

# COLORADO WATER CONSERVATION BOARD

## Department of Natural Resources

Bill Owens, Governor

Greg Walcher, DNR Executive Director

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## SB 01-157: THE 2001 WATER 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 Construction Fund was created in 1971 to provide low-interest loans for water resource projects. In 2001, loan rates vary from 3 ½ percent for agricultural loans to 5 ½ percent for municipal loans in middle-income areas to 6 ½ 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, and mineral lease fund distributions. By July 2000 the total equity of the fund had risen to over \$222 million. The total fund equity includes the outstanding loan portfolio, authorized projects currently under contract, authorized projects not under contract, and a relatively small amount of unreserved cash.

The fund has financed 222 locally sponsored water projects through the loan of more than \$148 million. The CWCB may contribute up to 90 percent of the engineering and construction cost of a project. The CWCB may also provide non-reimbursable investments for up to 50 percent of the cost of a feasibility study and other water supply investigations.

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.



January, 2001

### Project Bill Highlights

- *Authorizes more than \$19 million for new loans;*

- *Provides \$2 million for decision support systems to enhance statewide water supply planning and water rights administration;*

- *Provides almost \$3 million for multi-purpose water supply studies, watershed and flood control studies and projects.*

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

## Water Project Loans

### **New Construction Fund loans: \$16,540,000**

- Dolores water Conservancy District – WETPACK- \$7,260,000
- Colorado State Parks – Jackson Lake Dam Rehabilitation - \$1,700,000
- Tunnel Water Company – Laramie/Poudre Tunnel - \$2,080,000
- Western Area Power Administration – Colorado River Recovery Program Loan - \$5,500,000

### **New Severance Tax Trust Fund Perpetual Base Account (PBA) loans: \$2,837,250**

- Town of Monument - dam rehabilitation - \$2,081,000
- Colo. Water Protective & Development Assoc. – purchase of shares - \$205,000
- Kenosha Trout Club – purchase augmentation water - \$551,250

### **Increases to existing Construction Fund (CF) and PBA loans: \$93,750**

- Columbine Ranches Property Owners Assoc. – Purchase water Rights - \$93,750
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## Non-reimbursable Investments

*The CWCB accepts applications for non-reimbursable project investments from the Construction Fund until August 31 of each year.*

*Applications for non-reimbursable project investments are accepted for:*

- 1. Projects or studies of statewide impact or importance.*
- 2. Feasibility studies and demonstration projects that are designed to answer questions related to statewide water issues or have significant potential to result in*

*loans from either the Construction Fund or the Severance Tax Trust Fund Perpetual Base Account.*

*The CWCB may recommend approval to the General Assembly any project in the above categories it deems worthy of funding through non-reimbursable investments.*

*Approximately 10% of the annual funds available for non-reimbursable investments will be set aside for feasibility studies and demonstration projects.*

### **Satellite Monitoring System Maintenance: \$573,000**

The continued maintenance, operations, and installation of satellite monitored stream gauge locations throughout the state by both the State Engineer and the Colorado Water Conservation Board. The State Engineer utilizes the information for the administration of water rights and the CWCB monitors and administers board-decreed in-stream flow water rights, and monitors high flood flows during runoff and flood events.

### **Dual Water System Study: \$136,131**

A Colorado Institute of Irrigation Management (CSU) study to assess the benefits and costs of pressurized dual water systems. Total project cost is \$220,512. Dual water systems deliver raw water for outside irrigation, reducing the demand on drinking water systems during the summer.

**Managed Groundwater Pilot Project: \$150,000**

A pilot demonstration project by the South Platte Lower River Group (SPLRG) to assess the feasibility of public/private managed groundwater recharge partnerships. The total project cost is \$170,000.

**South Platte Decision Support System: \$2 million**

The collection of water resources information to be used for the design of a decision support system for the South Platte River basin. The information will be used by a consultant in the preparation of surface and groundwater models, consumptive use models, and overall water budget models associated with the system. The total cost associated with this element of the project is \$2,000,000.

**Lower South Platte Storage: \$500,000**

A feasibility study to evaluate water management and storage alternatives in the lower South Platte Basin. The study will assist in identifying structures and/or measures to facilitate management of South Platte River flows and participation in the Three-State Platte River Cooperative Agreement.

**Arkansas Valley Pipeline Feasibility Study: \$100,000**

The enterprise of the Southeastern Colorado Water Conservancy District will prepare a feasibility study for the Arkansas Valley Pipeline. The project would consist of over 190 miles of pipeline line to supply water to municipalities and other water users in counties along the Arkansas River east of Pueblo Reservoir to Lamar. Total project cost is \$200,000.

**Water Resource Information Center: \$60,000**

In 1993 the General Assembly authorized the CWCB to “assemble and make available to water users in Colorado a consolidated water resources information center.” The funds being requested are intended to cover operating on-going costs for four-years.

**Elkhead Reservoir Environmental Compliance & Feasibility: \$500,000**

Environmental compliance and feasibility studies associated with reservoir enlargement. The enlargement is a component of a Yampa River Basin Plan that defines how the Upper Colorado River Endangered Fish Recovery Program will allow water development to continue for the next several decades while endangered fish are recovered.

**Drought Planning Survey: \$350,000**

In 2000 surface water levels statewide were low. Water users relying on water in storage fared well, while those without storage experienced drought-like conditions. Funds are requested to survey water users to collect information in several categories. The resulting report will contain GIS information, a database, reported findings, an expert analysis of the information, and options/recommendations.

**Floodplain Mapping Program: \$250,000**

This funding will pay for engineering analyses and floodplain delineation studies in five areas: Gunnison, Eagle, Weld and Delta counties and Basalt. Matching funds have been obligated or will be provided by the U.S. Army Corps of Engineers and the local entities.

**Cherry Creek Reservoir Flood Safety Study: \$75,000**

A technical review of existing Probable Maximum Precipitation (PMP) information and a new site-specific PMP analysis for Cherry Creek dam and reservoir. The total PMP investigation cost is \$149,812. This study will be completed by December 31, 2001.

**Alamosa River Restoration Project: \$150,000**

Funding to allow the Alamosa-La Jara Water Conservancy District to continue work begun in 2000 to carry out river improvements designed to improve irrigation intake structures, habitat, water quality (by reducing erosion), to reduce damage to adjacent lands due to channel erosion.

**Frenchman Creek Feasibility Study: \$25,000**

The City of Holyoke and Phillips County experienced flooding in 1997 when Frenchman Creek and its tributaries overflowed. Funding will help pay for a flood mitigation planning and engineering study to utilize recommendations provided by the Army Corps of Engineers so project design and implementation can take place. The City of Holyoke and Phillips County are providing cash and/or in-kind services.

**Dry Creek Mitigation Feasibility Study: \$50,000**

Larimer County, in cooperation with the City of Fort Collins, has been working on a flood control plan for Dry Creek. The plan would reduce flood risks, address storm drainage problems, and address irrigation system issues. Implementation of the plan requires a capital investment of approximately \$5.3 million, with an expected request for a loan in the amount of \$3.9 million. A feasibility study needs to be produced before a loan can be considered.

**Arkansas River Well Measurement Program: \$50,000**

Funding would help complete the second phase of a cooperative study of the power conversion coefficient (PCC) method to measure groundwater-pumping volumes. This information will be valuable in the Kansas litigation and will also have other benefits because the PCC method is used to determine groundwater pumping volumes throughout the U.S. The funds will be provided to the State Engineer as needed for non-federal cost-sharing with the USGS.

**Emergency Infrastructure Repair Loan Account: \$1.6 million**

Twelve projects totaling more than \$4 million have been financed through this account. The account has proven to be an effective tool to respond to water supply related emergencies over the last seven years. \$1.6 million needs to be transferred from the Construction Fund's unreserved cash to bring the balance in the account back to \$2 million.

**Foreclosure Account: \$100,000**

The Board has a policy regarding delinquent loan collection. The Board's final course of action is to refer the bad debt to the Attorney General's Office to take appropriate legal action (including foreclosure). A special fund within the Construction Fund would be established to provide the financial resources and spending authority to cover the costs associated with foreclosure proceedings.

**Colorado River Recovery Program Loan Account: \$5 million**

The account was established to make loans to power users of the federal Colorado River Storage Project so help finance their participation in the recovery of four endangered fish species. The balance in the account is currently \$12 million. The CWCB's goal, when the account was created, was to have \$17 million available for loans. This funding would be the final installment.

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For more information about this or other water resource topics you can contact the CWCB at:

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