

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

Bill Owens, Governor

Russell George, DNR Executive Director

Rod Kuharich, CWCB Director

THE 2005 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 275 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 2005, loan rates vary from:

- 2.50 percent for agricultural loans;
- 4.00 percent for municipal loans in middle-income areas; to,
- 5.25 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 \$251 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.

The total equity of the Perpetual Base Account has risen to more than \$116 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.



2005 Projects Bill Highlights

• *Authorizes more than \$20 million for new loans;*

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

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Water Project Loans

New Construction Fund loans:

Loan Recipient	Name of Project	County	Amount
No New Loans Recommended			\$0
<i>Total</i>			\$0

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

Central Colorado Water Conservancy District Well Augmentation Sub-District	Water Rights Purchase and Construction of Lined Gravel Pit Water Storage	Weld, Adams & Morgan	\$20,200,000
		<i>Total</i>	\$20,200,000

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	\$200,000
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 In-Stream Flow Engineering Support Services	Assist staff in conducting technical analysis and expert testimony to resolve or defend existing in-stream flow water rights, establish new in-stream flow appropriations, and change the use of acquired water rights for in-stream flow use.	Statewide	\$50,000
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	\$1,500,000
CWCB Continuation of the Document Imaging System and Integrated Water Information Center	Funding for the document-imaging system to make information available via the internet, and to provide space and equipment for decision support system training and a library of water resource documents known as the water resource information center .	Statewide	\$275,000
Local Communities Continuation of the Floodplain Map Modernization Program	Assist communities to revise and improve floodplain studies and maps.	Statewide	\$250,000

Water Conservation Districts Continuation of the 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	\$60,000
CWCB Enhanced Snowpack Assessment Program	Develop with the Bureau of Reclamation modeled snowpack data and mapping to provide benefits to Colorado's water resource planners and managers	Statewide	\$100,000
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
CWCB Floodplain Technical Services	Participation in floodplain management technical services assisting local governments with high priority flood control study, planning, engineering, and pre-construction activities.	Statewide	\$175,000
Republican River Water Conservation District Compact Compliance	Support the newly created Republican River Water Conservation District in projects and studies to meet Republican River compact compliance.	Republican River basin	\$50,000
City of Florence Oak Creek Reservoir Feasibility Study	Assist the City of Florence in the preparation of the Oak Creek Reservoir feasibility study to be completed by the U.S. Army Corps of Engineers	City of Florence	\$167,000
Southeast Colorado Resource Conservation & Development, Inc. Arkansas Valley Drainage Study	Assist the Southeast Colorado RC&D in the study of subsurface drainage facilities and preparation of an improvement plan for lower Arkansas River valley drainage districts.	Arkansas River basin	\$100,000
CWCB Continuation of the Statewide Water Supply Initiative	Continue activities associated with the on-going implementation of the statewide water supply initiative.	Statewide	\$500,000
Division of Wildlife Conservation Reserve Enhancement Program	Assist the Division of Wildlife to provide technical services to improve water quality, reduce water consumption, and advance wildlife habitat in the Republican, Rio Grande, and S. Platte river basins.	Republican, Rio Grande & South Platte basin	\$75,000
		Total	\$3,930,000

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: There are no proposed revisions to the Colorado Revised Statutes included in this year's bill.

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 26 loans made in 2004, valued at almost \$13 million, was presented to the House and Senate Agriculture Committees January 14, 2005. Copies of the report are available upon request.