quality of life, they also ripple through the community with the creation of associated jobs and an improved ability to court new employers to the area. Last year, USDA Rural Development provided financial assistance for 37 projects to help Colorado's rural communities upgrade hospitals and libraries, purchase emergency vehicles and equipment, install water and waste systems, and develop the capacity for growth.

Creating vibrant, economically sustainable communities is like solving a jigsaw puzzle. Success depends on interlocking pieces supplied by local residents, leaders, businesses and institutions. And where gaps exist, USDA programs can be an important tool to provide linkage and fill the gaps to make the picture complete. USDA is proud to invest in our rural areas, to help create jobs, support economic growth and build thriving communities where folks want to live, work, and raise their families.

A handwritten signature in black ink, reading "James R. Isgar". The signature is written in a cursive, flowing style.

JAMES R. ISGAR
State Director

USDA Rural Development

USDA Rural Development

Building rural communities
in Colorado from the ground up
by investing over *\$529 million*
statewide in Fiscal Year 2011.



Connected to the future of rural communities.

Colorado Rural Development Fiscal Year Funding 2001 - 2011
Loan and Grant Funding

	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual
Single-Family Housing (SFH) Direct Loans	\$15,532,260	\$19,056,940	\$19,681,750	\$25,496,300	\$27,462,569	\$29,435,687	\$28,672,528	\$21,222,441	\$19,980,818	\$16,073,645	\$15,524,118
Single-Family Housing (SFH) Direct Loans -ARRA									\$4,904,818	\$17,992,505	n/a
SFH Guarantee Loans	\$35,831,090	\$33,809,010	\$40,596,870	\$44,790,110	\$26,205,213	\$26,259,001	\$23,649,516	\$51,740,503	\$81,149,522	\$187,751,525	\$226,238,593
SFH Guarantee Loans - ARRA									\$121,763,455	\$12,278,454	n/a
Multi-Family Housing Direct Loans	\$1,769,200	\$1,849,500	\$683,600	\$1,124,300	\$1,697,840	\$950,000	\$150,000	\$0	\$0	\$0	\$0
Rental Assistance and Vouchers	\$9,142,222	\$12,263,395	\$7,382,768	\$5,384,560	\$7,673,808	\$10,143,804	\$9,417,720	\$10,655,161	\$8,541,427	\$11,909,400	\$11,971,200
Housing Preservation Grants	\$55,440	\$55,440	\$70,069	\$54,366	\$59,111	\$83,133	\$71,560	\$67,539	\$71,227	\$76,791	\$69,307
Community Facility (CF) Direct Loans	\$1,400,000	\$2,153,000	\$4,733,000	\$3,960,000	\$12,975,000	\$1,230,620	\$2,625,000	\$5,155,000	\$335,840	\$3,286,000	\$3,078,870
Community Facility (CF) Direct Loans - ARRA									\$380,000	\$500,000	n/a
CF Guarantee Loans	\$0	\$3,600,000	\$7,224,000	\$3,750,000	\$27,680,000	\$0	\$600,000	\$800,000	\$807,337	\$0	\$1,867,500
CF Grants	\$287,000	\$169,095	\$200,863	\$487,732	\$363,869	\$408,307	\$573,664	\$429,363	\$487,696	\$836,620	\$343,118
CF Grants - ARRA									\$244,113	\$1,163,284	n/a
Water & Wastewater Direct Loans	\$740,800	\$5,986,600	\$4,441,020	\$5,364,515	\$5,493,000	\$1,325,000	\$2,204,000	\$11,315,000	\$0	\$19,255,000	\$9,951,300
Water & Wastewater Direct Loans - ARRA									\$0	\$7,838,000	n/a
Water & Wastewater Grants	\$2,531,550	\$5,470,300	\$4,272,980	\$4,141,337	\$2,978,180	\$2,591,805	\$1,188,900	\$3,960,000	\$124,300	\$4,280,723	\$3,901,000
Water & Wastewater Grants - ARRA									\$0	\$6,464,700	n/a
Business Guarantee Loans	\$7,047,700	\$17,800,450	\$14,511,000	\$21,332,500	\$6,305,000	\$8,376,500	\$2,030,000	\$13,009,275	\$10,566,500	\$29,421,800	\$13,883,500
Business Guarantee Loans - ARRA									\$0	\$1,428,000	n/a
Business Grants	\$263,000	\$233,000	\$345,000	\$436,282	\$401,180	\$316,615	\$392,500	\$706,000	\$866,050	\$411,662	\$743,698
Rural Business Enterprise Grants - ARRA									\$0	\$85,000	n/a
Rural Economic Development Loan/Grant							\$1,040,000	\$160,000	\$300,000	\$0	\$720,000
Revolving Loans	\$0	\$250,000	\$0	\$250,000	\$0	\$0	\$1,250,000	\$0	\$750,000	\$812,296	\$175,000
Multi-Family Housing Guarantee Loans	\$0	\$0	\$0	\$0	\$0	\$945,000	\$2,315,000	\$0	\$0	\$2,004,874	\$0
SFH Repair Loans and Grants	\$610,650	\$776,400	\$681,130	\$591,351	\$508,137	\$454,347	\$628,554	\$428,623	\$312,085	\$300,123	\$495,407
Farm Labor Housing Loans/Grants	\$0	\$4,000,000	\$80,000	\$3,150,000	\$450,000	\$0	\$3,190,000	\$3,000,000	\$0	\$0	\$0
Electric Loans	\$51,880,000	\$203,633,000	\$293,601,000	\$275,369,400	\$132,938,000	\$252,364,000	\$35,408,000	\$267,204,000	\$144,585,000	\$417,265,000	\$218,524,000
Telecommunication Loans/Grants	\$15,151,700	\$500,000	\$145,914	\$6,471,154	\$26,723,000	\$14,671,268	\$1,407,665	\$29,929,155	\$620,332	\$27,301,087	\$20,053,885
Value Added Producer Grants	\$162,290	\$0	\$1,231,796	\$506,250	\$169,375	\$450,000	\$70,000	\$220,000	\$0	\$707,174	\$294,440
Rural Cooperative Development Initiative	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000	\$0	\$136,287	\$256,806
Small Producer Grant	\$0	\$0	\$0	\$0	\$0	\$117,121	\$154,222	\$174,922	\$175,000	\$279,000	\$315,000
Rural Micro Assistance Program									\$0	\$375,000	\$0
Renewable Energy Grant/Loan	\$0	\$0	\$0	\$500,000	\$1,500,000	\$24,926	\$0	\$1,641,595	\$1,274,334	\$669,562	\$926,445
Total	\$142,404,902	\$311,606,130	\$399,882,760	\$403,160,157	\$281,524,171	\$350,147,134	\$117,038,829	\$422,018,577	\$398,239,853	\$770,903,513	\$529,333,187

Housing Programs

Housing Programs help finance new or improved homes for moderate, low, and very-low income households. Under this program Rural Development also finances the construction of rental housing complexes, to include properties for farm labor, elderly, and families.

Fiscal Year 2011

\$242,314,663 invested statewide

1452 homeowners assisted

135 rental complexes statewide



Community Programs

Community Programs help rural communities finance construction or the improvement of their essential facilities, such as fire stations, libraries, hospitals, and day cares. Also under this program we offer a variety of loan and grant programs for telecommunications, broadband, and water and waste water projects.

Fiscal Year 2011

\$19,398,594 invested statewide

25 community facility projects

12 rural communities assisted with water projects



Business & Cooperative Programs

Business & Cooperative Programs help fund projects that support rural businesses, create or preserve quality jobs, promote a clean rural environment through energy efficiency and the development of renewable energy. Cooperative programs help rural residents form new cooperative businesses and improve the operations of existing cooperatives.

Fiscal Year 2011

\$16,736,643 invested statewide

18 business assisted

379 of jobs saved or retained



Housing Programs - Single Family - Fiscal Year 2011

USDA Rural Development's loan guarantees, direct home loans, and home repair grants and loans make a real difference in the lives of thousands of rural Americans across the nation. These investments boost rural economies, create and maintain jobs, and soften the effects of housing market fluctuations. Delivery and beneficiary perspectives of these programs have undergone national reevaluation and revision over the last two years with the outcome of increased effectiveness of these investments.

Resulting enhancements include: reengineering the Section 502 Single Family (SF) Housing Guaranteed program such that fees are expected to offset losses, allowing the program to facilitate rural borrowers' access to credit while mitigating costs to the taxpayer; increasing flexibility in lending programs for better responsiveness to changing economic conditions; and actively emphasizing loan modifications and work-out solutions designed to keep homeowners in their homes.

On Guaranteed portfolio performance, our national delinquency rates reflect a healthy program that performs very well compared to other government loan programs. In this impressive field, Colorado is particularly proud of our performance during FY 2011 as the state with the lowest first year delinquency rate, and our inclusion among the top third for lowest total delinquency.

Production-wise, during FY 2011 our SF Guaranteed Program continued to grow and Colorado experienced its best year ever, obligating 1,336 loans totaling over \$226 million, or an increase of 14.9% in the number of households assisted over our previous record in FY 2010. We partnered with 87 lenders to house rural Coloradans during the year. The top 10 production lenders are highlighted on this page.

During the year, Colorado also assisted 116 households with homeownership under our Direct Program. Our Home Repair Loan and Grant Program was another focus, and we obligated 8 loans and 60 grants totaling \$482,646 during the year. The majority of these assisted homeowners to accomplish needed upgrades that included one or more energy efficiency improvements. We also helped borrowers connect with programs funded through the Governor's Energy Office and Outreach Colorado to obtain energy audits and other resources.



Fiscal Year 2011 Top Colorado Lenders

National	Colorado
• Academy Mortgage Corp.	• Bank of Colorado
• Bank of America	• Canon National Bank
• Cherry Creek Mortgage	• Colorado East Bank and Trust
• Cornerstone Mortgage Co.	• Denver Mortgage, Co.
• Guild Mortgage, Co.	• Equitable Savings & Loan Association
• Highlands Residential Mortgage	• First National Bank of Durango
• Republic Mortgage	• First National Bank of Las Animas
• Rocky Mountain Mortgage Specialists	• San Luis Valley Federal Bank
• Universal Lending Corp.	• Unifirst Mortgage Corp.
• Wells Fargo Bank	• Vectra Bank of Colorado

A primary focus of the Multi-Family Housing program area is servicing and oversight of the existing portfolio of properties financed by Rural Development programs. These 134 properties provide 3,688 affordable rental units throughout rural Colorado. Rental assistance is available to qualifying tenants in approximately 75% of the state's Rural Development

financed units. During FY 2011, Colorado Rural Development paid \$11,953,752 in Rental Assistance on behalf of tenants, and received and obligated \$11,971,200 in Rental Assistance to replace these funds.

Rental Assistance contracts and obligations are now prepared on a year-by-year basis.

The Multi-Family Housing area also provides funding through the Housing Preservation Grant (HPG) Program.

These funds are awarded to intermediaries such as local governments, public agencies, federally recognized Indian Tribes, and non-profit and faith-based and community organizations. Selected organizations then distribute funds to homeowners and owners of multi-family rental properties or cooperative dwellings who rent to low- and very-low-income residents. Grants may be used to make necessary general repairs, enhance access to people with disabilities, and improve energy efficiency.

In Fiscal Year 2011, Habitat for Humanity of Montrose County was awarded an HPG grant. These funds will be leveraged by Community Development Block Grant (CDBG) and foundation funds to repair and rehabilitate five low-income owner occupied

homes within the Town of Olathe. The Huerfano/Las Animas Area Council of Governments also received an HPG grant and will again leverage these funds with CDBG, revolving loan funds, and contributions from private entities and local resources to help up to 10 low-income families in Las Animas and Huerfano counties.

New Farm Labor Housing Complex Built in Delta

The Farm Labor Housing Loan and Grant program provides capital financing for the development of housing for domestic farm laborers. Loans are made to farmers, associations of farmers, family farm corporations, Indian tribes, nonprofit organizations, public agencies, and associations of farm workers. Grants are made to farm worker associations, nonprofit organizations, Indian tribes, and public agencies



During the year Alta Vista de la Montana Family Farm Labor Housing Complex in Delta, CO closed on its Farm Labor Housing loan and grant with Rural Development and began construction on a 40 unit complex in February 2011. This property leveraged a number of government and other funding sources, and is the first Farm Labor property in Colorado to utilize Housing Tax Credits. A grand opening for the complex was held in January 2012. Pictured above are the complex and residents of Alta Vista de La Montana.

Rural Development aims to build thriving rural communities and increase economic development. Our Community Facility (CF) Program offers loans and grants and loan guarantees for projects that develop essential community facilities for public use in rural areas and may include hospitals, day care centers, safety, as well as many other community-based initiatives. Thanks in part to this program, rural communities are no longer going without the amenities urban areas have.

In Fiscal Year 2011, 25 projects were funded in Colorado totaling \$5,546,294. We funded five CF Grants in Economic Impact Initiative (EII) Areas in Colorado. The EII Grants are specifically targeted to rural counties where the “not employed” rate exceeds 19.5%.

This year we also funded two projects through the Rural Community Development Initiative Program totaling \$256,806. This program provides technical assistance and training funds to qualified intermediary organizations to develop capacity to undertake community and economic development projects in rural areas.



Project/Entity Name	Loan (L) or Grant (G)
SW Colorado Mental Health	\$1,867,500 (L)
Costilla County Board of Commissioners*	\$31,300 (G)
Colorado Mounted Troop F	\$15,300 (G)
Rio Grande Library	\$25,000 (G)
Hospice & Palliative Care	\$147,500 (L) and \$50,000 (G)
Fox Meadows	\$138,120 - L
Habitat for Humanity of Montrose County	\$721,000 - L
Crested Butte Nordic Council	\$73,250 - L
Bent County	\$25,000 - G
La Veta Regional Library District	\$25,000 - G
Huerfano RE-1 School District	\$25,000 - G
Crowley County *	\$19,250 - G
Crowley County *	\$15,652 - G
Crowley County School District *	\$16,060 - G
Crowley County Child Care Center *	\$25,738 - G
Rural Communities Resource Center	\$140,000 - L and \$10,000 - G
Kidz, Ark, Inc.	\$1,859,000 - L
Yuma County Fire Protection District	\$10,000 - G
Ault Fire Protection District	\$10,000 - G
Haxtun Hospital	\$7,318 - G
East Yuma County Historical Society	\$10,000 - G
Yuma Hospital District	\$15,000 - G
Colorado Community Revitalization (RCDI Grant)	\$156,806 - G
First Nations Oweesta (RCDI Grant)	\$100,000 - G
Burlington Fire Protection District	\$7,500 - G

* = Economic Impact Initiative Grant Funding



Pictured from left to right: Crowley County Child Care Center in Ordway, Ault Fire Department, and Huerfano RE-1 School District in Walsenburg.

Water and Environmental Programs (WEP) provide rural communities with technical assistance and financing necessary to develop drinking water and wastewater disposal systems. Safe drinking water and sanitary waste disposal systems are vital, not only to public health, but also to the economic vitality of rural areas. Through direct loans, grants, and loan guarantees, \$13,852,300 was invested in Colorado in Fiscal Year 2011 assisting over 3500 users.



For example, the *Pagosa Springs Sanitation General Improvements District* was awarded a loan and grant for the construction of a new Mechanical Wastewater Treatment Plant. *Mt. Elbert Water Association* was awarded funding to be used to improve the community water system by replacing old inadequate pipes. The community which is located at over 9,000 feet elevation has been experiencing an increasingly severe problem with line breakage, primarily during harsh winter conditions. The resultant expense has been consuming their operations budget. Upon project completion, the community will have a reliable water system that will serve them for many years to come. *Otis Sanitation District* will use funding to construct a non-discharging evaporative lagoon wastewater treatment system. The existing treatment plant is a non-surface water discharging facility that has compliance issue of discharging to ground water. The project will allow the district to be compliant with state regulations.

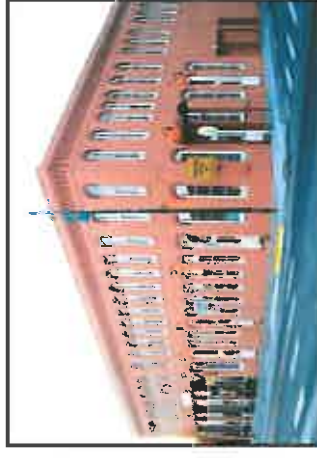
Colorado was also awarded the state's first Household Well Water System Grant in Fiscal Year 2011. *Rural Community Assistance Corporation* located in Wheat Ridge, CO was selected to receive a \$150,000 grant to help rural homeowners construct, refurbish, or replace individual water well systems. The entity, one of six nationwide, will make loans up to \$11,000 at a 1% interest rate for a maximum of 20 years to applicants who own and occupy their home. Eligible applicants must be in a rural town or community with a population not exceeding 50,000.

Entity	Loan	Grant
Warm Springs Owner and Mutual Water District	\$350,000	
Pagosa Springs Sanitation General Improvement District	\$3,145,000	\$787,000
Town of Mancos	\$491,000	
Pitkin Mesa	\$801,000	\$651,000
Riverbend	\$348,000	
Gunnison (Antelope Hills)	\$1,288,000	\$408,000
Mt. Elbert Water Association	\$1,193,000	\$618,000
Town of Grover	\$300,000	\$719,000
Town of Nederland	\$547,000	
Park Water Company	\$171,300	
Otis Sanitation District	\$843,000	\$718,000
Hidden Valley	\$474,000	

Investing in rural America,
All one job at a time.

379 Jobs saved or created

Having jobs available in a rural community is one of the most important factors in increasing economic growth and raising the standard of living. Our Business Programs work in partnership with the private sector and the community-based organizations to provide financial assistance and business planning. These programs help fund projects that create or preserve quality jobs and/or promote a clean rural environment. The financial resources of our programs are often leveraged with those of other public and private credit source lenders to meet business and credit needs in under-served areas. Recipients of these programs may include individuals, corporations, partnerships, cooperatives, public bodies, nonprofit corporations, Indian tribes, and private companies.



Our flagship program is the Business and Industry Guaranteed Loan Program, often referred to as the B&I Program. This program improves, develops, or finances business, industry, and employment to improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits. It is not intended that the guarantee authority will be used for marginal or substandard loans or for relief of lenders having such loans. In Fiscal Year 2011, \$13,883,500 was invested in five projects B&I projects in Colorado.

A \$1,225,000 loan was awarded to Windsor Restoration in Del Norte, CO to assist with the construction on a historic hotel (pictured above). The project has tremendous support from the community. In addition to the funding from Rural Development the project includes \$685,000 in grants from the State Historical Fund and private local donations totaling \$651,000. The funding will assist with the restoration of the building and return it to a living history center for visitors and local residents. The entity hopes this development will serve as an economic catalyst and ultimately create up to 40 new local jobs in the rural community.

Rural Business Enterprise Grants (RBEG)

Northern CO Economic Development - \$30,300
City of Rocky Ford - \$50,000
Lincoln County Economic Development - \$30,000
Painted Sky Resource & Conservation District (RCD) - \$17,500
Rocky Mountain Farmers Union (RMFU) - \$33,500
Painted Sky RCD - \$12,500
New Farms - \$25,000
RMFU - \$46,200
Community AG Alliance - \$50,000
Painted Sky RCD - \$23,700
Crowley County - \$50,000

Additional Business Program Funding

San Isabel Electric - \$720,000 - Rural Economic Development Loan
Community Resources & Housing Development Corporation - \$175,000 -
Intermediary Relending Program

The **RBEG program** provides grants for rural projects that finance and facilitate development of small and emerging rural businesses help fund distance learning networks, and help fund employment related adult education programs. To assist with business development, RBEGs may fund a broad array of activities. In Fiscal Year 2011, \$368,700 was awarded to 11 projects in Colorado. Projects are identified on this page.

The **Rural Economic Development Loan and Grant program** is available to USDA Rural Development utility borrowers, with zero-interest loans primarily to finance business startups and business expansion projects. Grants are made to participating utilities to establish revolving loan programs operated at the local level by the utility. Eligible purposes include the financing of community facilities, medical facilities, and educational or job-training facilities.

In Fiscal Year 2011, San Isabel Electric in La Junta, CO was awarded a \$720,000 REDLG Loan. In 2012, visitors to Cuchara Mountain Resort will be able to enjoy a zip line thanks in part to this loan. The project will not only promote tourism and family fun, but will also create 30 jobs for Huerfano County.

The **Intermediary Relending Program (IRP)** provides low interest loans to private non-profit corporations, public agencies, Native American groups, or eligible cooperatives for relending to finance business development and community development projects in rural areas. This year, the Community Resources and Housing Development Corporation was awarded a \$175,000 IRP. The entity will provide low-interest loans to public and non-profit organizations who in turn will relend funding for business and community development in 13 Counties in southeast and south central Colorado.



The Rural Business Opportunity Grant

(RBOG) Program provides technical assistance grants to non profit corporations, public agencies, Native American groups or eligible cooperatives for business development and for conducting economic development planning in rural areas. This year, First Nations Oweesta Corporation - in Longmont, CO was awarded a \$149,998 RBOG. Oweesta is an intermediary Native Community Development Financial Institution (CDFI) which provides loans and capacity building assistance to Native developed and existing Native CDFIs. Their mission is to provide opportunities to Native people to develop assets and create wealth by assisting in the establishment of strong permanent institutions and programs. Thereby contributing to their economic independence and strengthening sovereignty for all Native Communities.

The RBOG funding provided will assist three start-up CDFIs, each serving rural Indian reservations. The intent is to build capacity for the local Native CDFIs and their partners through three train-the-trainer sessions. Ultimately, this grant will help to facilitate an increase in the number of small businesses and employment opportunities for Native people and their local communities

It's hard to live in rural America without being touched almost daily in some way by cooperatives. Farmers and ranchers across the nation use co-ops to process and market their crops and livestock and to provide them with essential production supplies and services. Electric and telecommunications utility cooperatives supply rural America with a reliable, affordable source of energy and communications technology, including phone and Internet services.

The Cooperative Program provides assistance for rural residents interested in forming new cooperatives and administers programs that fund value added producer grants (VAPG), rural cooperative development centers, and small socially disadvantaged producers. In Fiscal Year 2011, Colorado awarded a \$142,000 grant to the Arkansas Valley Organic Growers (AVOG) in Fowler and a \$173,000 grant to the Rio Culebra Agricultural Cooperative in Costilla County through the Small and Socially-Disadvantaged Producer Grant program. This program helps small agricultural producers better market their products to create economic opportunity. These grants also help small business owners add profit and efficiency to their operations so they can grow and create jobs. The Rocky Mountain Farmers Union received a \$225,000 Rural Cooperative Development Grant (RCDG) in Fiscal Year 2011. RCDG grants are made for establishing and operating centers for cooperative development for the primary purpose of improving the economic condition of rural areas through the development of new cooperatives and improving operations of existing cooperatives. At the time of this publication, VAPG announcements had not been made.

The Electric Program provides leadership and capital to upgrade, expand, maintain, and replace America's vast rural electric infrastructure. Under the Rural Electrification Act (REA) of 1936, the Electric programs make direct loan and loan guarantees to electric utilities to serve customers in rural areas. The loans finance the construction of electric distribution, transmission, and generation facilities, including system improvements and the replacement required to furnish and improve electric service in rural areas. In Fiscal Year 2011, four projects were financed through REA totaling \$398,802,000.

Gunnison County Electric Association	\$7,113,000
Highline Electric Association	\$35,178,000
Poudre Valley Rural Electric Association	\$43,246,000
Tri-State G&T Association	\$132,987,00



Renewable Energy for America Program - Fiscal Year 2011

High Country Orchards, a family run peach orchard in Palisade Colorado was the recipient of a \$49,294 REAP Grant in Fiscal Year 2011. The grant was used to install a photovoltaic system to help offset electrical energy needs. The panels were installed in July 2011 and the entity could not be more pleased.

USDA Rural Development provides funding opportunities for the development and commercialization of renewable energy sources including wind, solar, geothermal, hydrogen, hydroelectric, biomass, and biofuels. By making renewable energy sources commercially viable, USDA Rural Development is creating sustainable opportunities for new jobs and increased wealth in rural America. In Fiscal Year 2011, \$926,445 was invested in Colorado statewide.

This year Colorado was awarded a \$33,579 Bioenergy Program for Advanced Biofuels Grant for the Rocky Mountain Pellet Company, Inc. in Walden, CO. Through this program, Rural Development payments are made to eligible advanced biofuels producers in rural areas to support and ensure an expanding production of advanced biofuels. This project utilized trees cut from beetle kill which will reduce the fire danger and promote new growth. The trees are then turned into soft wood pellets for heating and power generation.



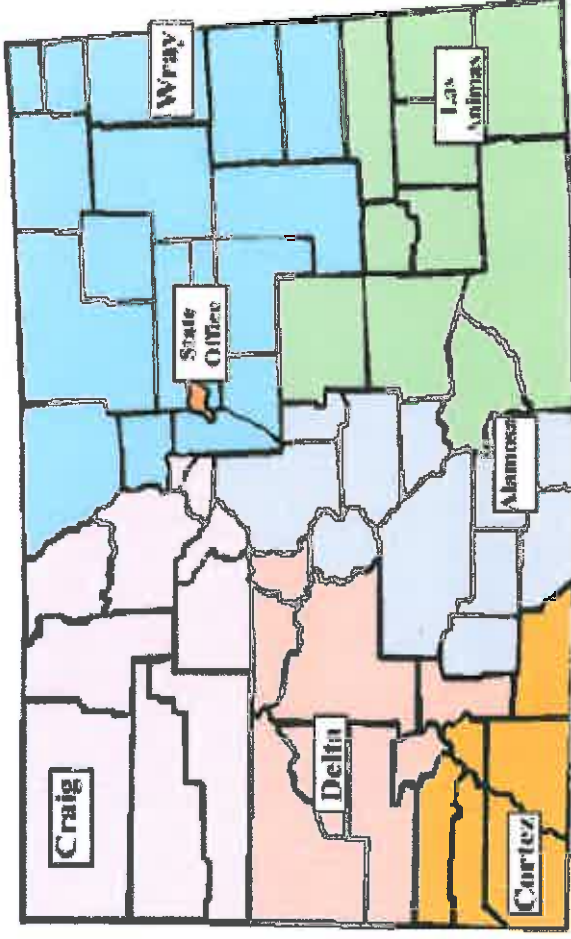
ictured: High Country Orchards in Palisade, CO, and presentations to representatives from San Juan Electric Association in La Jara and K2 Wood Working in Alamosa.

Vagabond - \$1,500 Feasibility	GCS Properties - \$19,350 RE Grant
Deer Hill - \$27,950 RE Grant	K2 Woodworking - \$13,500 RE Grant
Gilleland - \$150,865 RE Grant	Van's Machine - \$13,500 RE Grant
High Country Orchard - \$49,294 RE Grant	Valley Performance - \$18,848 RE Grant
Manweiller - \$25,779 RE Grant	Elkstone Farm - \$16,928 RE Grant
Ogilby - \$300,000 RE Grant	San Miguel Power - \$9,917 EE Loan
Northern CO Wind - \$50,000 Feasibility	Gunnison Electric - \$5,366 RE Grant
CSU - \$37,500 Audit Grant	Paragon Farms - \$19,086 EE Loan
DMEA - \$97,325 Audit Grant	ADS Solar - \$16,533 RE Grant
Shaw Solar - \$19,625 RE Grant	EE= Energy Efficiency, RE = Renewable Energy



USDA Rural Development Office Locations in Colorado

www.rurdev.usda.gov/co



Alamosa Area Office, 101 S. Craft Drive, Alamosa, CO 81101, (719) 589-5661, ext. 4

Craig Sub Area Office, 145 Commerce Street, Craig, CO 81625, (970) 824-3746

Cortez Sub Area Office, 628 W. 5th Street, Cortez, CO 81321, (970) 565-8416, ext. 4

Delta Area Office, 690 Industrial Blvd, Delta, CO 81416-2812, (970) 874-5735, ext. 4

Denver State Office, Denver Federal Center, Bldg 56, Room 2300, PO Box 25426, Denver, CO 80225, (720) 544-2903

Las Animas Area Office, 760 Bent Ave., Las Animas, CO 81054, (719) 456-0210, ext. 4

Wray Area Office, 247 N. Clay Suite 2, PO Box 405, Wray, CO 80758, (970) 332-3107, ext. 4



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