

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

John W. Hickenlooper, Governor

Mike King, DNR Executive Director

Jennifer L. Gimbel, CWCB Director

SENATE BILL 14-1333

THE 2014 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 (SWSI 2010) has projected additional municipal, industrial, and self-supplied industrial water demands of 590K to 950K acre-feet by the year 2050. To address these many diverse consumptive and non-consumptive long term needs of the State, the CWCB is in the process of developing a Colorado Water Plan.

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 455 locally sponsored water projects. The Fund also provide monies for 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 12/13, loan rates for the Fund and Account are:

- 1.75% for agricultural loans
- 2.50% to 3.25% for municipal loans
- 6.25% for commercial loans.

Hydroelectric – 2%

These rates are adjusted each fiscal year by the CWCB.



2014 Water Projects Bill Highlights

Provides \$5.3 million for watershed protection, flood control programs, satellite monitoring of stream gauge systems, and other programs and projects, and \$133 million in water 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

Recommended Non-reimbursable Investments

The CWCB accepts applications for non-reimbursable projects from the Construction Fund until August 1st 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.

| | | | |
|---|---|--------------------|-----------|
| Division of Water Resources (Sec.1) Satellite Monitoring | Appropriates funds to install, maintain, and operate satellite monitored stream gauges for water rights administration as statutorily authorized. | Statewide | \$330,000 |
| CWCB (Sec.2) Continuation of the Weather Modification Program | Assists 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 |
| Local Communities (Sec.3) Continuation of the Floodplain Map Modernization Program | Assists 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 |
| CWCB (Sec. 4) Continuation of the Watershed Restoration Program | Continues to provide planning and engineering studies, including implementation measures, to address technical needs for watershed restoration and flood mitigation projects throughout the State. Program funding is being requested to increase from \$250k to \$500k this year, to address recent fire and flood disasters watershed needs. In FY12/13, this program leveraged ??? dollars for every one dollar spent. | Statewide | \$500,000 |
| CWCB (Sec. 5) Restoration of Drought and Flood Response Fund Balance | Refreshes the fund created to respond to drought and flood events through documentation, forecasting, post flood mapping, hazard area identification, mitigation plans, and recovery activities. Program funding is being requested to increase from \$300k to \$500k and to stay at a \$500k funding level, to address recent and future flood disasters. | Statewide | \$300,000 |
| CWCB (Sec. 6) Decision Support System Operation and Maintenance (CDSS) | Provides funding to continue the operations and maintenance of the CDSS. With a \$20 million investment to-date, the CDSS provides data and analytical tools to aid in water resources planning and management in the State. | Statewide | \$200,000 |
| CWCB (Sec. 7) Arkansas River Basin Decision Support System (ArkDSS) | The ArkDSS is a component of the CDSS. This funding continues implementation efforts as identified in the ArkDSS feasibility study completed in 2011. Implementation at this stage will include primary data collection and data compilation | Statewide | \$500,000 |
| CWCB (Sec. 8) South Platte Groundwater Level Data Collection and Analysis | Enables the CWCB to continue groundwater evaluation efforts within the South Platte Basin by analyzing data, performing updates, performing enhancements and model runs to the South Platte Decision Support System (SPDSS), installing and monitoring devices, conducting public outreach, and to construct test projects to evaluate cause and possible remediation to high groundwater levels in the South Platte Basin. | South Platte Basin | \$500,000 |

| | | | |
|---|---|--------------------|--------------|
| CWCB (Sec. 9) Gunnison Basin Irrigation System Planning and Organization | Provides funding for engineering services to evaluate and design enhancements to non-federal irrigation systems, in a portion of the Gunnison Basin, to allow them to more effectively participate in the Colorado River Basin Salinity Control Program. | Gunnison Basin | \$250,000 |
| CWCB (Sec.10) Implementation of Drought Mitigation Strategies | Provides funding to implement recommended drought strategies or actions identified in the 2013 Colorado Drought Response and Mitigation Plan. | Statewide | \$100,000 |
| CWCB (Sec.11) Continuation of the Alternative Agriculture Water Transfer Sustainability Grant Program | Continues the development and implementation of the Alternative Agriculture Water Transfer Grant Program that advances various agricultural transfer methods as alternatives to permanent agricultural dry-up, including interruptible water supply agreements, fallowing, water banks, and leasebacks. | Statewide | \$750,000 |
| CWCB (Sec. 12) Restoration of Litigation Funds Cash Balance | Restore funds to the CWCB Litigation Fund to assist in addressing legal issue associate compact compliance or any other litigation activities created under section 37-60-121, Colorado Revised Statutes. | Statewide | \$1,200,000 |
| CWCB (Sec.13) Long Hollow Reservoir Project | Appropriates \$1,575,000 in funds to the Water Resource and Power Development Authority to assist in the construction Long Hollow Reservoir., a 5,400 AF storage facility located in southwest Colorado. The Project is being constructed to supplement irrigation needs of the area, which were excluded from the Animas La Plata Project, and to assist the State of Colorado in meeting its delivery obligations under the La Plata River Compact. | La Plata Basin | \$1,575,000 |
| CWCB (Sec. 14) Chatfield Reservoir Reallocation Project Loan Authorization | The Chatfield Reservoir Reallocation Project involves a partnership with the U. S. Army Corps of Engineers (Corps) and local water providers to reallocate of up to 20,600 acre-feet of existing flood storage to new water supply storage space in Chatfield Reservoir. The Corps has determined that 20,600 AF of flood control space can be converted to multi-use water storage space with no reduction in downstream flood control benefits. The Final Feasibility Report and Environmental Impact Study (FR/EIS) for the Project is complete, and the final comment period is closed. The current water providers seeking loan funds to purchase storage space include; the Centennial W&S District (\$45.5M), Central Colorado Water Conservancy District (\$28.3M), Castle Pines Metro District (\$5.05M), Castle Pines North Metro District (\$5.86M), Center of Colorado WCD (\$600k), and Mt. Carbon Metro District (\$2.53M). | South Platte Basin | \$88,000,000 |
| CWCB (Sec.15) Water Infrastructure and Supply Efficiency (WISE) Project Loan Authorization | The WISE Partnership is a regional water supply project among Aurora Water, Denver Water and the South Metro Water Supply Authority (SMWSA) to combine available water supplies and system capacities to create a sustainable new water supply. Through WISE, Aurora Water and Denver Water will provide 7,000 AF/year (on average) of fully treated water to SMWSA for distribution to its members on a permanent basis. Aurora's Prairie Waters system will be delivering water from the South Platte when Aurora and Denver Water | South Platte Basin | \$44,000,000 |

| | | | |
|--|---|-----------------------|-------------------|
| | have available water supplies and capacity. The current SMWSA seeking loan funds to participate in the project include; Cottonwood W&S District (\$4.04M), Inverness W&S District, Parker W&S District (\$12.12M), Pinery W&S District (\$10.1M), Rangeview Metro District (\$6.06M), and Stonegate Village Metro District (\$6.06M). | | |
| CWCB (Sec. 16) Severance Tax Trust Fund | Colorado Revised Statutes, 39-29-109, amend (2)(a)VIII(B) and (2)(a)XII(B), and add (2)(a)XIII(A). Amending (2)(a)VIII(B) will allow CWCB to receive, expend, and continuously appropriate monies proceeds from the sale or lease of water from the Animas-La Plata Project and for the funds to reside in the CWCB Construction Fund, with interest. Amending (2)(a)XII(B) changes the effective repeal date for the \$2M grant to Northern Water Conservancy District for the Windy Gap Reservoir Bypass Channel Project from July 1, 2014 to July 1, 2016. Adding (2)(a)XIII(B) allows the board to grant the Water Resource Power and Development Authority \$1,575,000 to assist in the construction of Long Hollow Reservoir. | Statewide | N/A |
| CWCB (Sec. 17) Chatfield Reservoir Reallocation Project – Authority. | Colorado Revised Statutes, 37-60-120.1, Amend (2). Amending (2) will allow CWCB to receive, expend, and continuously appropriate monies received from the sale or lease of storage space from the Chatfield Reservoir Reallocation Project and for the funds to reside in the CWCB Construction Fund, with interest. | South Platte Basin | N/A |
| CWCB (Sec. 18) Flood and Drought Response Fund | Colorado Revised Statute, 37-60-123.2, Amend to increase the State Treasurer’s transfer to the Fund from \$300k to \$500K. By annual appropriation the unencumbered balance would be restored up to \$500k. | Statewide | N/A |
| CWCB (Sec. 19) Safety Clause | Declares that this Act is necessary for the immediate preservation of the public peace, health, and safety | N/A | \$0 |
| | | Total | 76,215,550 |

Notes

A small project loan report detailing the ?? loans made in calendar year 2013, valued at over \$?? 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.

CWCB Water Project Non-Reimbursable Investment Program Project Data Sheet

Item #1

Sponsor: Colorado Water Conservation Board

Location: Statewide

Project Name: Satellite-linked Monitoring System and Stream Gage Refurbishment Program

Project Type: DWR Streamgaging

Drainage Basin: Statewide Drainage Basins

Water Source: Various

Total Project Cost: \$330,000

Funding Source: Construction Fund

CWCB NRI: \$330,000

Type of Grantee: State Agency

This project entails the continued, long-term operational viability of the State Satellite Linked Monitoring System and Stream Gage Refurbishment Program, which is administered by the Division of Water Resources (DWR). This program currently encompasses 520 satellite stream gaging stations which require continued replacement of outdated data collection platforms, upgrades to transmission components, and refurbishment of the associated infrastructure. In addition, many existing gaging stations need to be modified to provide critical stream flow data for both flood and low flow monitoring. Changes in technology, which will ultimately increase reliability and real time data transmission rates, will require the DWR to

continue to upgrade the system in the future. The costs associated with the continued refurbishment and operational viability of the system is currently approximately \$330,000 per year.



Crystal River DWR/CWCB Satellite Gage



Purgatoire River @ Fishers Crossing
DWR/CWCB Compact Gage

**CWCB Water Project Non-Reimbursable Investment Program
Project Data Sheet**

Item #2

| | |
|--|---|
| Sponsor: Colorado Water Conservation Board Project Name: WM Grants Drainage Basin: Colo., Gunn, SW Basins Total Project Cost: \$1M+ spent all sources CWCB NRI: \$300,000 | Location: Statewide Project Type: Grants, Equipment, & Evals Water Source: Various Funding Source: Construction Fund Type of Grantee: Grants to Sponsors |
|--|---|

The CWCB has had grants since 2004. Water Manager sponsored programs were developed after the drought of early 2000s. State-to-state agreements were signed in 2007 to provide grants. Each year the CWCB distributes grants from the CWCB, New Mexico Interstate Stream Commission, Southern Nevada Water Authority, Central Arizona WCD, and California Six Agency Committee and reports on the expenditures. For winter 2014-15 the Lower Basin has increased the CWCB budget from historic levels. The previous Lower Basin funding was about \$150,000/year. It is anticipated that winter 2014-15 it will be between \$200,000-\$300,000/year to create the new WM 2.0 program. The CWCB funding increase will give staff leverage to effectively match the pledged support of the Lower Basin. These units will be approximately \$40K each and several are needed.

The focus of the funding increase is to earmark additional funding for equipment to deploy state of the art and industry standard equipment. The CWCB goal should be to help make our programs better.

At right is the Idaho Power ice nuclei generator design. It has been 17 years in development and is considered the best design in the field. They have agreed to help us at the CWCB and provide these machines for our program. The wind barrel at the top rotates with the wind so the flame will not blow out. It is modular so parts that aren't working can be quickly switched out in the field. It uses smaller solutions tanks that can be put on a snowmobile to get to the site in winter.



Also pictured at right is a white remote sensing unit called a radiometer. It takes vertical columns of atmospheric information that is similar to a weather balloon launch but with continuous data every seven minutes. They are portable, lightweight, and easy to operate. Several cloud seeding programs in other states have purchased one or more of these to remove the guess work and stop seeding the whole storm system so they can focus on wetter cloud conditions. These units are excellent at seeing atmospheric water which is water in clouds that aren't naturally being converted into precipitation. In other words they can use the detection of atmospheric water to find ideal seeding potential, instead of looking at inaccurate forecasting and modeling. They will save lots of money by not wasting silver and confining operations to periods of abundant liquid water. They can also help develop storm climatologies and characterize areas where liquid water pools and scours as it interfaces with our mountainous terrain. Our operators and sponsors are excited to have this remote sensing tool for their seeding operations and are willing to share it among the programs and get trained how to use, operate, and maintain it.



Radiometers are \$180,000 and only one or two will be needed and will be shared and moved around in Colorado. It is estimated that we are spending over \$200,000 on seeding solutions in Colorado. It is not hard to see how radiometers will help us use solutions effectively and save money for the sponsors.

Typically each year about \$1M is spent on cloud seeding with \$175,000 or 18% from the CWCB and \$175,000 or 17% from the Lower Basin and New Mexico. The California Six Agency Committee has agreed to double its budget to \$100,000 per year to the CWCB and will ask AZ and NV to do the same. Currently for every dollar CWCB spends five is leveraged. This is a good ratio but more importantly these good budgets will help staff phase out older equipment over the next few years and bring in industry standard equipment.

**CWCB Water Project Non-Reimbursable Investment Program
Project Data Sheet**

| |
|---------|
| Item #3 |
|---------|

| | |
|--|--|
| Sponsor: Colorado Water Conservation Board | Location: Statewide |
| Project Name: Colorado Floodplain Map Modernization Program | Project Type: Matching Funds for Federal Grants |
| Drainage Basin: All Basins in Colorado | Water Source: Various |
| Total Project Cost: \$1,900,000 | Funding Source: Construction Fund |
| CWCB NRI: \$500,000 (up to) | Type of Grantee: State Government |

Colorado has received approximately \$11.0 million in federal grant dollars for floodplain mapping activities as part of the floodplain Map Modernization Program (Program) initiated by FEMA in 2003. The FEMA funds are being matched by CWCB and local cost-share dollars to implement the map update work to create new digital floodplain maps. The initial Program funds authorized in the 2003 and all subsequent Construction Fund Bills have provided the required non-federal matching dollars (80/20 cost share program). The State funds are further leveraged by local cost share dollars and in-kind services from many communities thus far. The total funding amounts have been instrumental in keeping Colorado as a lead state within FEMA Region 8 and will continue to benefit Colorado communities in the future. It is expected that significant FEMA funding will continue as long as the Program exists. Program deliverables will become part of the Flood DSS system to increase data capture and enhance Colorado's decision support tools.

The Program will eventually impact the entire state, and the objective is to develop updated watershed-based countywide floodplain maps using current base map information within a digital environment. The use of GIS technology will be employed for all new countywide studies for ease of distribution, updating and viewing. The table below summarizes funding provided by the CWCB and FEMA/Local governments for CWCB managed projects (in progress or completed).

| <u>COUNTY/WATERSHED</u> | <u>CWCB Funds</u> | <u>FEMA/Local Funds</u> | <u>COUNTY/WATERSHED</u> | <u>CWCB Funds</u> | <u>FEMA/Local Funds</u> |
|-------------------------|-------------------|-------------------------|-------------------------|-------------------|-------------------------|
| Archuleta | \$71,000 | \$228,760 | Mesa | \$33,960 | \$435,780 |
| Boulder | \$17,807 | \$524,709 | Montrose | \$60,376 | \$241,503 |
| Clear Creek | \$2,950 | \$158,605 | Montezuma | \$53,000 | \$452,735 |
| Chaffee | \$44,000 | \$399,290 | Morgan | \$25,000 | \$270,700 |
| Delta | \$21,630 | \$277,763 | Park | \$18,800 | \$165,200 |
| El Paso | \$75,635 | \$1,472,030 | Pitkin | \$20,772 | \$466,388 |
| Elbert | \$141,548 | \$301,982 | Prowers | \$76,605 | \$691,024 |
| Fremont | \$23,294 | \$146,240 | Pueblo | \$71,768 | \$1,115,902 |
| Garfield | \$29,912 | \$325,000 | Rio Grande | \$58,300 | \$152,810 |
| Gunnison | \$79,250 | \$272,422 | Summit | \$21,098 | \$189,876 |
| La Plata | \$74,200 | \$391,910 | Teller | \$23,100 | \$207,900 |
| Logan | \$30,550 | \$271,050 | Weld | \$112,419 | \$658,530 |
| St. Vrain Wtsd | \$88,580 | \$354,320 | Purgatoire | \$140,137 | \$347,963 |
| Clear Creek Wtsd | \$114,060 | \$456,240 | Cache La Poudre Wtsd | \$718,834 | \$150,000 |

**CWCB Water Project Non-Reimbursable Investment Program
Project Data Sheet**

Item #4

Sponsor: Colorado Water Conservation Board Location: Statewide

Project Name: Colorado Watershed Restoration Program Project Type: Watershed Protection

Drainage Basin: All Colorado Basins

Water Source: Various

Total Project Cost: Up to 50% Cost share

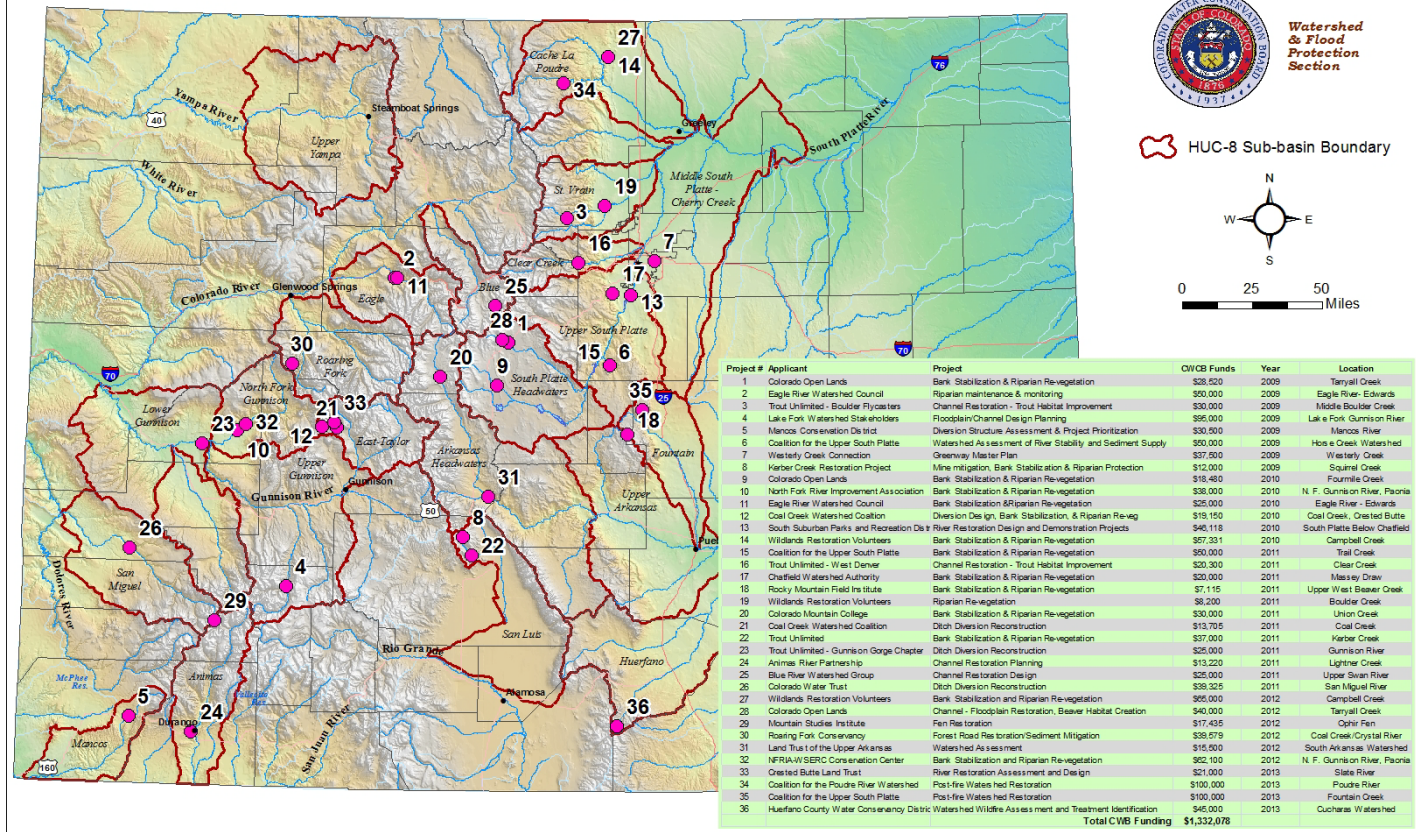
Funding Source: Construction Fund

CWCB NRI: \$500,000

Type of Grantee: State Agency & Watersheds

The Program objective is to provide funding for watershed restoration studies and projects. Special consideration is given to projects that reduce flood hazards, protect infrastructure, stabilize post-fire watersheds, and increase benefits for water supply. Past projects successfully completed with aid from the Construction Fund include post-fire channel stabilization on Trail Creek in the Hayman burn area, channel stabilization and restoration on the North Fork Gunnison River in Paonia, and channel design planning on the Lake Fork of the Gunnison River. Program funding has also been used in conjunction with funding from the Water Quality Control Division to develop a Measureable Results Program (MRP). Studies and projects resulting from this program can have far reaching benefits for water supply, flood recovery, forest restoration (including post-fire), enhancement of aesthetic and environmental quality, recreation, and increased economic benefit. The Program has funded 36 projects since the first grant cycle in January 2009. Total project funding exceeds \$1,300,000. The projects have leveraged over \$5.5 for every \$1 contributed by the Program. The Program is intended for statewide benefit. The map below displays projects funded since 2009.

Colorado Watershed Restoration Program Grant Projects 2009 - 2013



**CWCB Water Project Non-Reimbursable Investment Program
Project Data Sheet**

Item #5

| | |
|---|---|
| Sponsor: Colorado Water Conservation Board | Location: Statewide |
| Project Name: Colorado Flood and Drought Response Fund | Project Type: Program Funds for flood and drought mitigation and response activities |
| Drainage Basin: All River Basins In Colorado | Water Source: N/A |
| Total Project Cost: \$500,000 | Funding Source: Construction Fund |
| CWCB NRI: \$500,000 (refresh up to) | Type of Grantee: State Government |

A \$150,000 Flood Response Program was authorized in the 2001 Construction Fund Bill (SB 01-157) and enacted by the Colorado General Assembly. This amount was increased in the 2007 Construction Fund Bill (SB 07-122) to \$300,000 to reflect the additional cost of performing existing program functions and the addition of valuable services under the program. In FY 2013 the scope of the fund was expanded to include drought response activities, which continue to be included. The original expansion of the scope did not include any increase in funds, however in fiscal year 2014 the fund was increased to \$500,000 to reflect activities associated with Drought Response and to address the increasing threat of wildfires and post-wildfire activities. The Flood and Drought Response Fund (Fund) exists to give the CWCB an ability to quickly respond to events and have program funds in the areas of: 1) flood & drought documentation, 2) flood & drought forecasting and outlooks, 3) post-event floodplain mapping, 4) aerial photography, and 5) flood & drought mitigation.

The current request is to refresh the account up to \$500,000 for FY 2014/15 for flood and drought response purposes, including post-wildfire activities. Use of this fund to address both flood and drought increases the efficiency and effectiveness of the CWCB to adequately respond to natural hazards affecting Colorado while also recognizing the current fiscal constraints by utilizing existing resources. Staff clearly recognize that there will be years in the future when both flood conditions and drought conditions exist during the same year, as was the case in 2013. In those situations, the Fund could be stressed by needs from the two extreme conditions, and Staff will prioritize expenditures.

**CWCB Water Project Non-Reimbursable Investment Program
Project Data Sheet**

Item #6

| | |
|--|---|
| Sponsor: Colorado Water Conservation Board | Location: Statewide |
| Project Name: Litigation Account Refresh | Project Type: Litigation |
| Drainage Basin: All River Basins | Water Source: Various |
| Total Project Cost: \$2M available annually | Funding Source: Construction Fund |
| CWCB NRI: \$200,000 | Type of Grantee: CWCB IFWI Section |

Section 37-60-121(2.5) provides that the Colorado Water Conservation Board is authorized “to expend, pursuant to continuous appropriation and subject to the requirements of paragraph (b) of this subsection (2.5), a total sum not to exceed the balance of the litigation fund, which is created, for the purpose of engaging in litigation...to defend and protect Colorado’s allocations of water in interstate streams and rivers...” Paragraph (b) of section 121(2.5) provides: “pursuant to the spending authority set forth in paragraph (a) of this subsection (2.5), moneys may be expended from the litigation fund at the discretion of the board if (I) with respect to litigation, the Colorado Attorney General requests that the Board authorize the expenditure of moneys in a specified amount not to exceed the balance of the fund for the costs of litigation associated with one or more specifically identified lawsuits meeting the criteria set forth in paragraph (a) of this subsection (2.5).”

The Interstate, Federal, and Water Information Section works closely with the Office of the Attorney General in monitoring ongoing processes on interstate streams, in conjunction with our federal and state partners in water management. Negotiations on the Colorado River, implementation of Minutes to the Mexican Treaty, and ongoing litigation regarding the Republican River and the Rio Grande Compacts are some of the issues that command the attention and time of CWCB staff and the Attorneys General. As is necessary, a refresh of the litigation fund will be requested, as funds are available, and the ongoing processes require more work and incur costs. These funds will be used in preparation for litigation, or to reach solutions while avoiding litigation of these important issues.

To expend these funds once they have been properly appropriated, CWCB staff will prepare a memo and presentation to the Board, with accompanying letter from the Attorney General. These requests provide more detail about the particulars of the request, such as the river basin in question, and a specific value for the request, appropriate for the issues at hand.

The Interstate, Federal, and Water Information Section requests that the litigation fund has \$2 million available annually, to ensure necessary participation by the State of Colorado in these ongoing processes, in conjunction with the Office of the Attorney General.

**CWCB Water Project Non-Reimbursable Investment Program
Project Data Sheet**

Item #7

Sponsor: Colorado Water Conservation Board **Location:** Statewide
Project Name: Arkansas River Decision Support System (ArkDSS) **Project Type:** Decision Support System
Drainage Basin: Arkansas River Basin **Water Source:** Arkansas River Basin
Total Project Cost: \$7,590,000 **Funding Source:** Construction Fund
CWCB NRI: \$500,000 **Type of Grantee:** Decision Support System

Colorado's Decision Support Systems (CDSS) are a joint effort of CWCB and DWR, with the purpose of providing data and analytical tools to aid in water resources planning and management in the State. Currently there are DSSs in place for the Colorado River and Rio Grande Basins, and the development of the South Platte DSS is ongoing.

The Arkansas River Decision Support System (ArkDSS) is the last DSS to be developed for CDSS. The feasibility study was completed in December 2011, resulting in a proposed implementation process including four phases, at an estimated total cost of \$7,590,000. \$1,250,000 has previously been approved by the Board for Phases 1 and 2. Work has begun on several aspects of ArkDSS, with coordination with several Roundtable projects and DWR Division 2 work, and a streamflow gage has been installed on Fountain Creek. Requests for Proposals for more tasks will be released in the near future. The funding requested herein will be used to continue the ArkDSS implementation, which at this stage includes primarily data compilation and data collection activities that will provide the foundation for the ArkDSS.

**CWCB Water Project Non-Reimbursable Investment Program
Project Data Sheet**

Item #8

| | |
|---|--|
| Sponsor: Colorado Water Conservation Board | Location: Statewide |
| Project Name: Cost-share USDA RCPP | Project Type: Cost-share |
| Drainage Basin: Statewide | Water Source: Statewide |
| Total Project Cost: \$40 Million | Funding Source: Construction Fund |
| CWCB NRI: \$500,000 | Type of Grantee: Agricultural water users |

The USDA Regional Conservation Partnership Program (RCPP) was authorized as a new program in the 2014 Farm Bill to be administered by the Natural Resources Conservation Service (NRCS)

The RCPP allows enhanced delivery of traditional NRCS programs, such as the Environmental Quality Improvement Program (EQIP) by modifying some requirements and addressing problems in a more comprehensive, basinwide basis. This can be particularly useful in meeting regional water quality and water conservation goals. Selection into the RCPP involves a highly competitive process. The applicant must demonstrate the ability to meet eligible resource goals through implementation of specific best management practices. In addition, the RCPP requires the applicant to identify sources of the 50% non-USDA cost-share they are required to provide. Applications therefore involve a significant amount of pre-proposal planning and cost-estimating. The funding requested herein will be used to provide technical assistance to entities applying to the NRCS for RCPP funding and financial cost-share assistance to successful applicants.

The funding requested herein will be used to provide technical assistance to entities applying to the NRCS for RCPP funding and financial cost-share assistance to successful applicants.

**Water Project Construction Program – Project Data
Non-Reimbursable Investment**

Item #9

Applicant: Colorado Water Conservation Board

County: Statewide

Project Name: Water Conservation Planning and Data Tracking Tools

Project Type: Mixed- Study, improved use of data, and development of tool and resources

Drainage Basin: All River Basins in Colorado

Water Source: N/A

Total Project Cost (Annual): \$100,000

Funding Source: CWCB Const. Fund

Type of Grantee: State Government

CWCB Non-Reimbursable Inv.:

To better understand Colorado’s future water supply needs and options, accurate and timely local information must be incorporated into statewide demand forecasts. The first phase of water use and water conservation data collection has been completed through the creation of the CWCB Water Efficiency Data Portal. The first phase included creation of the portal and database with the necessary content fields for water use and water conservation data.

This next phase will entail refinements to the output tools such as customized reports that will assist in future SWSI efforts as well as informing future Colorado Water Plans. Additionally, as local water providers use the system and begin to enter multiple years of data, CWCB staff will be surveying them as to their needs for specific data outputs that will help their long term planning. One idea is that a savings estimation and program tracking tool could be built into this existing database and portal. This would allow local water providers to track program effectiveness and estimate water savings more accurately and in a uniform fashion. Additionally, work can be done to integrate this web data portal into the BNDSS so that we can have water use and conservation data tied into the bigger water supply planning efforts of the CWCB.

Data collection is critical to refining and improving the State’s understanding of the role of urban conservation in meeting Colorado’s future water supplies. This project is necessary for the long term collection of water demand and water conservation data in order to identify savings and programmatic trends.

NOTE: The governor signed this measure on 6/6/2014.

An Act

HOUSE BILL 14-1333

BY REPRESENTATIVE(S) Fischer and Coram, Garcia, Lebsock, McLachlan, Becker, Mitsch Bush, Rankin, Scott, Sonnenberg, Vigil, Fields, Ginal, Hamner, Labuda, Pabon, Pettersen, Rosenthal, Ryden, Salazar, Schafer, Young;

also SENATOR(S) Schwartz and Harvey, Guzman, Jones, Tochtrop, Baumgardner, Cadman, Crowder, Grantham, Heath, Herpin, Hodge, Jahn, Kefalas, King, Lambert, Lundberg, Marble, Renfroe, Rivera, Roberts, Scheffel, Carroll.

CONCERNING THE FUNDING OF COLORADO WATER CONSERVATION BOARD PROJECTS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Continuation of the satellite monitoring system maintenance - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the division of water resources, for the fiscal year beginning July 1, 2014, the sum of \$330,000, or so much thereof as may be necessary, for renovation of existing gauging stations, replacement of outdated collection platforms and upgrading of

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

transmission components of the satellite monitoring system established and operated pursuant to section 37-80-102 (10), Colorado Revised Statutes, stream gauge flood hardening projects, and data collection efforts related to flood forecasting and warning.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until they are fully expended.

SECTION 2. Continuation of the weather modification program - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$175,000, or so much thereof as may be necessary, for the board to continue to assist water conservation districts, water conservancy districts, and other water providers and their fiscal agents with the development of cloud seeding programs that provide benefits to recreation, streams, and reservoirs through snowpack enhancement.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until they are fully expended.

SECTION 3. Continuation of the Colorado floodplain map modernization program - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$500,000, or so much thereof as may be necessary, for the board to continue to assist with the preparation of revised and improved floodplain studies and maps for communities throughout Colorado and participate in federally sponsored floodplain map modernization activities.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until they are fully expended.

SECTION 4. Continuation of the watershed restoration program - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water

conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$500,000, or so much thereof as may be necessary, for the board to continue to provide planning and engineering studies, including implementation measures, to address technical needs for watershed restoration and flood mitigation projects throughout the state.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until they are fully expended.

SECTION 5. Restoration of the balance of the flood and drought response fund - transfer. On July 1, 2014, the state treasurer shall transfer a total of \$500,000, or so much thereof as may be necessary, from the unreserved cash in the Colorado water conservation board construction fund to the flood and drought response fund created in section 37-60-123.2, Colorado Revised Statutes, in order to restore the unencumbered balance in the flood and drought response fund to \$500,000.

SECTION 6. Decision support system operation and maintenance - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$200,000, or so much thereof as may be necessary, for the board to continue financing the operations and maintenance of the Colorado decision support system.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until they are fully expended.

SECTION 7. Arkansas river decision support system - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$500,000, or so much thereof as may be necessary, for the board to continue implementation of the Arkansas river decision support system (ArkDSS) as identified in the

ArkDSS feasibility study completed in December 2011. Continued implementation at this stage will include primary data collection and data compilation.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until the project is completed.

SECTION 8. South Platte basin groundwater level data collection and analysis - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$500,000, or so much thereof as may be necessary, for the board to continue the collection and analyzing of groundwater data along the South Platte river, to update the South Platte river decision support system model and make model enhancements, install instrumentation and monitoring devices, and construct test projects to evaluate cause and possible remediation of high groundwater levels in the South Platte basin.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until the project is completed.

SECTION 9. Gunnison basin irrigation system planning and optimization - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$250,000, or so much thereof as may be necessary, for the board to provide grants for engineering services to evaluate and design enhancements to nonfederal irrigation systems in a portion of the Gunnison basin, to allow owners of such systems to more effectively participate in the Colorado river basin salinity control program.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until the project is completed.

SECTION 10. Implementation of drought mitigation strategies - appropriation. (1) In addition to any other appropriation, there is hereby

appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$100,000, or so much thereof as may be necessary, for the board to implement recommended drought strategies or actions identified in the 2013 Colorado drought response and mitigation plan.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until the project is completed.

SECTION 11. Continuation of the alternative agriculture water transfer sustainability grant program - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$750,000, or so much thereof as may be necessary, for the 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, including interruptible water supply agreements, long-term agricultural land fallowing, water banks, reduced consumptive use through efficiency or cropping while maintaining historic return flows, and purchase by end users with leasebacks under defined conditions. Projects and programs in all drainage basins are eligible for funding.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until they are fully expended.

SECTION 12. Restoration of litigation fund cash balance - transfer. On July 1, 2014, the state treasurer shall transfer a total of \$1,200,000 from the unreserved cash in the Colorado water conservation board construction fund to the litigation fund created in section 37-60-121 (2.5), Colorado Revised Statutes, to continue litigation support for the board.

SECTION 13. Long Hollow reservoir project - appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund

not otherwise appropriated, to the department of natural resources, for allocation to the Colorado water conservation board, for the fiscal year beginning July 1, 2014, the sum of \$1,575,000, or so much thereof as may be necessary, for the board to make a grant to the Colorado water resource and power development authority for the construction of Long Hollow reservoir.

(2) The moneys appropriated in subsection (1) of this section remain available for the designated purposes until the project is completed.

SECTION 14. Chatfield reallocation project loan authorization.

(1) Pursuant to sections 39-29-109 (2) (a) (I.5) and 37-60-122 (1) (b), Colorado Revised Statutes, the Colorado water conservation board is hereby authorized to loan moneys from the severance tax perpetual base fund or the Colorado water conservation board construction fund to the following entities to enable them to purchase storage space in the Chatfield reallocation project:

| Priority Borrower - Project | Loan Amount |
|---|---------------------|
| Centennial Water and Sanitation District | \$45,450,000.00 |
| Central Colorado Water Conservancy District | 28,280,000.00 |
| Castle Pines Metropolitan District | 5,050,000.00 |
| Castle Pine North Metropolitan District | 5,858,000.00 |
| Center of Colorado Water Conservancy District | 606,000.00 |
| Mount Carbon Water and Sewer District | <u>2,525,000.00</u> |
| Total | \$87,769,000.00 |

(2) The Colorado water conservation board may make loans for the construction of the projects specified in subsection (1) of this section from such moneys as are or may become available to the severance tax perpetual base fund or the Colorado water conservation board construction fund. The loans must be in the amounts listed in subsection (1) of this section plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by the engineering cost indices applicable to the types of construction required for each project or as may be justified by reason of change in the plans for a project due to differing or unforeseen site conditions, errors or omissions in the plans and specifications, changes instituted by regulatory agencies, or changes in material quantities beyond contract limits.

(3) Pursuant to section 37-60-120 (1), Colorado Revised Statutes, the board shall require such terms and conditions in such contracts as will ensure repayment of funds made available by it. The board shall not disburse any moneys for any loan authorized by subsection (1) of this section unless and until it is satisfied, in its sole discretion, that the recipient of any such loan will be able to make repayment pursuant to the terms and conditions established by the board and by subsection (1) of this section.

SECTION 15. Water infrastructure supply efficiency project loan authorization. (1) Pursuant to sections 39-29-109 (2) (a) (I.5) and 37-60-122 (1) (b), Colorado Revised Statutes, the Colorado water conservation board is hereby authorized to loan moneys from the severance tax perpetual base fund or the Colorado water conservation board construction fund to the following entities to allow them to participate in and construct the water infrastructure supply efficiency (WISE) project:

| Priority Borrower - Project | Loan Amount |
|--|------------------------|
| Cottonwood Water and Sanitation District | \$ 4,040,000.00 |
| Inverness Water and Sanitation District | 5,050,000.00 |
| Parker Water and Sanitation District | 12,120,000.00 |
| Pinery Water and Wastewater District | 10,100,000.00 |
| Rangeview Metropolitan District | 6,060,000.00 |
| Stonegate Village Metropolitan District | <u>6,060,000.00</u> |
| Total | \$43,430,000.00 |

(2) The Colorado water conservation board may make loans for the construction of the projects specified in subsection (1) of this section from such moneys as are or may become available to the severance tax perpetual base fund or the Colorado water conservation board construction fund. The loans must be in the amounts listed in subsection (1) of this section plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by the engineering cost indices applicable to the types of construction required for each project or as may be justified by reason of change in the plans for a project due to differing or unforeseen site conditions, errors or omissions in the plans and specifications, changes instituted by regulatory agencies, or changes in material quantities beyond contract limits.

(3) Pursuant to section 37-60-120 (1), Colorado Revised Statutes, the board shall require such terms and conditions in such contracts as will

ensure repayment of funds made available by it. The board shall not disburse any moneys for any loan authorized by subsection (1) of this section unless and until it is satisfied, in its sole discretion, that the recipient of any such loan will be able to make repayment pursuant to the terms and conditions established by the board and by subsection (1) of this section.

SECTION 16. In Colorado Revised Statutes, 39-29-109, **amend** (2) (a) (VIII) (B) and (2) (a) (XII) (B); and **add** (2) (a) (XIII) as follows:

39-29-109. Severance tax trust fund - created - administration - distribution of moneys - repeal. (2) State severance tax receipts shall be credited to the severance tax trust fund as provided in section 39-29-108. Except as otherwise set forth in section 39-29-109.5, all income derived from the deposit and investment of the moneys in the fund shall be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered moneys in the fund remain therein and shall not be credited or transferred to the general fund or any other fund. All moneys in the fund are subject to appropriation by the general assembly for the following purposes:

(a) **The severance tax perpetual base fund.** (VIII) (B) Notwithstanding any other law, including section 24-30-1303, C.R.S., once sufficient funds have been appropriated to the board for such purposes, the department of natural resources, acting through the board, is authorized to enter into a contract or other agreement with the United States bureau of reclamation to acquire all or a portion of Colorado's allocation of water in the Animas-La Plata project. The authority to acquire such water includes the ability to contract with and allocate water to local entities and water providers; to receive and expend ~~moneys~~ PROCEEDS from ~~entities in repayment~~ THE SALE OR LEASE OF WATER AND LAND AND ANY OTHER ACTIVITIES THAT EFFECTUATE THE PURPOSE OF ACQUIRED PROJECT WATER; to undertake operations, maintenance, and replacement costs; to pay the costs of storage or other necessary expenses; and to otherwise implement the purposes of this sub-subparagraph (B) and utilize the water acquired. The board is also authorized to undertake such action as is necessary to lease, sublease, exchange, sell, assign, or otherwise effectuate the use of project water acquired under this subparagraph (VIII). THE STATE TREASURER SHALL CREDIT ALL PROCEEDS RECEIVED UNDER THIS SUB-SUBPARAGRAPH (B) AND THE INTEREST EARNED FROM INVESTMENTS OF THOSE PROCEEDS TO THE COLORADO WATER CONSERVATION BOARD

CONSTRUCTION FUND CREATED IN SECTION 37-60-121 (1) (a), C.R.S., AND ALL SUCH MONEYS ARE CONTINUOUSLY APPROPRIATED AND REMAIN AVAILABLE FOR THE DESIGNATED PURPOSES UNTIL THEY ARE FULLY EXPENDED. In the event of a conflict between the application of state or federal law or rules, including chapter 3 of the state fiscal rules in existence as of June 7, 2010, federal laws and rules shall apply.

(XII) (B) This subparagraph (XII) is repealed, effective July 1, ~~2014~~ 2016.

(XIII) (A) NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH (a) TO THE CONTRARY, ON JULY 1, 2014, THE STATE TREASURER SHALL TRANSFER ONE MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS FROM THE SEVERANCE TAX PERPETUAL BASE FUND TO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED IN SECTION 37-60-121 (1) (a), C.R.S., FOR USE BY THE COLORADO WATER CONSERVATION BOARD TO MAKE A GRANT TO THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY CREATED IN SECTION 37-95-104, C.R.S., FOR THE CONSTRUCTION OF LONG HOLLOW RESERVOIR.

(B) THIS SUBPARAGRAPH (XIII) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2016.

SECTION 17. In Colorado Revised Statutes, 37-60-120.1, **amend** (2) as follows:

37-60-120.1. Chatfield reservoir reallocation project - authority - repeal. (2) The board is hereby authorized to act as an agent of the project parties to implement this section. Through an agency fund the board may collect and disburse money from any entity to implement the project and to meet the obligations contained in an intergovernmental agreement, project partnership agreement, or other contract, referred to in this section as an "agreement", with the corps or other entity that is required to implement the project. Notwithstanding any other law, including section 24-30-1303, C.R.S., the board and the department of natural resources acting through its agencies shall have the authority to enter into any agreement with the corps or other entities, including consultants and contractors, that in the board's discretion is necessary to implement the project; however, sufficient funds shall have been made available to the board for such purposes. The authority granted by this subsection (2)

includes: The ability to hold storage space in the reservoir; to contract with, and allocate storage to, local entities who will utilize the reservoir storage space; to undertake mitigation and long-term operation and maintenance of the project; TO RECEIVE AND EXPEND PROCEEDS RECEIVED FROM THE SALE OR LEASE OF RESERVOIR STORAGE SPACE AND FROM ANY OTHER ACTIVITIES THAT EFFECTUATE THE PURPOSE OF THE ACQUIRED PROJECT STORAGE SPACE; to pay the costs of storage or other necessary expenses; and to otherwise implement the project. The board has the express authority, in equitable partnership with the participants, to undertake such action as is necessary, including the award of contracts to public and private entities, to undertake mitigation construction and long-term operation and maintenance and related activities; to lease, sublease, or assign storage space rights; and to otherwise effectuate the storage of water in the reservoir. THE STATE TREASURER SHALL CREDIT ALL PROCEEDS RECEIVED UNDER THIS SECTION AND THE INTEREST EARNED FROM INVESTMENTS OF THOSE PROCEEDS TO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED IN SECTION 37-60-121 (1) (a), AND ALL SUCH MONEYS ARE CONTINUOUSLY APPROPRIATED AND REMAIN AVAILABLE FOR THE DESIGNATED PURPOSES UNTIL THEY ARE FULLY EXPENDED. In the event of a conflict between the application of state or federal law or rules, including chapter 3 of the state fiscal rules in existence as of May 29, 2008, federal laws and rules shall apply.

SECTION 18. In Colorado Revised Statutes, **amend** 37-60-123.2 as follows:

37-60-123.2. Flood and drought response fund - created. There is hereby created in the state treasury the flood and drought response fund, referred to in this section as the "response fund". ~~The state treasurer is hereby authorized and directed to transfer three hundred thousand dollars from the Colorado water conservation board construction fund to the response fund.~~ The board is authorized to provide funding for flood and drought preparedness and for response and recovery activities following flood or drought events and disasters. The moneys in the response fund are hereby continuously appropriated to the board for flood and drought response purposes, including the immediate availability of funds for aerial photography of flooded areas, flood and drought documentation and identification of specific hazards, evaluations and revisions of floodplain designations and drought-prone areas, flood and drought forecasting and preparation, and development of disaster and recovery mitigation plans.

The state treasurer shall credit all interest derived from the investment of moneys in the response fund to the Colorado water conservation board construction fund. Any balance remaining in the response fund at the end of any fiscal year remains in the fund.

SECTION 19. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Morgan Carroll
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO