

# COLORADO WATER CONSERVATION BOARD

## Department of Natural Resources

Bill Owens, Governor

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## HB 02-1152: THE 2002 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 projects. The fund has financed more than 200 locally sponsored water projects. 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.

In 2002, loan rates vary from:

- 2.75 percent for agricultural loans;
- 4.25 percent for municipal loans in middle-income areas; to,
- 5.75 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 fund's cash balance in the state treasury, and federal mineral royalty distributions. The total equity of the fund exceeds \$233.8 million. The total fund equity includes the outstanding loan portfolio, authorized projects currently under contract and authorized projects not yet under contract.

The **Severance Tax Trust Fund Perpetual Base Account** was established by the General Assembly in 1997. Principal funding comes from the taxes paid by the producers of gas, oil, coal and other minerals. Preference is given to projects in mineral and energy producing areas.

The total equity of the Perpetual Base Account has risen to more than \$57.5 million. The total fund equity includes severance tax revenue, the outstanding loan portfolio that includes authorized projects currently under contract and authorized projects not yet under contract.



### 2002 Project Bill Highlights

- *Authorizes more than \$30.8 million for new loans;*
- *Provides nearly \$5 million for satellite monitoring, water supply studies, watershed and flood control studies and other projects.*

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

## Water Project Loans

### New Construction Fund loans:

Loan Recipient	Name of Project	County	Amount
City of Fountain	Keeton Reservoir Rehabilitation	El Paso	\$420,000
Amity Mutual Irrigation Co.	Neenosha Res.	Kiowa	\$360,000
Owl Creek Ditch and Res. Co.	Owl Creek Reservoir Rehabilitation	Weld	\$1,125,000
East Dillon Water and Sanitation District	Water Rights Purchase	Summit	\$2,550,000
Lake Henry Reservoir Company	Lake Henry Reservoir Rehabilitation	Otero	\$490,000
Silver Spring Fish Hatchery	Fish Hatchery Rehabilitation	Montrose	\$365,000
<b>Total</b>			<b>\$5,310,000</b>

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

Parker Water and Sanitation District	Reuter Hess Dam and Reservoir	Douglas	\$15,000,000
Larimer County	Dry Creek Flood Control Project	Larimer	\$11,000,000
<b>Total</b>			<b>\$26,000,000</b>

## Non-reimbursable Investments

The CWCB accepts applications for non-reimbursable projects 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 projects designed to address statewide, region wide, or basin wide issues. The Board examines whether such studies will result in new loans.

Proposed non-reimbursable investments in 2002:

Division of Water Resources	Satellite Monitoring System Maintenance	Statewide	\$304,000
CWCB	Water Conservation Data Collection	Statewide	\$295,000
Rio Grande Water Conservation District	Closed Basin Project Well Rehabilitation	Alamosa	\$200,000
La Plata Water Conservation District	Long Hollow and Red Mesa Ward Res. Feasibility Study	La Plata	\$445,000
Colorado Water Congress	Education Foundation	Statewide	\$250,000
City of Colorado Springs	Fountain Creek - ACOE Study	El Paso	\$300,000
CWCB	South Platte Decision Support System	Basin-wide	\$2,000,000
CWCB	Statewide Drainage Criteria Manual	Statewide	\$150,000

CWCB	Floodplain Mapping	Statewide	\$100,000
CWCB	Chatfield Reservoir Reallocation Study	Jefferson	\$192,500
CWCB	Document Imaging Program	Statewide	\$150,000
Division of Water Resources	DWR Surface Water Data Imaging Program	Statewide	\$212,000
CWCB	Capital Improvements and Leased Space	Statewide	\$200,000
CWCB	Colorado River Delta	Statewide	\$100,000
<b>Total</b>			<b>\$4,898,500</b>

## Non-reimbursable Project Descriptions

**DWR & CWCB Satellite Monitoring & Data Collection:** funding for the maintenance, operations, and installation of satellite monitored stream gauges throughout the state. The State Engineer utilizes the information for water rights administration and the CWCB monitors and administers board-decreed in-stream flow water rights, and monitors high flood flows during runoff and flood events.

**Closed Basin Project Well Rehabilitation:** the Rio Grande Water Conservation District will re-drill and re-locate several Closed Basin project wells. Existing wells and pumps are losing their production capabilities due to drawdown of the aquifer at specific locations and basic wear and tear. The improvements will reduce well screen size and bore size and will help insure the system meets water quality requirements.

**Long Hollow and Red Mesa Ward Res. Feasibility Study:** the La Plata Water Conservancy District will to conduct a Feasibility Study to evaluate construction of the Long Hollow Reservoir and enlargement of the Red Mesa Ward Reservoir.

**Education Foundation:** the Colorado Water Congress would receive funds to establish and sustain a water education foundation to “promote a better understanding of water issues through educational opportunities and resources so Colorado citizens will understand water as a limited resource and make informed decisions.”

**Fountain Creek Study:** on behalf of communities in the Fountain Creek Watershed, the City of Colorado Springs is requesting funds to meet the cost-share requirements to conduct a U.S. Army Corps of Engineers watershed study.

**South Platte Decision Support System:** funds to collect water resources information to be used in a decision support system for the South Platte River basin. The information will be used to prepare surface and groundwater models, consumptive use models, and water budget models.

**Drainage Criteria Manual:** funding to complete a Statewide Drainage and Floodplain Management Criteria Manual to help guide local floodplain administrators, government engineers, consulting engineers, developers, and others with statewide drainage and floodplain projects. It will provide consistency in methodological approaches to hydrology and other technical aspects of drainage and floodplain studies and projects.

**Floodplain Mapping:** Funds will be used for engineering analyses and floodplain delineation studies. Matching funds and/or topographic mapping will have to be obligated by local entities. Matching funds will also be sought from the U.S. Army Corps of Engineers and FEMA for hydrologic analyses and/or hydraulic analyses.

**Chatfield Reservoir Reallocation Study:** funds for four additional study components: 1) an environmental investigation (the Preble’s Meadow Jumping Mouse is present within the study area. Additional study is required to better understand and define the Mouse’s habitat because the mouse’s life cycle can have a direct relationship to reservoir operations); 2) Seismic (earthquake) Investigations (the Chatfield Dam embankment design did not analyze earthquake risk. Current federal dam design requirements state that earthquake risk must be addressed). Recreational Planning and Design (the Division of Parks has facility relocation concerns that the study contractor must investigate); and, 3) 100-Year Floodplain Information (an opportunity to prepare detailed floodplain maps exists as a by-product of the Hydrology and Hydraulic Determinations that must performed for the damage and

economic analyses. Presently, the State and its counties, cities and towns have very limited 100- year floodplain information on the South Platte River downstream of Denver).

**Document Imaging Program:** additional funding to complete the CWCB's document imaging program. The goal is make all of the CWCB's information available via the Internet.

**DWR Surface Water Data Imaging Program:** funding to continue the imaging of all the Division's water records, including: water rights decrees; diversion records; filing statements and maps, dam plans and subdivision files. Once the documents are imaged, they are linked to corresponding records in HydroBase, the central database of water data.

**Capital Improvements and Leased Space:** according to state standards the CWCB has less than half the space needed for an agency like ours. Using the requested funds we intend to undertake office space renovations and will look for additional office space.

**Colorado River Delta:** funding is provided to allow the CWCB and the state to adequately participate in international discussions about the use of Colorado River water to maintain a wetland that has been created in Mexico.

### **Other Provisions**

**Loan de-authorizations:** the bill de-authorizes loans authorized more than three years ago because project sponsors no longer need or want funding. The money is then available for other uses.

**Repeals Salinity Control Loan Program:** if loans are needed they can be provided from the Construction Fund or the Severance Tax Trust Fund Perpetual Base Account.

**Repeal of Horse Creek Basin Account:** the bill repeals the authorization because work has been completed.

**Small Project Loan Authorization:** the bill repeals the existing \$2 million small project loan fund authorization. The authorization is replaced with provisions allowing the Board to authorize loans of less than \$1 million from any of its un-obligated funds.

**Restoration of Fund Balances:** money is provided to re-capitalize the existing emergency infrastructure repair fund, flood response fund, and the wildlife mitigation fund.

**Litigation Fund:** the use of the money in the fund is expanded to include interstate litigation and regulatory activities that could adversely impact the maximum beneficial use of water.

**Instream Flow and River Restoration:** the bill gives the CWCB and existing water users the ability to apply for grants directly to the Board to mitigate the impacts of existing projects.

**Technical Corrections:** the bill makes grammatical and technical corrections in existing statutes.

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