

# COLORADO WATER CONSERVATION BOARD

## Department of Natural Resources

Bill Owens, Governor

Greg Walcher, DNR Executive Director

Peter Evans, CWCB Director

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## HB 00-1419: THE 2000 WATER RESOURCE PROJECTS BILL

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### Background

The General Assembly annually authorizes new water project loans from the Construction Fund and the Perpetual Base Account of the State Severance Tax Trust Fund.

The General Assembly created the Construction Fund in 1971 to provide low-interest loans for water resource projects. In 1999, loan rates typically varied from 3 <sup>3</sup>/<sub>4</sub> percent for agricultural loans to 5 <sup>1</sup>/<sub>4</sub> percent for municipal loans in high-income areas to 5 <sup>3</sup>/<sub>4</sub> percent for commercial loans. These rates are adjusted annually by the CWCB.

The Construction Fund is a partially self-supporting revolving loan fund. Revenues come from the return of principal and interest on outstanding loans, interest earned on the cash balance of the fund through investments by the State Treasurer, mineral lease fund distributions, and cash transfers by the General Assembly. By July 1999 the total equity of the fund had risen to over \$200 million.

By July 1999, the fund had financed 190 locally sponsored water projects through the loan of more than \$145 million. The CWCB may contribute up to 90 percent of the engineering and construction cost of a project. The CWCB may also loan up to 50 percent of the cost of a feasibility study. Grants limited to \$5,000 to pay for studies may also be awarded.

The Perpetual Base Account was established by the General Assembly in 1997 and is very similar to the Construction Fund. Preference is given to projects in mineral and energy producing areas.

April 6, 2000



### Project Bill Highlights

- ▶ *Authorizes \$3 million for new loans;*
- ▶ *Increases the amount of money available for existing loans by \$17.7 million;*
- ▶ *Provides more than \$8 million for multi-purpose water supply studies, watershed and flood control studies and projects, emergency repairs, and financial management tools.*

For more information, contact Mike Serlet at (303) 866-3441.

The types of projects eligible for funding are specified by statute. Projects determined to be feasible by the CWCB are recommended to the General Assembly for funding through an annual bill. Funds become available to the borrower when the bill becomes law and a loan contract with the state has been negotiated and signed. CWCB staff negotiates contracts and monitors design and construction progress.

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## Water Project Loans

### **New Severance Tax Trust Fund Perpetual Base Account (PBA) loans:**

- Owl Creek Supply and Irrigation Co. - ditch rehabilitation - \$450,000
- Town of Ridgeway - raw water pipeline - \$77,000
- Riverside Reservoir & Land Co. – diversion structure rehabilitation - \$405,000
- Jackson Lake Reservoir & Irrigation Co. – diversion structure rehabilitation - \$336,6000
- Pine River Irrigation Co. – water conveyance structures - \$300,000 (added as an amendment by the House)
- Weld County Tri-Area Sanitation District - storm drainage project - \$1,500,000

**Total: \$3,068,600**

### **Increases to existing Construction Fund (CF) and PBA loans:**

(Increase/new total):

- Windsor Reservoir & Canal Company - 1996 rehabilitation project authorization \$1,155,000/\$2,357,000
- Consolidated Mutual Water District - 1999 Fortune Reservoir authorization \$6,300,000/\$16,300,000
- City of Ouray - 1999 Skyrocket Creek rehabilitation project authorization \$30,000/\$ 55,000

- Excelsior Irrigating Company - 1997 ditch rehabilitation authorization \$21,125/\$251,125
- Ute Water Conservancy District - 1999 Plateau Creek Pipeline replacement project \$10,000,000/\$26,000,000

**Total Increases/New Totals:  
\$17,506,125/ \$44,963,125**

### **Decreases in Authorized CF loans: (decrease/new total)**

- Fort Morgan Reservoir and Irrigation Company – 1987 diversion structure rehabilitation authorization \$50,000/\$0
- City of Alamosa – 1994 Conservation Conveyance Channel Rio Grande River Project authorization \$410,000/\$0
- Michigan River Water Conservancy District – 1994 Meadow Creek Dam outlet rehabilitation authorization \$97,500/\$0
- Blue Lake Owner’s Association – 1998 raw water irrigation system authorization \$900,000/\$0

**Total Decreases/New Totals:  
\$1,457,500/\$0**

## **Funding for Projects, Programs, Accounts and Studies:**

- Gunnison River Watershed Planning (CF): \$55,000  
*Funding will allow North Fork River Improvement Association to investigate improving stream stability, riparian habitat, and ecosystem functions along the North Fork of the Gunnison River between Paonia Reservoir and the Town of Hotchkiss in Delta County.*
- Alamosa River Watershed Project Design And Construction (CF): \$300,000  
*Funding will be used to design and construct portions of the Alamosa River Watershed Project located along the Alamosa River from Terrace reservoir to Highway 285 near La Jara, in Conejos County. The project is designed to stabilize riverbank erosion and improve riparian habitat along the Alamosa River.*
- Bosley Wash (Mesa County) Flood Control Feasibility Study And Project (CF): (\$75,000)  
*Funding will allow Mesa County to undertake flood control planning in Clifton between the Town of Palisade and Grand Junction. The investigation will evaluate the feasibility of watershed planning and demonstration projects to reduce flooding and future flood damage.*
- Lower Elk River (Routt County) Floodplain Management Planning (CF): \$15,000  
*Funding will allow the Lower Elk River Flood Association to construct a stream bank stabilization and flood mitigation project. The Elk River is tributary to the Yampa River and is seven miles west of Steamboat Springs.*
- South Metropolitan Water Supply Study (CF): \$100,000  
*Funding will be used to undertake water supply planning in the south Denver metropolitan area to evaluate the effective and economic development of local water resources before supplies are introduced from other sources such as trans-mountain diversions. The Douglas County Water Resource Authority in consultation with the Denver Water Board, Colorado River Water Conservation District, Douglas County and the CWCB will develop a scope of work.*
- El Paso County Water Master Plan (CF): \$200,000  
*Funding will allow El Paso County to begin a water supply planning investigation to develop a master plan for rural El Paso County. The plan will identify current and future developable water resources, systems and facilities. The El Paso County Water Authority in consultation with El Paso County and the CWCB shall develop the scope of work for the master plan.*
- Emergency Infrastructure Repair Loan Account (additional capital) (CF): \$1,475,000  
*Funding will restore the balance in the account to \$2,000,000.*
- CF/PBA Comprehensive Annual Financial Reports: \$200,000  
*Funding will allow the CWCB to hire an independent accounting firm to annually prepare a comprehensive annual financial report and as needed, a performance audit of the Construction Fund and Severance Tax Trust Fund Perpetual Base Account programs.*
- Loan Applicant Credit Reports (CF): \$5,000  
*Funding will allow the CWCB to obtain independent credit reports of Construction Fund and Severance Tax Trust Fund Perpetual Base Account loan applicants in order to determine the applicant's creditworthiness and financial need.*

- South Platte River Sustainment Project Reconnaissance Study (CF): \$140,000.  
*Funding will allow the CWCB to hire a consulting firm to complete a reconnaissance study of potential water management facilities and water management options on the lower South Platte River in Colorado. The study will identify the most efficient means of managing river flows to meet obligations under the Three-State Platte River Cooperative Agreement.*
- Colorado River Recovery Program Loan Account (CF): \$5,000,000  
*Funding will bring the balance in the account up to \$12 million. The funds will be used for loans to construct capital projects designed to recover four endangered Colorado River fish species.*
- Division of Water Resources Satellite Monitoring System Maintenance (CF): \$120,000  
*Funding will allow the State Engineer to continue operating and maintaining 300 stream gauges throughout Colorado that are used for water administration, flood warnings, instream flow monitoring, interstate compact administration, and input data for various river decision support systems developed by the CWCB and the DWR.*
- Closed Basin Project Right-of-Way Acquisition (CF): \$188,000  
*Funding will allow the CWCB to acquire rights-of-way from the State Land Board as required for the Closed Basin Project, to be subsequently assigned to the U.S. Bureau of Reclamation for project operations.*
- Chatfield Reallocation Study (CF): \$80,000  
*Funding will allow the CWCB to investigate the potential for reallocation of storage from flood control to multi-purpose use, to formulate improvement plans and to obtain the necessary authority for changes.*
- Water Education Program (CF): \$115,000  
*Funding will allow the CWCB to distribute an approved water education curriculum to teachers, to contract for services and to coordinate education programs with the Colorado Water Congress.*

**Total: \$8,068,000**

### **New Account Created**

- Severance Tax Trust Fund Statewide Water Planning Account.  
*This new account is designed to allow money appropriated to the CWCB in the long bill from the Severance Tax Trust Fund's Operational Account to be retained for more than one fiscal year for water planning projects.*

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For more information about this or other water resource topics you can contact the CWCB at:  
 1313 Sherman Street, Room 721, Denver, CO, 80203  
 Phone: (303) 866 3441. FAX: (303) 866-4474.  
 Internet: [www.dnr.state.co.us/cwcb](http://www.dnr.state.co.us/cwcb).