

# COLORADO WATER CONSERVATION BOARD

## Department of Natural Resources

Bill Ritter, Jr, Governor

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# SENATE BILL 09-125

## THE 2009 WATER PROJECTS BILL

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### 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 352 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 2009, loan rates vary from:

- 2.5 percent for agricultural loans;
- 4.0 percent for municipal loans in middle-income areas; to,
- 5.5 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 \$312 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 \$290 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.



### 2009 Water Projects Bill Highlights

• *Provides over \$8.0 million for satellite monitoring, water supply and planning studies, flood control and other projects.*

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## Recommended Non-reimbursable Investments

The CWCB accepts applications for non-reimbursable projects from the Construction Fund until August 1<sup>st</sup> 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>Division of Water Resources (Sec.1)</b> Satellite Monitoring	Appropriates funds to install, maintain, and operate satellite monitored stream gauges for water rights administration as statutorily authorized.	Statewide	\$350,000
<b>CWCB (Sec.2)</b> Instream Flow Engineering and Tech. Support Services	Engineering support to assist staff in technical analysis and expert testimony needed to resolve instream water right acquisitions and appropriations.	Statewide	\$50,000
<b>CWCB (Sec.3)</b> Water Resources Planning Studies	Meet unanticipated needs for water planning funds and provide non-reimbursable funding assistance to local entities related to water planning	Statewide	\$100,000
<b>CWCB (Sec.4)</b> Continuation of the Alternative Agriculture Water Transfer Sustainability Grant Prg.	Continue to develop and implement a statewide competitive grant program to advance ag transfer methods as alternatives to permanent ag dry-up, including interruptible water supply agreements, ag land fallowing, water banks, reduced consumptive use through efficiency or cropping while maintaining historic return flows. All drainage basins will eligible for funding.	Statewide	\$1,500,000
<b>CWCB (Sec.5)</b> Water Adaptation Partnership Projects	Develop and implement a long-term plan addressing the impacts of climate variability on water supplies throughout the State.	Statewide	\$500,000
<b>CWCB (Sec.6)</b> 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	\$175,000
<b>CWCB (Sec.7)</b> NOAA Statewide Precipitation-Frequency Atlas Update	Participate with National Oceanic and Atmospheric Administration in the update of the "precipitation-frequency atlas" to be used in hydraulic analysis and delineation of floodplains, land use decisions and local drainage regulations.	Statewide	\$300,000
<b>CWCB (Sec.8)</b> Dust-on-Snow Studies	Participate with the Center for Snow and Avalanche Studies in a study of the effects of dust-on-snow on snowmelt timing, intensity, and duration in order to more accurately predict the snowmelt process and stream runoff patterns.	Statewide	\$30,000
<b>Local Communities (Sec.9)</b> Continuation of the Floodplain Map Modernization Program	Assist communities to revise and improve floodplain studies and maps. Provides the required non-federal matching dollars that are further leveraged by local cost share and in-kind services.	Statewide	\$500,000

<b>CWCB (Sec. 10)</b> Continuation of the Watershed Restoration Program	Continue to provide planning and engineering studies, including implementation measures, to address technical needs for watershed restoration and flood mitigation projects throughout the State.	Statewide	\$250,000
<b>CWCB (Sec.11)</b> Continuation of the Floodplain Technical Services	Continue to provide floodplain management technical services assisting local governments with high priority flood control study, planning, engineering and preconstruction activities.	Statewide	\$125,000
<b>CWCB (Sec.12)</b> Restoration of Flood Response Fund Balance	Refresh fund created to respond to flood events by documentation, forecasting, post flood mapping and flood mitigation.	Statewide	\$300,000
<b>CWCB (Sec.13)</b> Water Resource Information Center and Data Harvesting Initiative	Continue the operation of a consolidated water resources information center and to collaborate with C.S.U. by combining document management systems to provide statewide on-line access to imaged water-related documents including publications, maps, audio files, reports, water right decrees, historical documents and collections, flood insurance studies and other water info.	Statewide	\$550,000
<b>CWCB (Sec.14)</b> Modflow Enhancement for Colorado Decision Support Systems	Participate with the U.S. Geological Survey in the enhancement of mudflow, a USGS groundwater model, to make groundwater modeling process more efficient and river decision support systems more accurate and reliable.	Statewide	\$50,000
<b>CWCB (Sec.15)</b> Continuation of the South Platte Decision Support System	Continue the development of the South Platte decision support system.	South Platte Basin	\$150,000
<b>CWCB (Sec.16)</b> Continuation of the Colorado River Water Availability Study – Phase 2	Continue the model development phase of the Colorado water needs and alternatives analysis, authorized in SB 07-122. Continue to work in full consultation with, and the active involvement of , the basin roundtables and continue to consider current and potential future in-basin consumptive and non-consumptive needs.	Colorado River Basin	\$1,000,000
<b>CWCB (Sec.17)</b> Arkansas River Surface Water Rules Technical and Financial Assistance	Provide technical and financial assistance in addressing the effects of increasing agricultural water use efficiency in the Arkansas river basin, as established by the Colorado State engineer's promulgated rules, and formulate and implement cost-effective means to comply with the rules and specific measures to prevent potential compact violations.	Arkansas River Basin	\$250,000
<b>CWCB (Sec.18)</b> Restoration of Litigation Fund Cash Balance	Restore the unencumbered balance in the Litigation Fund to \$4,000,000. The Litigation Fund is used to fund the Attorney General's Office for the purpose of engaging in litigation to defend and protect Colorado's allocations of water in interstate streams and rivers.	Statewide	\$2,200,000
<b>CWCB (Sec.19)</b> Wild and Scenic Rivers Fund – Creation.	Create a Fund in order to work with in-basin stakeholders to explore alternatives to wild and scenic designations, and to explore alternatives that would fall within the wild and scenic designation process. The fund would be continuously appropriated to an unencumbered balance of \$400,000 annually.	Statewide	\$400,000
		<b>Total</b>	<b>8,780,000</b>

### **Other Provisions**

**Session Law Revisions:** the bill amends the 2007 Water Projects Bill, SB07-122, extending the authorization of a loan to the Southeastern Colorado Water Conservancy District for the Arkansas Valley Conduit Project for another two years. **(Sec.20)**.

### **Notes**

Provisions included in the 2007 Construction Fund Projects Bill allow the CWCB to approve loans up to \$10 million without legislative authorization. A report detailing the 26 loans made in 2008, valued at over \$33 million, was presented to the House and Senate Agriculture Committees January 9, 2009. Copies of the report are available upon request.