

# COLORADO WATER CONSERVATION BOARD

## Department of Natural Resources

Bill Ritter, Jr, Governor

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# HOUSE BILL 10-1250

## THE 2010 WATER PROJECTS BILL

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### Background

The General Assembly annually authorizes water project grants and loans from the Construction Fund and loans from the Perpetual Base Account of the State Severance Tax Trust Fund.

The CWCB Statewide Water Supply Initiative has determined that more than 1.84M acre-feet of water will be needed by water providers by 2030.

The **Construction Fund** was created in 1971 to provide low-interest loans for water projects. The fund has financed up to 90% of engineering and construction costs for more than 370 locally sponsored water projects. The fund may also provide non-reimbursable investments.

The Construction Fund is a revolving loan fund that allows the CWCB to be self-supporting and operate without money from the General Fund. Revenues come from interest earned on outstanding loans and on the fund's cash balance in the state treasury, and royalty distributions from federal mineral leases (FML).

The Construction Fund's ability to support CWCB's operations and programmatic activities was significantly impacted by a \$10 million general fund transfer in FY08/09.

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.

This fund is also used for water supply project loans. The CWCB's ability to provide low interest loans for water projects was significantly impacted by a \$97 million General Fund transfer in FY08/09 and FY09/10. Given these fund transfers, this fund is not available for new project loans until FY11/12 or later.

FY 09/10, loan rates for both funds are:

- 2.75% for agricultural loans; to,
- 4.0% to 5.25% for municipal loans; to,
- 6.25% for commercial loans.

These rates are adjusted each fiscal year by the CWCB.

The CWCB is adjusting weekly to manage its available cash flow for new loans, non-reimbursable projects, and other projects at its bi-monthly Board meetings



### 2010 Water Projects Bill Highlights

*Provides over \$1.5 million for watershed protection, flood control programs, satellite monitoring of stream gage systems, 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 first of each year. Applications for non-reimbursable projects 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	\$250,000
<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> 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. This Program leverages \$200, 000 in local funds annually.	Statewide	\$175,000
<b>Local Communities (Sec. 4)</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. This Program leverages four million dollars in local and federal funds annually.	Statewide	\$500,000
<b>CWCB (Sec. 5)</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. In FY08/09 this program leveraged one million of local funds.	Statewide	\$250,000
<b>CWCB (Sec. 6)</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>Total</b>	<b>1,525,000</b>

### Notes

Provisions included in the Statutes allow the CWCB to approve loans up to \$10 million without legislative authorization. A report detailing the 20 new loans made in 2009, valued at over \$28 million, is presented to the House and Senate Agriculture Committees annually. Additional copies of the report are available upon request or at [www.cwcb.state.co.us](http://www.cwcb.state.co.us)

In FY09/10 the CWCB will continue to monitor its cash available for new loans at its bi-monthly Board meetings. The CWCB expects to use all of the available cash in the Construction Fund this fiscal year.