

# COLORADO WATER CONSERVATION BOARD

## Department of Natural Resources

John W. Hickenlooper, Governor

Mike King, DNR Executive Director

Jennifer L. Gimbel, CWCB Director

---

# SENATE BILL 12-165

# THE 2012 WATER PROJECTS BILL

---

## 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 Colorado Water Conservation Board (CWCB) Statewide Water Supply Initiative has determined that 200K to 600K acre-feet of additional M&I water will be needed by water providers by 2050.

The **Construction Fund** (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 400 locally sponsored water projects. The Fund may also provide non-reimbursable investments.

The 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 **Severance Tax Trust Fund Perpetual Base Account** (Account) was established by the General Assembly in 1997. The Account provides low-interest loans to municipalities, water districts, and agricultural water users throughout Colorado for a wide variety of water infrastructure improvement projects. The Account is administered by the CWCB and is funded primarily with severance taxes paid by the producers of gas, oil, coal and other minerals. Repayment of principal and interest on loans and investment income also contribute to the Account's balance.

FY 11/12, loan rates for both funds are:

- 2.75% for agricultural loans; to,
- 4.0% to 5.00% for municipal loans; to,
- 6.25% for commercial loans.

These rates are adjusted each fiscal year by the CWCB.



## 2012 Water Projects Bill Highlights

*Provides over \$6 million for watershed protection, flood control programs, satellite monitoring of stream gauge systems, and other programs and projects, and \$55 million in reservoir projects.*

For more information, contact  
Andy White, Legislative Program  
Manager - (303) 523-4225

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

## 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 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	\$300,000
<b>CWCB (Sec.2)</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.3)</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. 4)</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 FY11/12 this program leveraged seven dollars for every one dollar spent.	Statewide	\$500,000
<b>CWCB (Sec. 5 and 6)</b> Repurposing and Restoration of Flood Response Fund Balance	Refreshes the fund created to respond to flood events by documentation, forecasting, post flood mapping and flood mitigation, renames the fund to the Flood and Drought Response Fund, repurposes the fund to include drought preparedness and response, and amends CRS 37-60-123.2 to include drought.	Statewide	\$300,000
<b>CWCB (Sec. 7)</b> Phreatophyte Control Cost Sharing Program	Continues funding the control of phreatophytes cost sharing grants through existing CWCB Board grant programs. The program leverages money at 1:1 ratio.	Statewide	\$1,000,000
<b>CWCB (Sec. 8)</b> Continuation of the Colo. River Water Availability Study	Allows the CWCB Board to continue model development, to formulate and evaluate water demand alternatives and to perform a risk management analysis on various Colorado River issues, as another component of the Colorado River Water Availability Study	Statewide	\$2,000,000
<b>CWCB (Sec. 9)</b> South Platte Groundwater Level Data Collection and Analysis	Allows the CWCB Board to collect and analyze groundwater data along the South Platte, to update the South Platte Decision Support Model, to make model enhancements, to install instrumentation and monitoring devices and to construct test projects to evaluate cause.	Statewide	\$500,000
<b>CWCB (Sec. 10)</b> Continuation of Alternative Agriculture Water Transfer Sustainability Grant Prgm.	Allows for the CWCB Board to continue to develop and implement a statewide competitive grant program to advance various agricultural transfer methods as alternatives to permanent agricultural dry-up.	Statewide	\$1,000,000

<b>CWCB (Sec.11 &amp; 19)</b> Rio Grande Cooperative Project	Authorizes and appropriates funds for the rehabilitation of the Rio Grande and Beaver Park Reservoirs. The funds would be allocated over two consecutive years; \$15M in FY 12/13, for a \$5M design grant to the San Luis Valley Irrigation District (District), who owns Rio Grande Res. and a \$10M loan to Colorado Parks Wildlife, who owns Beaver Park Res. The remaining \$15M would be appropriated in FY 13/14 to rehabilitate Rio Grande Reservoir by the District	Statewide	\$30,000,000
<b>CWCB (Sec.12 &amp; 19)</b> Chatfield Reservoir Reallocation Project	Authorizes and appropriates funds for the purchase of Orphan Allotments in Chatfield Reservoir. If Orphan Allotments are not acquired by any of the Water Providers or by an outside third party, the storage space reverts back to the CWCB to hold or make available for redistribution at a later time. Up to 1,500 acre-feet of Orphan Allotments will be reverting back to the CWCB at an estimated cost of \$8,500/acre-foot. The Project authorizes \$13M, and appropriates \$5M in FY 12/13 and \$8M in FY 13/14.	Statewide	\$13,000,000
<b>CWCB (Sec.13 &amp; 19)</b> Purchase of Colorado's Allotment of A-LP Project Water	Allows for the appropriations of \$12 million towards the purchase of all or a portion of the State's A-LP project water. This would be the third and final \$12 million installment of the \$36 million authorized under HB 10-1250. It also changes the appropriation date for the 2 <sup>nd</sup> installment from July 1, 2012 to June 30, 2012 and the 3 <sup>rd</sup> installment from July 1, 2013 to July 1, 2012	Statewide	\$12,000,000
<b>CWCB (Sec. 17,19, &amp; 20)</b> Water Supply Reserve Account	Changes the Water Supply Reserve Account to a Fund. This change will allow CWCB to better manage monies and interest accruals associated with the program.	N/A	\$0
<b>Division of Water Resources (Sec. 14)</b> Legal Support – State Engineer's Office Water Rights Abandonment List	Every ten years the State Engineer must develop a list of water rights that have potentially been abandoned. Protests to the inclusion of individual rights on this list are assigned water court cases and are litigated like other water cases and the State must have legal representation. Including funds for legal assistance in the projects bill will help offset this decennial problem.	Statewide	\$300,000
<b>Division of Water Resources (Sec. 15 &amp; 16)</b> Legal Support – State Engineer's Office Water Rights Abandonment List	Allows the SEO to continue management of the national hydrograph dataset in Colorado and to provide geographic information analysis support related to consumptive use analysis, water rights, dam break inundation, and interstate compacts.	Statewide	\$75,857
<b>Division of Water Resources (Sec. 18)</b> Receipt and Expenditure of CWCB Grant Funds	Allow the SEO to receive and expend grant funds received from the CWCB. SEO received \$200k grant from the WSRA in March 2011, to prepare an Alluvial Aquifer Accretion Analysis Tool, which they are not statutorily allowed to receive or spend without an amendment to the statute.	Statewide	\$0
		<b>Total</b>	<b>61,650,857</b>

## **Notes**

A small project loan report detailing the 16 new loans made in calendar year 2011, valued at over \$23 million, has been presented to the House and Senate Agriculture Committees. Additional copies of the report are available on the legislative website at [www.colorado.gov](http://www.colorado.gov).