

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

Bill Owens, Governor

Russell George, DNR Executive Director

Rod Kuharich, CWCB Director

THE 2006 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 300 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 2006, loan rates vary from:

- 2.50 percent for agricultural loans;
- 3.75 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 \$260 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 \$140 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.



2006 Projects Bill Highlights

- *Provides nearly \$4 million for decision support systems, management of realtime water data, weather modification, watershed restoration projects, 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:

No New Loans Recommended			\$0
<i>Total</i>			\$0

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	\$250,000
Division of Water Resources Satellite Monitoring System Maintenance	Funds to maintain, operate, and install satellite monitored stream gauges for water rights administration.	Statewide	\$350,000
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	\$100,000
CWCB Continuation of the Weather Modification Program	Assist water conservation districts, water conservancy districts and other water providers with the development of cloud seeding programs providing benefits to recreation, streams, and reservoirs through snowpack enhancement.	Statewide	\$75,000
CWCB Watershed Restoration Program	Conduct planning and engineering studies, including implementation measures, to address technical needs for watershed restoration and flood mitigation projects throughout the state.	Statewide	\$150,000
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 to be used in basinwide water resource planning.	South Platte basin	\$2,000,000
Local Communities Floodplain Map Modernization Program Continued	Continued assistance to communities to revise and improve floodplain studies and maps.	Statewide	\$250,000

CWCB Continuation of the Enhanced Snowpack Assessment Program	Continued collaboration with the U.S. Bureau of Reclamation on enhanced snowpack assessment project that will develop modeled snowpack data and mapping to provide benefits to all water resource planners and managers in the state.	Statewide	\$100,000
CWCB Continuation of the Floodplain Technical Services	Continued floodplain management technical services to assist local governments with high priority flood control study, planning, engineering, and pre-construction activities.	Statewide	\$175,000
CWCB SNODAS Data Verification Program	Collaborate with the U.S. Geological Survey on a pilot study to improve predictions of snowmelt runoff and the corresponding flood potential by evaluating and verifying snow water equivalent estimates from the snow data assimilation system using a combination of snow surveys and streamflow information in small watersheds in the Gunnison River basin during the winter of FY 2007	Statewide	\$48,000
San Luis Valley Irrigation District Rio Grande Reservoir Multi-Use Enlargement Study	Assist the San Luis Valley Irrigation District in the Rio Grande reservoir multi-use enlargement study to evaluate the extent an enlargement of the reservoir will assist the state in administration of the Rio Grande compact, address regional water supply problems, conserve and protect fish in the Rio Grande river, and identify river restoration and floodplain management projects.	Rio Grande Basin Compact	\$133,555
South Platte Ditch Co., Inc. Canal Modernization and Radio Telemetry Demonstration Project	Assist the South Platte Ditch Company, Inc. in a demonstration project to evaluate the effectiveness of certain electronic flow measurement and ditch operation control equipment featuring innovative radio technology.	Statewide	\$100,000

Total **\$3,731,555**

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 up to \$150,000 and \$2,000,000 from the Severance Tax Trust Fund Operational Account to re-capitalize the Litigation Fund balance up to its original amount of \$4,000,000.

Statutory Revisions: One proposed revision to the Colorado Revised Statutes is included in this year's bill to allow the fees generated from weather modification permits to be deposited and used in the new Weather Modification Fund created through this 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 15 loans made in 2005, valued at almost \$20 million, was presented to the House and Senate Agriculture Committees January 16, 2006. Copies of the report are available upon request.