

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

Bill Ritter, Jr, Governor

Harris D. Sherman, DNR Executive Director

Rod Kuharich, CWCB Director

SENATE BILL 07-122

THE 2007 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 320 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 2007, 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 \$274 million. The total fund equity includes the outstanding loan portfolio, authorized projects currently under contract, authorized projects not yet under contract, and cash available for new loans.

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 \$200 million. The total fund equity includes severance tax revenue, the outstanding loan portfolio, authorized projects currently under contract and authorized projects not yet under contract.



2007 Projects Bill Highlights

- *Authorizes more than \$145 million for new loans;*
- *Provides nearly \$5.6 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.

CWCB
1313 Sherman Street, Room 721,
Denver, CO, 80203
Phone: (303) 866-3441
FAX: (303) 866-4474
Internet: www.cwcb.state.co.us

Water Project Loans

New Construction Fund loans:

Loan Recipient	Name of Project	County	Amount
City of Aurora Water Activity Enterprise	Prairie Waters Pipeline Project	Arapahoe & Adams	\$75,750,000
Total			\$75,750,000

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

Southeastern Colorado Water Conservancy District Water Activity Enterprise	Arkansas Valley Conduit Project	Pueblo, Otero & Crowley	\$60,600,000
Penrose Water District Water Activity Enterprise	Water Rights Purchase, Raw Water Pipeline and Reservoir Enlargement	Fremont	\$ 8,844,570
Total			\$69,444,570

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 Stream Gage Fund	Creates a continuously appropriated fund to install, maintain, and operate stream gauges to monitor and administer in-stream flow water rights and high flood flows as statutorily authorized.	Statewide	\$250,000 from previous approp.
Division of Water Resources Satellite Monitoring	Appropriates funds to install, maintain, and operate satellite monitored stream gauges for water rights administration as statutorily authorized.	Statewide	\$350,000
CWCB Upper Arkansas River Basin Groundwater Bibliography	Complete a digital and geo-referenced bibliography of publicly available studies and data related to the alluvial aquifer system of the Upper Arkansas river, including bedrock aquifers of entire system.	Upper Arkansas River basin	\$40,000
CWCB Upper Arkansas River Basin Decision Support System Feasibility Study	Determine the feasibility of developing a decision support system for the upper Arkansas river, taking into account the basin specific needs and water resource challenges to identify scope, functions, and elements of a decision support system.	Upper Arkansas River basin	\$200,000
CWCB Colorado Decision Support System Modeling & Engineering Support	Funding for engineering support services to assist staff in conducting technical modeling analysis for instream flow issues, statewide water supply initiatives, interbasin compact issues and other water resources planning support.	Statewide	\$200,000

CWCB Snowmelt Timing Study	Collaborate with the U.S. Geological Survey in an analysis of snowpack melt timing, stream flow runoff timing, and trends in monthly air temperatures and precipitation in high elevations to further understand the impacts on water resources in Colorado.	Statewide	\$40,000
Local Communities Continuation of the Floodplain Map Modernization Program	Assist communities to revise and improve floodplain studies and maps.	Statewide	\$500,000
CWCB Colorado Flood Decision Support System	Develop Phase I of a statewide decision support system to provide a clearinghouse of flood hazard information, flood outlook data, weather modification information, stream restoration facts and other flood related statistics to be used by engineers, floodplain managers and emergency response agencies.	Statewide	\$250,000
CWCB Continuation of the Chatfield Reservoir Reallocation Study	Continue development of the Chatfield Reservoir Reallocation Study in cooperation with the U.S. Army Corps of Engineers.	South Platte Basin	\$600,000
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	\$150,000
CWCB Drought Mitigation Planning Technical Assistance Program	Provide technical assistance to Colorado's water providers in the development of drought mitigation plans	Statewide	\$150,000
CWCB Colorado Water Needs and Alternatives Analysis	Evaluate water availability in the Colorado River basin to help address the water supply gap between proposed water projects and the total amount of water needed to meet Colorado's future water demands and needs.	Statewide	\$500,000
Colorado Water Trust CCC Ditch Diversion Rehabilitation on the San Miguel River	Participate with the Colorado Water Trust in a demonstration project on the San Miguel River to modify the CCC Ditch Co.'s diversion structure to eliminate the barrier to fish migration and recreational boats while still providing a full supply of irrigation water to the ditch	San Miguel Basin	\$65,000
CWCB Recreational In-Channel Diversions & Instream Flow Water Rights Studies	Evaluate how instream flow water rights and recreational in-channel diversion water rights affect both current and future water management of Colorado's water.	Statewide	\$150,000
CWCB Water Conservation Public Awareness Research Study	Conduct a study to identify critical attitudes, perceptions and behaviors among Coloradoans regarding water and water use efficiency.	Statewide	\$150,000
CWCB South Platte River & Arkansas River Basins Alternative Agriculture Water Transfer Sustainability Grant Program	Develop and implement a competitive grant program to advance agricultural transfers as alternatives to permanent agricultural dry-up in the S.Platte and Arkansas river basins. Alternatives may include interruptible water supply agreements, agricultural land fallowing, water banks, consumptive use reduction through efficiencies and leaseback of agricultural lands.	S.Platte & Arkansas River Basins	\$1,500,000

Colorado Mtn. College Rocky Mountain Fen Demonstration Project	Explore the extent to which transplantation of organic peat soils from potentially impacted areas to specifically prepared receiver sites can serve as mitigation to fen wetland areas.	Statewide	\$100,000
		<i>Total</i>	\$4,945,000

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: Four proposed revisions to the Colorado Revised Statutes are included in this year's bill to 1) to provide spending authority for permit fees from the Weather Modification Program to be expended for weather modification program purposes, 2) to increase the amount authorized for the Colorado Water Conservation Board to make loans from the Construction Fund and Severance Tax Trust Fund Perpetual Base Account without legislative authorization from five million dollars to twenty five million dollars, 3) clarifies the statutory language to more efficiently administer the Agricultural Emergency Drought Response grant program, and 4) increases the Flood Response Fund from one hundred fifty thousand dollars to three hundred thousand dollars.

Session Law Revisions: the bill amends the 2005 Water Projects Bill, SB05-084, to allow a borrower to complete additional activities with authorized loan funds.

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 16 loans made in 2006, valued at over \$10 million, was presented to the House and Senate Agriculture Committees January 12, 2007. Copies of the report are available upon request.