



# Colorado's Water Supply Future

## Water Supply Reserve Fund Annual Report

October 31, 2018



The "Water in the West" permanent interactive exhibit was funded by all four west slope basin roundtables and the statewide WSRF account to demonstrate the principles of hydrology, river morphology, hydropower, agriculture and municipal use, conservation, and water law for kids and parents of all ages to enjoy and learn.

**To the House of Representatives Committee on  
Agriculture, Livestock, and Natural Resources and the  
Senate Committee on Agriculture, Natural Resources, and Energy**



## Background

The Water Supply Reserve Fund (Fund) was created in 2006 by Senate Bill 06-179. The legislature created the Fund to help citizens identify and meet their critical water supply and management needs. The Fund may be used to:

- Identify human, environmental, or recreational water needs (also commonly referred to as "Needs Assessments")
- Evaluate water supplies in each basin
- Build projects or identify methods to meet the water supply needs of the river basin

The authorizing legislation provides funds for a broad range of eligible activities including: construction of infrastructure (storage, pipelines, river improvements, etc.), feasibility studies, studies of human and environmental needs, and technical assistance for permitting or environmental compliance.

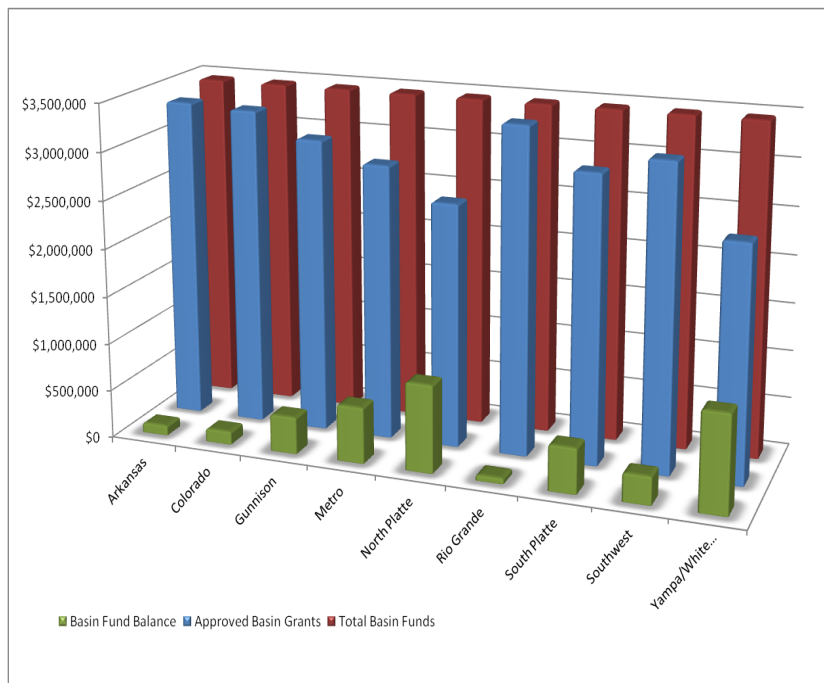
## Overview

The Fund is administered by the Colorado Water Conservation Board (CWCB) in collaboration with the Interbasin Compact Committee (IBCC) and the 9 Basin Roundtables established under House Bill 05-1177 (Colorado Water for the 21st Century Act). Requests for funding begin at the Basin Roundtables. Applications approved by the local Roundtable are submitted to the CWCB, with most project sponsors providing significant matching funds and/or leverage other monies.

Monies from the Fund are distributed according to the Criteria and Guidelines, which were jointly developed by the CWCB and IBCC in collaboration with the Basin Roundtables. The Criteria and Guidelines are reviewed annually in October to consider changes to the Fund's operation. The Criteria and Guidelines, application, and other materials are available on the [CWCB website](#).

### Program Highlights

- ◆ Over \$87,000,000 Granted for 578 Projects Across Colorado
- ◆ Over \$217,000,000 Leveraged with Matching contributions (cash and in-kind) from Numerous Other State, Federal, and Local Sources



Total, Approved, and Remaining Funds for the WSRA Basin Accounts			
Basin	Total Basin Funds Allocated	CWCB Approved Basin Grants	Basin Fund Balance
Arkansas	\$3,459,395	\$3,355,174	\$104,221
Colorado	\$3,459,395	\$3,321,979	\$137,416
Gunnison	\$3,459,395	\$3,072,110	\$387,285
Metro	\$3,459,395	\$2,872,531	\$586,864
North Platte	\$3,459,395	\$2,543,568	\$915,827
Rio Grande	\$3,459,395	\$3,398,343	\$61,052
South Platte	\$3,459,395	\$2,985,675	\$473,720
Southwest	\$3,459,395	\$3,165,277	\$294,118
Yampa/White	\$3,459,395	\$2,439,419	\$1,019,976
<b>Grand Total</b>	<b>\$31,134,555</b>	<b>\$27,154,076</b>	<b>\$3,980,479</b>

Figure 1. Basin Fund Distribution Approved per Basin



## Accomplishments

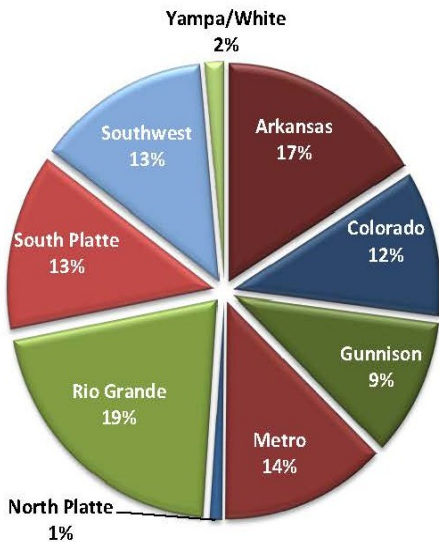
Water Supply Reserve Fund projects have been approved across the entire state (see map on page 3). The WSRF Criteria and Guidelines split the funds into Basin Accounts and a Statewide Account. Each Basin Account has received \$3,459,395 to date (Figure 1, page 2).

Figure 1 (page 2) show the amounts approved from each Basin Account (totaling \$27,154,076).

To date, the Statewide Account has received \$60,946,632 (including interest), with \$60,104,223 in approved grants.

The distribution of WSRF funds from the Statewide Account per basin is shown in Figure 2 (page 3).

Projects funded from the Fund have addressed both consumptive (agricultural and municipal) and nonconsumptive

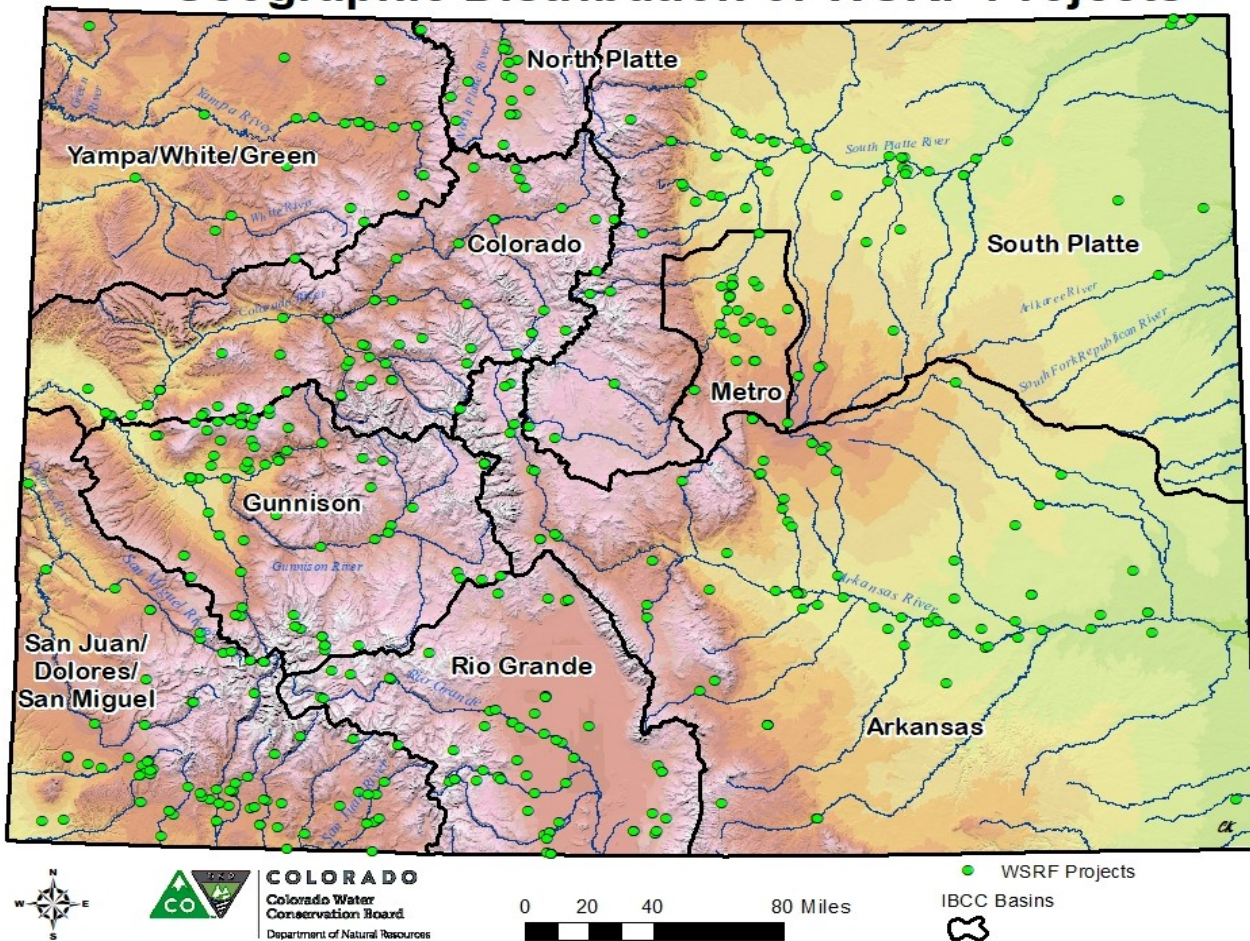


Basin	Arkansas	Colorado	Gunnison	Metro	North Platte	Rio Grande	South Platte	Southwest	Yampa/White/Green	Total
Approved from Statewide Account	\$9,421,051	\$6,283,985	\$4,619,681	\$7,501,732	\$540,942	\$10,385,323	\$7,184,112	\$7,259,911	\$814,635	\$54,011,372
Number of Projects	71	22	37	31	6	36	40	30	11	N/A

\*Note: Some projects are associated with multiple Basins, therefore some Statewide Account approvals maybe accounted for by multiple basins.

Figure 2. Statewide Fund Distribution Approved per Basin

## Geographic Distribution of WSRF Projects



(environmental and recreational) needs with most of the projects addressing multiple needs. Figure 3 (page 4) shows the distribution of WSRF funding by primary category.

Money from the Fund provide the means to conduct studies of water needs and actual project implementation. Figure 4 (page 5) shows how the Fund has supported both aspects of water projects by amount of funding as well as number of projects funded. Though the Fund has funded a large amount of studies it is clear that much more focus and funding has gone towards the implementation of projects to meet critical water supply needs.

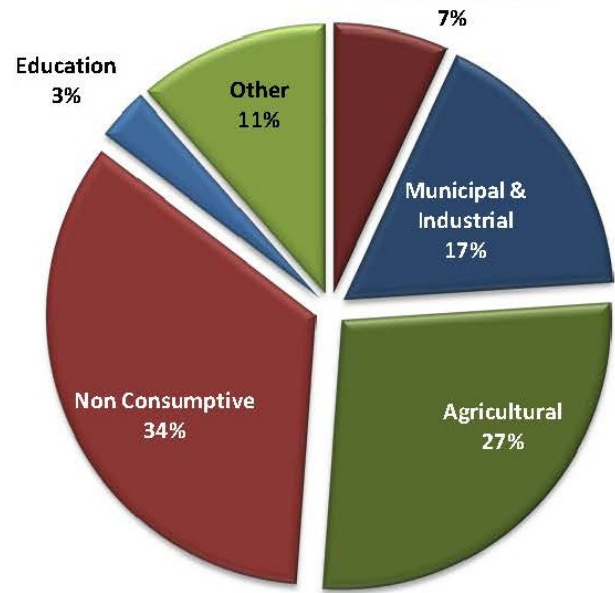
### Observations

The Water Supply Reserve Fund Program has been a tremendous success. The Fund has provided grants for a mix of consumptive and nonconsumptive water projects and promoted multi-purpose projects throughout the State. It has funded projects that help Colorado meet its water supply needs with money that was not available until the passage of the legislation. A sampling of concrete results from the program can be seen in Table 1 (page 5).

The annual review of the Criteria and Guidelines allows for program adjustments. Adjustments to the Criteria and Guidelines have enabled the WSRF to adapt to the changing needs of Colorado’s water community and meet the diverse needs of projects throughout the state.

Figure 5 (page 6) summarizes the status of all approved WSRF projects. Currently there are 139 active grants (In Progress and Contracting), involving approximately \$21.3 million. Per the WSRF Criteria and Guidelines applications for the Basin Account are considered at each of the CWCB’s bi-monthly board meetings once they have received approval from the appropriate basin roundtable as documented in a letter from the roundtable’s chair. Applications to the Statewide Account are considered twice a year, at the September and March CWCB board meetings.

WSRA Distribution of Funds by Primary Category Needs Assessment



Type	Needs Assessment	Municipal & Industrial	Agricultural	Nonconsumptive	Education	Other
Arkansas	\$1,972,275	\$3,170,182	\$3,790,783	\$8,165,405	\$830,758	\$4,891,265
Colorado	\$1,096,402	\$971,894	\$3,500,068	\$7,118,802	\$444,700	\$1,280,954
Gunnison	\$572,186	\$2,826,412	\$4,796,705	\$3,702,211	\$215,283	\$927,242
Metro	\$1,461,314	\$6,436,595	\$501,080	\$2,417,644	\$278,014	\$710,843
North Platte	\$194,102	\$995,000	\$1,716,605	\$2,192,703	\$14,040	\$635,423
Rio Grande	\$755,123	\$25,000	\$10,616,248	\$11,259,258	\$856,465	\$958,487
South Platte	\$1,346,513	\$609,933	\$3,782,222	\$4,675,495	\$459,917	\$3,036,227
Southwest	\$423,142	\$5,391,923	\$4,071,751	\$1,583,286	\$420,991	\$887,336
Yampa/White/Green	\$701,084	\$658,285	\$825,199	\$1,228,456	\$365,333	\$826,268
<b>Total Funding</b>	<b>\$8,522,141</b>	<b>\$21,085,224</b>	<b>\$33,600,660</b>	<b>\$42,343,260</b>	<b>\$3,885,501</b>	<b>\$14,154,045</b>
Number of Projects/Studies						
Arkansas	10	26	27	41	10	27
Colorado	10	19	28	37	11	13
Gunnison	9	24	40	37	6	13
Metro	11	21	6	16	7	6
North Platte	1	3	19	14	1	4
Rio Grande	4	2	41	38	7	8
South Platte	10	11	22	27	9	8
Southwest	6	28	37	21	10	11
Yampa/White/Green	5	10	11	14	7	6

Figure 3: WSRF distribution of funding by primary category 2006-2018





By the Numbers: A Sampling of data from the WSRF Program	
New Storage Created (acre-feet)	31,370
New Annual Water Supplies (acre-feet)	28,817
Existing Storage Preserved or Enhanced (acre-feet)	370,954
Length of Stream Restored or Protected (linear feet)	987,420
Length of Pipe/Canal Built or Improved (linear feet)	1,193,096
Area of Restored or Preserved Habitat (acres)	61,891
Efficiency Savings (acre-feet/year)	67,900
Efficiency Savings (dollars/year)	27,820

**Table 1: Data from approved WSRF projects 2006-2018**

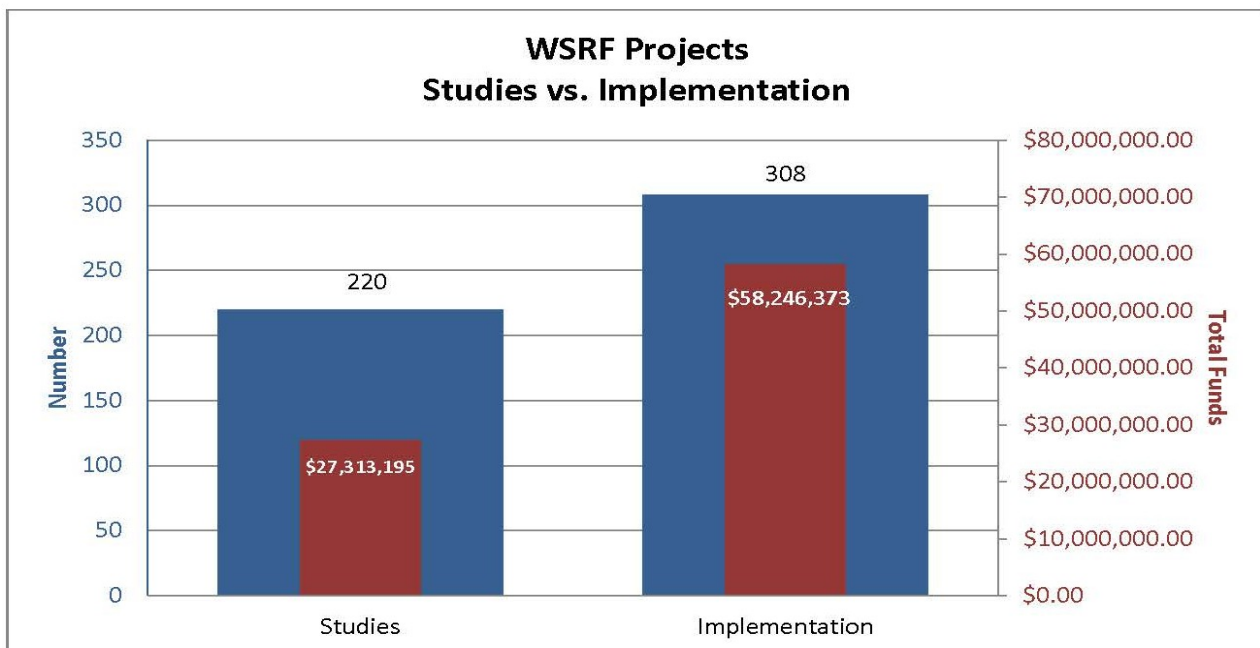
## Funding Summary

Table 2 (page 6) displays the legislative appropriations and actual funds received by the Water Supply Reserve Fund Program since its inception in 2006. In 2009, the Water Supply Reserve Fund Program was reauthorized in perpetuity by SB 09-106. SB 09-106 appropriates \$10,000,000 per year from the Severance Tax Trust Fund, subject to available funding. Due to budget shortfalls the WSRF has received reduced funding in some years.

In 2016, the Colorado General Assembly, based upon CWCB’s recommendation, approved a transfer of \$10,000,000 from the Construction Fund to supplement the WSRF Grant Program to cover the drop in Severance Tax receipts.

Funding for the Water Supply Reserve Fund (WSRF) in fiscal year 2017/2018 was complicated by issues with severance tax revenue and refunds related to the BP supreme court case decision. The WSRF received an initial installment of \$1,455,116 on July 1, 2017, and then did not receive any other severance tax revenue for the remainder of the fiscal year. Since the Board had anticipated much lower severance tax revenues, the 2017 CWCB Projects Bill included a \$10,000,000 transfer from the loan program to the WSRF. These funds were disbursed following the regular schedule in the WSRF Criteria and Guidelines for the July and January installments, 40% and 30% respectively. Due to significant issues with severance tax revenues and refunds from January 2018 to present, the final 30%, or \$3,000,000, was not disbursed.

Subsequently, HB18-1338 passed, which directs the \$1,455,116 originally received by the WSRF on July 1, 2017 to be refunded back to the severance tax operational fund to assist in meeting a critical shortfall of funding for Tier 1 severance tax programs. In addition, this year’s CWCB Projects Bill (SB18-218) also passed, which includes a transfer of \$2,000,000 from the loan program to the WSRF for fiscal year 2018/2019. As a Severance Tax “Tier II” program appropriated funds are distributed on a 3-part schedule as available with 40% on July 1, 30% on January 1, and the final 30% on April 1 of the fiscal year. All funds are subject to availability of revenues from current severance tax collection. Table 2 (page 6) also shows the breakdown of funds between the Basin and Statewide Accounts as directed by the Criteria and Guidelines. The Basin Account funds are then distributed evenly among the 9 basin roundtables.



**Figure 4: WSRF Funding for Studies and Implementations 2006-2018**



WSRA Fund Appropriation and Receipts				
October 2018				
Fiscal Year	Legislative Appropriation	Funds Received	Statewide Account	Basin Account
2006/2007	\$10,000,000	\$10,000,000	\$5,500,000	\$4,500,000
2007/2008	\$6,000,000	\$6,000,000	\$4,200,000	\$1,800,000
2008/2009	\$10,000,000	\$7,000,000	\$4,300,000	\$2,700,000
2009/2010	\$5,775,000	\$5,775,000	\$4,215,750	\$1,559,250
2010/2011	\$6,000,000	\$6,000,000	\$4,380,000	\$1,620,000
2011/2012	\$7,000,000	\$7,000,000	\$4,732,000	\$2,268,000
2012/2013	\$10,000,000	\$7,157,724	\$4,580,943	\$2,576,781
2013/2014	\$10,000,000	\$10,091,639	\$6,458,649	\$3,632,990
2014/2015	\$10,000,000	\$10,000,000	\$6,400,000	\$3,600,000
2015/2016	\$10,000,000	\$9,103,590	\$5,826,298	\$3,277,292
2016/2017	\$0	\$0	\$0	\$0
2017/2018	\$10,000,000	\$1,455,776	\$931,697	\$524,079
2017/2018 CF	\$10,000,000	\$7,000,000	\$4,480,000	\$2,520,000
2018/2019 CF	\$0	\$1,544,884	\$988,726	\$556,158
Interest	N/A	\$2,857,935	\$1,829,078	\$0
Prior Years Interest Adjustment			\$1,028,856	\$0
2014/2015 Interest	N/A	\$ 240,216	\$240,216	\$0
2015/2016 Interest	N/A	\$ 219,458	\$219,458	\$0
2016/2017 Interest	N/A	\$ 223,936	\$223,936	\$0
2017/2018 Interest	N/A	\$ 376,467	\$376,467	\$0
2018/2019 Interest	N/A	\$ 34,559	\$34,559	\$0
<b>TOTAL</b>	<b>\$104,775,000</b>	<b>\$92,081,183</b>	<b>\$60,946,632</b>	<b>\$31,134,550</b>

Table 2: Summary of WSRF Appropriations and Receipts

Summary of WSRA Project Status (578 Total Projects)

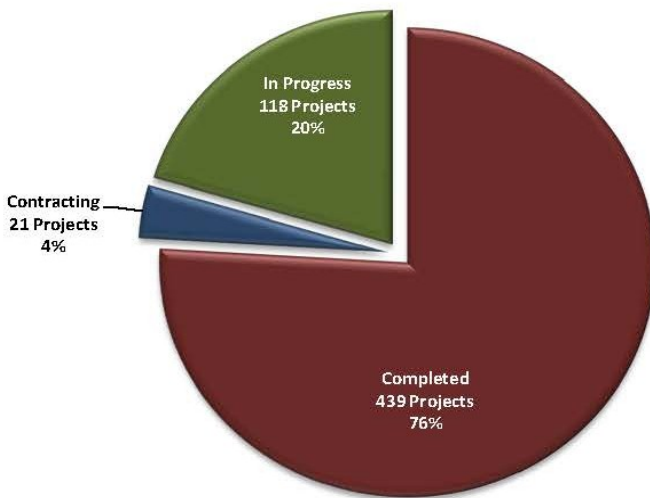


Figure 5: Summary of WSRF Project Status

Links to Water Supply Reserve Fund Requests Approved by the CWCB Board by Basin:

- [Arkansas Basin](#)
- [Colorado Basin](#)
- [Gunnison Basin](#)
- [Metro](#)
- [North Platte Basin](#)
- [Rio Grande Basin](#)
- [South Platte Basin](#)
- [Southwest Basin](#)
- [Yampa/White/Green Basin](#)

For more information, please contact:

Craig Godbout  
 1313 Sherman St. Room 718  
 Denver, CO 80203  
 303-866-3441, ext. 3210  
[www.cwcb.state.co.us](http://www.cwcb.state.co.us)  
[craig.godbout@state.co.us](mailto:craig.godbout@state.co.us)