

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

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SENATE BILL 07-008

EXPANDING THE CWCB WATER EFFICIENCY GRANT PROGRAM

Background

The Office of Water Conservation & Drought Planning (OWCDP) administers two grant programs with separate funding sources.

One grant program (created by HB 04-1365) funds the development of water conservation plans and drought mitigation plans (§37-60-126 & §37-60-126.5 C.R.S.). Funding for this program comes from the CWCB's authorized 5 percent share of the Operational Account of the Severance Tax Trust Fund. Large water providers are eligible for water conservation and drought mitigation planning grants, while state and local governmental entities are only eligible for drought mitigation planning monies.

The second grant program (created by HB 05-1254) is the Water Efficiency Grant Program. This program's funding comes from an annual \$500,000 appropriation for three years, commencing in July 2005. Funding comes from the un-obligated "reserve" balance of the entire Operational Account of the Severance Tax Trust fund.

The Water Efficiency Grant Program is designed to provide funding to achieve water efficiency goals outlined in locally adopted water conservation plans and promote water efficiency. Large water providers with current water conservation plans and "agencies" are eligible for these funds. The CWCB was also provided with funding to administer the program (up to \$80,000 for the three fiscal years of the grant program).

What the Bill does:

- 1) ***Broadens the use of the Water Efficiency Grant Program Fund to include water conservation planning and implementation, education and public outreach, and drought mitigation planning and implementation.***

This change provides the OWCDP greater latitude in administering the grant funds for projects allowing for variability related to the demand and need for funds for either planning or implementation over time. As more entities have plans, the more funds for implementation will be necessary. It provides predictable funding for planning which must be completed before money for implementation of plans is provided.

- 2) ***Increases the Funding for the Water Efficiency Grant Program.***

The Bill appropriates an additional \$500,000 per year through fiscal year 2011. This increases the total amount of funding to \$3 million. This money will be used to meet increased demands.

The CWCB is also requesting an additional appropriation of \$200,000 into the Water Efficiency Grant Program Fund to administer the expanded purposes of the Fund. Funds to administer the Program Fund would be appropriated in the amount of \$50,000 each fiscal year through 2012, when the Fund would sunset.

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**3) *Extends the Water Efficiency Grant Program
Fund sunset date from 2008 to 2012.***

Only a few covered entities to date have a plan approved by the CWCB, although more than one year of the three-year program has already elapsed. Many entities are developing or updating their plans to bring them into compliance with the requirements of HB 04-1365. However, by the time plans are completed and approved by the CWCB, much of the grant funding timeframe will have passed. Extending the sunset date will allow more entities to access the funds and ultimately use them to implement the water conservation plans and meet their targeted goals for reduced consumption.

4) *Allows state and local governmental entities to be eligible for grant monies to carry out water conservation planning and implementation.*

At several recently conducted water conservation workshops around the State, numerous smaller entities (<2K ac-ft of retail water delivery annually) expressed a need for technical & financial assistance in their water conservation planning and implementation efforts. While some of these systems are contending with increased growth in their service area and the resulting increased demand, many are facing system shortages during drought conditions. Without creating an additional legislative mandate for these smaller utilities, which do not meet the statutory definition of a covered entity, grant monies would be made available to them under the same application requirements currently in place, to carry out meaningful water conservation planning and implementation.