

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

Bill Owens, Governor

Russell George, DNR Executive Director

Rod Kuharich, CWCB Director

THE 2006 WATER PROJECTS BILL

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 300 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 2006, loan rates vary from:

- 2.50 percent for agricultural loans;
- 3.75 percent for municipal loans in middle-income areas; to,
- 5.25 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 \$260 million. The total fund equity includes the outstanding loan portfolio, authorized projects currently under contract and authorized projects not yet under contract.

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 \$140 million. The total fund equity includes severance tax revenue, the outstanding loan portfolio that includes authorized projects currently under contract and authorized projects not yet under contract.



2006 Projects Bill Highlights

• Provides nearly \$4 million for decision support systems, management of realtime water data, weather modification, watershed restoration projects, water supply and planning studies, flood control and other projects.

For more information, contact
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Water Project Loans

New Construction Fund loans:

Loan Recipient	Name of Project	County	Amount
No New Loans Recommended			\$0
Total			\$0

New Severance Tax Trust Fund Perpetual Base Account (PBA) loans:

No New Loans Recommended			\$0
Total			\$0

Recommended Non-reimbursable Investments

The CWCB accepts applications for non-reimbursable projects from the Construction Fund until August 31 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.

CWCB Satellite Monitoring and Data Collection	Funds to maintain, operate, and install satellite monitored stream gauges, to monitor and administer in-stream flow water rights and high flood flows.	Statewide	\$250,000
Division of Water Resources Satellite Monitoring System Maintenance	Funds to maintain, operate, and install satellite monitored stream gauges for water rights administration.	Statewide	\$350,000
CWCB In-Stream Flow Engineering Support Services	Assist staff in conducting technical analysis and expert testimony to resolve or defend existing in-stream flow water rights, establish new in-stream flow appropriations, and change the use of acquired water rights for in-stream flow use.	Statewide	\$100,000
CWCB Continuation of the Weather Modification Program	Assist water conservation districts, water conservancy districts and other water providers with the development of cloud seeding programs providing benefits to recreation, streams, and reservoirs through snowpack enhancement.	Statewide	\$75,000
CWCB Watershed Restoration Program	Conduct planning and engineering studies, including implementation measures, to address technical needs for watershed restoration and flood mitigation projects throughout the state.	Statewide	\$150,000
CWCB Continuation of the South Platte Decision Support System	Continued development of the South Platte Decision Support System collecting water resources information to be used in preparing surface and groundwater models, consumptive use models, and water budget models to be used in basinwide water resource planning.	South Platte basin	\$2,000,000
Local Communities Floodplain Map Modernization Program Continued	Continued assistance to communities to revise and improve floodplain studies and maps.	Statewide	\$250,000

CWCB Continuation of the Enhanced Snowpack Assessment Program	Continued collaboration with the U.S. Bureau of Reclamation on enhanced snowpack assessment project that will develop modeled snowpack data and mapping to provide benefits to all water resource planners and managers in the state.	Statewide	\$100,000
CWCB Continuation of the Floodplain Technical Services	Continued floodplain management technical services to assist local governments with high priority flood control study, planning, engineering, and pre-construction activities.	Statewide	\$175,000
CWCB SNODAS Data Verification Program	Collaborate with the U.S. Geological Survey on a pilot study to improve predictions of snowmelt runoff and the corresponding flood potential by evaluating and verifying snow water equivalent estimates from the snow data assimilation system using a combination of snow surveys and streamflow information in small watersheds in the Gunnison River basin during the winter of FY 2007	Statewide	\$48,000
San Luis Valley Irrigation District Rio Grande Reservoir Multi-Use Enlargement Study	Assist the San Luis Valley Irrigation District in the Rio Grande reservoir multi-use enlargement study to evaluate the extent an enlargement of the reservoir will assist the state in administration of the Rio Grande compact, address regional water supply problems, conserve and protect fish in the Rio Grande river, and identify river restoration and floodplain management projects.	Rio Grande Basin Compact	\$133,555
South Platte Ditch Co., Inc. Canal Modernization and Radio Telemetry Demonstration Project	Assist the South Platte Ditch Company, Inc. in a demonstration project to evaluate the effectiveness of certain electronic flow measurement and ditch operation control equipment featuring innovative radio technology.	Statewide	\$100,000

Total **\$3,731,555**

Other Provisions

Loan de-authorizations: the bill de-authorizes loans authorized more than three years ago because project sponsors no longer need or want funding. The money is then available for other uses.

Restoration of Fund Balances: money is provided to re-capitalize the flood response fund up to \$150,000 and \$2,000,000 from the Severance Tax Trust Fund Operational Account to re-capitalize the Litigation Fund balance up to its original amount of \$4,000,000.

Statutory Revisions: One proposed revision to the Colorado Revised Statutes is included in this year's bill to allow the fees generated from weather modification permits to be deposited and used in the new Weather Modification Fund created through this bill.

Notes

Provisions included in the 2003 Construction Fund Projects Bill allow the CWCB to approve loans up to \$5 million without legislative authorization. A report detailing the 15 loans made in 2005, valued at almost \$20 million, was presented to the House and Senate Agriculture Committees January 16, 2006. Copies of the report are available upon request.

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



HOUSE BILL 06-1313

BY REPRESENTATIVE(S) Curry, Berens, Hall, Hodge, Hoppe, Merrifield, Paccione, Penry, Rose, Solano, Todd, Witwer, Gallegos, and Marshall;
also SENATOR(S) Isgar, Entz, Fitz-Gerald, Kester, Shaffer, and Taylor.

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

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

SECTION 1. Decreases to prior water project loan and grant authorizations from the Colorado water conservation board construction fund.

Borrower - Project	Prior Authority	Prior Amount	Decrease	Amount Remaining
Poudre Tech Metropolitan District Dual Water System and Reservoir Construction	SB 03-110	\$2,180,000	\$2,180,000	\$0

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

Totals \$2,180,000 \$2,180,000 \$0

SECTION 2. Stream gauge - 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, 2006, the sum of two hundred fifty thousand dollars (\$250,000), or so much thereof as may be necessary, for satellite monitoring and data collection efforts related to in-stream flow monitoring, compact protection, decision support systems, and flood forecasting and warning projects.

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

SECTION 3. Satellite monitoring real-time data - 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, 2006, the sum of three hundred fifty thousand dollars (\$350,000), or so much thereof as may be necessary, for renovation of existing gauging stations, replacement of outdated collection platforms, and upgrading of transmission components of the satellite monitoring system established and operated pursuant to section 37-80-102 (10).

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

SECTION 4. In-stream flow support - 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, 2006, the sum of one hundred thousand dollars (\$100,000) for engineering support services necessary for the appropriation, acquisition, and protection of in-stream flow water rights.

(2) The moneys appropriated in subsection (1) of this section shall

remain available for the designated purposes until the program is completed.

SECTION 5. Weather modification - 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, 2006, the sum of seventy-five thousand dollars (\$75,000), or so much thereof as may be necessary, for the board to assist water conservation districts, water conservancy districts, and other water providers 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 shall remain available for the designated purposes until the program is completed.

SECTION 6. 37-60-121 (3) (b), Colorado Revised Statutes, is amended to read:

37-60-121. Colorado water conservation board construction fund - creation of - nature of fund - funds for investigations - contributions - use for augmenting the general fund - funds created.

(3) (b) The board may accept, allocate, expend, and otherwise use contributions and donations of money, property, or equipment from any source to carry out the purposes of this article, ARTICLE 20 OF TITLE 36, C.R.S., and section 37-92-102 (3). Such contributions are hereby continuously appropriated to the board for the purposes established by this section.

SECTION 7. Watershed restoration - 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, 2006, the sum of one hundred fifty thousand dollars (\$150,000), or so much thereof as may be necessary, for 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 shall remain available for the designated purposes until the project is completed.

SECTION 8. Continuation of the South Platte 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, Colorado water conservation board, for the fiscal year beginning July 1, 2006, the sum of two million dollars (\$2,000,000), or so much thereof as may be necessary, for the board to continue development of the South Platte decision support system.

(2) The amounts appropriated in this section are in addition to amounts appropriated previously for the South Platte decision support system. The moneys appropriated in subsection (1) of this section shall remain available for the designated purposes until the project is completed.

SECTION 9. Continuation of the Colorado floodplain map modernization - 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, Colorado water conservation board, for the fiscal year beginning July 1, 2006, the sum of five hundred thousand dollars (\$500,000), or so much thereof as may be necessary, in order to restore the balance in the previously appropriated map modernization account to five hundred thousand dollars (\$500,000), for the board to continue to assist with the preparation of revised and improved floodplain studies and maps for communities throughout Colorado and to participate in federally sponsored floodplain map modernization activities.

(2) The amounts appropriated in this section are in addition to amounts appropriated previously for the Colorado floodplain map modernization program. The moneys appropriated in subsection (1) of this section shall remain available for the designated purposes until the project is completed.

SECTION 10. Continuation of the enhanced snowpack

assessment 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, Colorado water conservation board, for the fiscal year beginning July 1, 2006, the sum of one hundred thousand dollars (\$100,000), or so much thereof as may be necessary, for the board to continue to collaborate with the United States bureau of reclamation on an enhanced snowpack assessment project that will develop modeled snowpack data and mapping to provide benefits to all water resource planners and managers in Colorado.

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

SECTION 11. Continuation of the floodplain technical services - 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, Colorado water conservation board, for the fiscal year beginning July 1, 2006, the sum of one-hundred seventy-five thousand dollars (\$175,000), or so much thereof as may be necessary, for the board to continue to provide floodplain management technical services assisting local governments with high priority flood control study, planning, engineering, and preconstruction activities.

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

SECTION 12. SNODAS data verification 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, Colorado water conservation board, for the fiscal year beginning July 1, 2006, the sum of forty-eight thousand dollars (\$48,000), or so much thereof as may be necessary, for the board to collaborate with the United States geological survey on a pilot study to improve predictions of snowmelt runoff and the corresponding flood potential by evaluating and verifying snow water equivalent estimates from the snow data assimilation system (SNODAS) using a combination of snow surveys and streamflow information in small watersheds in the Gunnison River basin during the

winter of fiscal year 2007.

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

SECTION 13. Rio Grande reservoir multi-use enlargement study - 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, Colorado water conservation board, for the fiscal year beginning July 1, 2006, the sum of one hundred thirty-three thousand five hundred fifty-five dollars (\$133,555), or so much thereof as may be necessary, for the board to participate with the San Luis Valley Irrigation District in the Rio Grande reservoir multi-use enlargement study to evaluate the extent an enlargement of the reservoir will assist the state in administration of the Rio Grande compact, address regional water supply problems, conserve and protect fish in the Rio Grande river, and identify river restoration and floodplain management projects. The scope of work for the study shall be developed by the San Luis Valley Irrigation District in consultation with the Colorado water conservation board.

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

SECTION 14. Canal modernization and radio telemetry demonstration 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, Colorado water conservation board, for the fiscal year beginning July 1, 2006, the sum of one hundred thousand dollars (\$100,000), or so much thereof as may be necessary, for the board to participate with the South Platte Ditch Company, Inc., in a demonstration project to evaluate the effectiveness of certain electronic flow measurement and ditch operation control equipment featuring innovative radio technology. The general assembly finds that the administration of ground water pumping in the lower South Platte drainage basin has been altered due to extended drought conditions, which have changed irrigation practices in the project area to include extensive conjunctive use of both surface diversions and pumped ground water. The scope of work for the project shall be developed by the South Platte Ditch

Company, Inc., in cooperation with the Johnson and Edwards Ditch company, the Lower Platte and Beaver Canal Company, Inc., and the United States bureau of reclamation in consultation with the Colorado water conservation board.

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

SECTION 15. Restoration of flood response fund balance. The state treasurer shall transfer a total of one hundred fifty thousand dollars (\$150,000), or so much thereof as may be necessary, from the unreserved cash in the Colorado water conservation board construction fund to the flood response fund in order to restore the balance in the flood response fund to one hundred fifty thousand dollars (\$150,000).

SECTION 16. 36-20-113, Colorado Revised Statutes, is amended to read:

36-20-113. Permit fee. (1) The fee for each permit or the renewal thereof under section 36-20-114 shall be at least one hundred dollars. If the operation is a commercial project, the director shall set a fee that is sufficient to pay the direct costs of review of the permit application, public hearings regarding the application, and monitoring of permit operations under ~~the provisions of~~ this article. Said fees are intended to provide at least a portion of the moneys necessary to administer this article. SAID FEES SHALL BE DEPOSITED INTO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED IN SECTION 37-60-121, C.R.S.

~~(2) Notwithstanding the amount specified for the fee in subsection (1) of this section, the director by rule or as otherwise provided by law may reduce the amount of the fee if necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to which all or any portion of the fee is credited. After the uncommitted reserves of the fund are sufficiently reduced, the director by rule or as otherwise provided by law may increase the amount of the fee as provided in section 24-75-402 (4), C.R.S.~~

SECTION 17. Restoration of litigation fund balance. The state treasurer shall transfer a total of two million dollars (\$2,000,000), or so much thereof as may be necessary, from the unexpended and unencumbered

balance in the operational account of the severance tax trust fund created in section 39-29-109, Colorado Revised Statutes, to the litigation fund, created in section 37-60-121 (2.5) (a), Colorado Revised Statutes, in order to restore the balance in the litigation fund to four million dollars (\$4,000,000).

SECTION 18. Effective date. This act shall take effect July 1, 2006.

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.

Andrew Romanoff
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Joan Fitz-Gerald
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

APPROVED _____

Bill Owens
GOVERNOR OF THE STATE OF COLORADO