

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

Bill Owens, Governor

Russell George, DNR Executive Director

Rod Kuharich, CWCB Director

THE 2004 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 250 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 FY 2004, loan rates vary from:

- 2.50 percent for agricultural loans;
- 4.00 percent for municipal loans in middle-income areas; to,
- 5.50 percent for commercial loans.

These rates are adjusted each fiscal year 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 \$245 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 \$85 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.



2004 Projects Bill Highlights

• *Authorizes more than \$24 million for new loans;*

• *Provides nearly \$4 million for satellite monitoring, water supply and planning studies, flood control and other projects.*

For more information, contact Mike Serlet at CWCB at (303) 866-3426 or Mary Marchun at the Department of Natural Resources at (303) 594-8198.

Water Project Loans

New Construction Fund loans:

Loan Recipient	Name of Project	County	Amount
New Cache La Poudre Irrigating Company	Barnsville, Cornish Plains and Drury Reservoir Construction	Weld	\$7,272,000
Western Area Power Administration	Colorado River Recovery Program Loans	Colorado/ San Juan River Basin	\$5,938,800
Total			\$13,210,800

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

Colorado River Water Conservation District	Elkhead Reservoir Enlargement	Moffat and Routt	\$11,110,000
Total			\$11,110,000

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.

CWCB 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	\$210,000
Division of Water Resources Satellite Monitoring System Maintenance	Funds to maintain, operate, and install satellite monitored stream gauges for water rights administration.	Statewide	\$353,000
CWCB Colorado Decision Support System Information Update	Update the irrigated acreage component of the Colorado Decision Support System (CDSS) database.	Statewide	\$150,000
CWCB Document Imaging	Funding for the document-imaging program to make information available via the Internet.	Statewide	\$145,000
Local Communities Floodplain Map Modernization	Assist communities to revise and improve floodplain studies and maps.	Statewide	\$215,000
Water Conservation Districts Weather Modification Program	Assist water conservation and conservancy districts with the development of cloud seeding programs to provide benefits to recreation, streams, and reservoirs through snowpack enhancement	Statewide	\$20,000

CWCB Flood Hazard Mitigation Program	Participate in planning and engineering services for stream restoration projects and provide matching funds with federal and local agencies in the development of flood mitigation projects	Statewide	\$75,000
U.S. Interior Dept and Tamarisk Coalition Statewide Tamarisk Field Survey	Inventory of acres infested by tamarisk and non-native invasive phreatophytes in the Arkansas and Colorado River basins.	Statewide	\$52,500
CWCB Continuation of the South Platte Decision Support System	Continued development of the South Platte Decision Support System collecting water resources information to be used in preparing surface and groundwater models, consumptive use models, and water budget models.	South Platte basin	\$2,500,000

Total **\$3,720,500**

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 flood response fund.

Statutory Revisions: revisions to the Colorado Revised Statutes included the elimination of the Arkansas river augmentation loan fund and the emergency infrastructure loan fund. The two special funds were eliminated due to provisions included in the 2003 Construction Fund Projects Bill. Other revisions will enable a more efficient administration of the Construction Fund by the CWCB.

Notes

Provisions included in the 2003 Construction Fund Projects Bill allow the CWCB to approve loans up to \$5 million without legislative authorization. A report detailing the 29 loans made in 2003, valued at over \$20 million, was presented to the House and Senate Agriculture Committees January 15, 2004. Copies of the report are available upon request.

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

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