

# COLORADO WATER CONSERVATION BOARD

## Department of Natural Resources

Bill Owens, Governor

Greg Walcher, DNR Executive Director

Rod Kuharich, CWCB Director

---

# THE 2003 WATER PROJECTS BILL

---

## 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 \$240 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 \$75 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.



## 2003 Projects Bill Highlights

• *Authorizes more than \$34 million for new loans;*

• *Provides nearly \$6 million for satellite monitoring, water supply and planning studies, flood control and other projects.*

For more information, contact Mary Marchun or Kent Holsinger at DNR at (303) 866-3311, or Mike Serlet at CWCB at (303) 894-2577.

## Water Project Loans

### New Construction Fund loans:

| Loan Recipient                     | Name of Project  | County  | Amount              |
|------------------------------------|--|---------|---------------------|
| Central Water Conservancy District | Purchase Water Rights, Reservoir Construction, Recharge Construction | Larimer | \$15,000,000        |
| Kern Ditch and Reservoir Co.       | Kern Reservoir Rehabilitation Res.                                   | Weld    | \$3,620,000         |
| Poudre Tech Metro District         | Dual Water System and Reservoir Construction                         | Weld    | \$2,180,000         |
| <b>Total</b>                       |  |         | <b>\$20,800,000</b> |

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

|                                    |                                  |                     |                     |
|------------------------------------|----------------------------------|---------------------|---------------------|
| Mancos Water Conservancy District  | Water System Rehabilitation      | Montezuma           | \$5,486,531         |
| Little Thompson Water District     | Dry Creek reservoir Construction | Larimer             | \$3,937,500         |
| Central Weld County Water District | Dry Creek Reservoir Construction | Weld, Adams, Morgan | \$3,937,500         |
| <b>Total</b>                       |                                  |                     | <b>\$13,361,531</b> |

### Recommended 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.

|   |   |           |           |
|---|---|-----------|-----------|
| <b>CWCB</b><br>Satellite Monitoring and Data Collection                       | Funds to maintain, operate, and install satellite monitored stream gauges to monitor and administer in-stream flow water rights and high flood flows. | Statewide | \$231,000 |
| <b>Division of Water Resources</b><br>Satellite Monitoring System Maintenance | Funds to maintain, operate, and install satellite monitored stream gauges for water rights administration.  | Statewide | \$403,000 |
| <b>CWCB</b><br>Instream Flow Decision Support System                          | Develop databases and collect information to create a management system to complement the existing CDSS.  | Statewide | \$440,000 |
| <b>CWCB</b><br>Database Pilot Program   | Plan to consolidate and upgrade existing databases involving project loans, water rights management, litigation, and floodplain designations.         | Statewide | \$75,000  |
| <b>CWCB</b><br>Document Imaging   | Funding for the document-imaging program to make information available via the Internet.  | Statewide | \$150,000 |
| <b>Local Communities</b><br>Floodplain Map Modernization                      | Assist communities to revise and improve floodplain studies and maps.   | Statewide | \$500,000 |

|   |  |                                |             |
|---|--|--------------------------------|-------------|
| <b>City of Greeley</b><br>Cache la Poudre River<br>Floodway Project                                     | Identify improvement projects to reduce flood damage, restore riparian areas, create recreation opportunities, and improve water quality   | Weld<br>County                 | \$150,000   |
| <b>Local Communities</b><br>Technical Assistance to<br>Covered Entities (Water<br>Conservation Support) | Review the technical standards used to prepare water conservation plans, identify and prioritize covered entities, and develop strategies to assist covered entities.  | Statewide                      | \$295,000   |
| <b>U.S.G.S./Local Entities</b><br>Gunnison River Transit<br>Loss Study                                  | Describe quantity, timing, and causes of streamflow gains and losses to efficiently manage reservoirs, administer water rights, and implement endangered species programs.   | Montrose,<br>Delta<br>Counties | \$59,460    |
| <b>CWCB/DNR</b><br>Statewide Water Yields<br>Assessment   | Prepare a study to assess the water originating on U.S. Forest Service land, the impacts past and future management practices have had, or will have, on water yields. Produce a report demonstrating the impacts of current forest management practices on water yields.  | Statewide                      | \$190,000   |
| <b>CWCB</b><br>Statewide Water Supply<br>Initiative   | Authorization to investigate all aspects of water supply and water demand over the next 30 years by evaluating water supply and water management project alternatives in each river basin, formulate water development strategies to implement the most promising alternatives, and build consensus as to which alternatives and strategies should be pursued. The study is to be conducted in year 2003 and 2004, with the final report completed by November 15, 2004. | Statewide                      | \$3,000,000 |
| <b>CWCB</b><br>Colorado River Return<br>Project Reconnaissance<br>Study                                 | Authorization to study to the physical, logistical, environmental, financial, legal and institutional aspects of the construction of a large-scale water delivery system from the Colorado river near the Utah border to be utilized in the South Platte, Arkansas, and Colorado river basins. The study is to be conducted in year 2003, with the final report completed by November 15, 2003.  | Statewide                      | \$500,000   |

**Total**            **\$5,993,460**

### 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.

**Restoration of Fund Balances:** money is provided to re-capitalize the small project feasibility study grant fund, the emergency infrastructure repair fund, and the flood response fund.

**Litigation Fund:** the use of the money in the fund is expanded to other federal threats in addition to bypass flows, such as, but not limited to, reserve rights filings that could adversely impact Colorado's compact-entitled water.

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.cwcb.state.co.us](http://www.cwcb.state.co.us)