

Colorado Water Conservation Board

FINANCE COMMITTEE MEETING
SEPTEMBER 26, 2013
TELLURIDE, COLORADO



Colorado Water Conservation Board
Department of Natural Resources

2013

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 721

Denver, Colorado 80203

Phone: (303) 866-3441

Fax: (303) 866-4474

www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Colorado Water Conservation Board

FROM: Kirk Russell, P.E., Chief
Finance & Administration Section

DATE: September 13, 2013

SUBJECT: Finance Committee Meeting - September 26, 2013

The purpose of the Finance Committee Meeting is to review applications for Construction Fund - Non-reimbursable Project Investment funding and review loan applications over \$10 million. If approved, staff will put these items on the November (or possibly January) Board Meeting Agenda. Upon final approval by the full Board, the items will be included in the 2014 CWCB Projects Bill.

The Project Manager and/or Section Chief will be present to answer any questions the Committee may have regarding NRI applications.

In addition, staff will guide the discussion on potential changes to statutes as they relate to managing/operating the Construction Fund and the Severance Tax Perpetual Base Fund. Staff will also exchange ideas with the Board related to the use and distribution of WSRA Statewide Grant funds.

If you have any questions, please call me at 303-866-3441, x3232.

COLORADO WATER CONSERVATION BOARD

Finance Committee Agenda - Draft

8:00 am – 1:00 pm
Thursday, September 26, 2013
Telluride, Colorado

8:00–8:30 CWCB's Funds

Opening Comments – Review Agenda/Format (Russell)
Construction Fund/Sev Tax PBF – History/Performance/ Status
Construction Fund Growth Rate – Policy 13
Funds Available for Non-Reimbursable Investments

8:30–9:30 Construction Fund - Non-Reimbursable Project Investments

Presentations (Staff)

9:30-9:45 Break

9:45-11:00 2014 Projects Bill – Water Project Funding

Long Term Projections (Russell)

Long Hollow Reservoir – Sev. Tax Grant (Feehan/Brod)

Chatfield Reallocation Project Funding (Feehan/Browning)
\$90M Loan Package
\$22.5M Sale/Loan
\$4.5M Sev Tax Grant Consideration

WISE Project Funding (Mauss/Hecox)
\$50M Loan Package

11:00–12:00 2014 Project Bill – Other Items to Consider

Combining Construction Fund and Sev Tax Fund - Statute Change (Feehan)
Spending Authority for use of ALP asset sales (Feehan)

12:00–12:15 Break and Begin Working Lunch

12:15-1:00 WSRA – Criteria & Guidelines Discussion

1:00 Adjourn

Colorado Water Conservation Board
September 26, 2013 Finance Committee
Review of Available Funds in the Construction Fund for FY13/14

Projected Gains

1	Projected Equity Gains	
2	Interest Earnings - Treasury	\$ 1,500,000
3	Interest Earnings - Loans	\$ 5,000,000
4	Federal Mineral Lease Income	\$ 15,500,000
5	Total	\$ 22,000,000

6 **Financial Policy 13 - Target Growth**
7 Construction Fund Target Growth @ 3.59
8
9 **\$380,000,000 x .0359 = \$ 13,642,000**

\$ 8,358,000

Available for Operations and Non-Reimbursable Project Investments

Projected Equity Reduction to the Construction Fund

\$ 7,300,000

CWCB Operations

<i>Automatically Refreshed Funds / Accounts per Statute</i>	
Wild and Scenic Fund	Up to \$ 400,000
In-Stream Flow Acquisitions	Up to \$ 1,000,000
Stream Gauge Fund	Up to \$ 250,000
Colorado Water Education Foundation - Annual Support *	\$ 150,000

Refreshed Subtotal = **\$ 1,800,000**

Total

\$ 9,100,000

Available for 2014 Projects Bill - Non-Reimbursable Project Investments = \$ (742,000)

Non-Reimbursable Investment Applications

For Consideration by Finance Committee for 2014 CWCB Projects Bill

		Benefit	Req Amount
1	DWR - Jeff Baessler	Statewide	\$ 330,000 (\$300K in 2013)
2	CWCB - Joe Busto	Statewide	\$ 175,000 (\$175K in 2013)
3	CWCB - Thuy Patton	Statewide	\$ 500,000 Up To \$500K
4	CWCB - Chris Sturm	Statewide	\$ 500,000 (\$250K in 2013)
5	CWCB - Kevin Houck	Statewide	\$ 500,000 Up To \$300K
6	CWCB - Ray Alvarado	Basin	\$ 200,000 (\$100K in 2013)
7	CWCB - Andy Moore	Basin	\$ 500,000 (\$250K in 2013)
8	CWCB - Steve Miller	Basin	\$ 250,000 New
9	CWCB - Taryn Finnessey	Statewide	\$ 100,000 New
10	CWCB - Ted Kowalski	Statewide	\$ 1,200,000 Refresh to \$4M
			\$ 4,255,000

Non-Reimbursable Investments Totals

\$ 4,255,000

Footnotes:

* HB 02-1152 provided that the Colorado Water Education Foundation is annually refreshed for \$150,000 with Board approval.

POLICY NUMBER: 13

SUBJECT: **TARGET GROWTH RATES FOR THE EQUITY OF THE
CONSTRUCTION FUND AND SEVERANCE TAX TRUST
FUND PERPETUAL BASE ACCOUNT**

EFFECTIVE DATE: October 1, 2000

REVISED DATES: January 27, 2004
September 14, 2004

POLICY: The Colorado Water Conservation Board (CWCB) will attempt to maintain an overall growth rate for the equity of the Construction Fund and Severance Tax Trust Fund Perpetual Base Account (STTFPBA) of no less than the long-term rate of inflation, as established by appropriate construction cost indices, plus 0.5%. This will be the “target growth rate” for each fund.

PURPOSE: To offset the impacts of cost inflation, to maintain the financial integrity of the CWCB Construction Fund and STTFPBA and to provide a process for estimating the financial resources available for non-reimbursable investments from the Construction Fund in any given year.

APPLICABILITY: This policy and procedure apply to the CWCB Construction Fund and STTFPBA.

PROCEDURE: The overall growth for the fund equity of the Construction Fund and STTFPBA will be presented as part of the Comprehensive Annual Financial Report by CWCB staff at the September Board meeting each year. Staff will present an annual estimate of funds available for non-reimbursable investments relative to the target growth rate. The estimate of funds available for non-reimbursable investments will be the current fund equity (as of the end of the most recent fiscal year), less the previous year’s fund equity increased by the target growth rate. At the same Board meeting each year, staff will present a summary of long-term construction cost indices with any recommendations for revisions to the target growth rate in fund equity.

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Jeff Baessler, Deputy Section Chief,
Stream and Lake Protection Section

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investments Item #1**
Satellite-linked Monitoring System and Stream Gage Refurbishment Program

Introduction

The Division of Water Resources (DWR) has requested an appropriation of \$330,000 for the continued operational viability of the state Satellite-linked Monitoring System (SMS) and Stream Gage Refurbishment Program. Each year, funding for this program has been reviewed and approved by both the Finance Committee and the Board. It has been recognized that it is critical for both the State's water planning and water administrative agencies to support and maintain state-of-art stream gaging programs and continue to provide accurate water resources data to support multi-agency and water user needs. The DWR Satellite-linked Monitoring program is outlined in §37-60-121 and §37-80-102 C.R.S.

Staff Recommendation

Staff recommends that the Board appropriate \$330,000 from the Construction fund to the Department of Natural Resources for allocation to the Division of Water Resources (DWR) to replace out-dated Data Collection Platforms and associated satellite telemetry equipment in the existing satellite monitoring system, and to refurbish existing stream gages.

Discussion

The \$330,000 request for FY 2014-2015 will support the continued, long-term operational viability of 520 satellite-linked water resources monitoring sites. These funds will be allocated as follows:

1. \$275,000 for replacement of out-dated Data Collection Platforms (DCP) and associated satellite telemetry equipment and upgrading of satellite transmission components. The rate of replacement of DCPs is based on a life expectancy from normal wear, tear and software

life cycle issues of 10 years. Replacement of out of date DCPs may also be required to accommodate technology upgrades and changes which are mandated by NOAA, the Federal Agency managing the GOES satellite resource.

2. \$55,000 for refurbishing existing stream gages as needed to maintain operational reliability of stream flow data collection. This is a recurring annual request to cover refurbishment and repair costs which arise due to deterioration of the physical stream gage infrastructure.

The requested funding amount of \$330,000 is \$30,000 more than the past several years, but still below historical requests of \$350,000 to \$400,000. The \$30,000 increase represents the revised estimates of the funding required to address the estimated 10 year life span of electronic telemetry equipment. (Further details of the DWR Satellite Monitoring System funding request are explained in the attached memo from Scott Cuthbertson to James Eklund dated July 29, 2013).



DEPARTMENT OF NATURAL RESOURCES

DIVISION OF WATER RESOURCES

John W. Hickenlooper
Governor

Mike King
Executive Director

Dick Wolfe, P.E.
Director/State Engineer

MEMORANDUM

To: James Eklund, Director, Colorado Water Conservation Board
From: Scott C. Cuthbertson, Deputy State Engineer
Cc: Jeff Baessler
Date: July 29, 2013
RE: Division of Water Resources Satellite-linked Monitoring System and Stream Gage Refurbishment Funding Request for FY2014-15

Summary

The Colorado Division of Water Resources (DWR) requests a total of **\$330,000** from the CWCB Construction Fund for FY2014-15. The requested funds will support the continued, long-term operational viability of over 520 satellite-linked water resources monitoring sites, including replacement of out-dated data collection platforms and satellite telemetry transmission components and refurbishment/renovation of gaging stations. The specific distribution of the funds requested is as follows:

1. The sum of \$275,000 will be used to replace out-dated Data Collection Platforms (DCP) and associated satellite telemetry equipment and upgrading satellite transmission components. The rate of replacement of DCPs is based on a life expectancy from normal wear, tear and software life cycle issues of 10 years.
2. The remainder of \$55,000 will refurbish existing stream gages as needed to maintain operational reliability of stream flow data collection. This is a recurring annual request to cover refurbishment and repair costs which arise due to deterioration of the physical stream gage infrastructure.

Introduction

The Division of Water Resources and CWCB, consistent with Section 37-60-121 and Section 37-80-102 C.R.S., maintain the stream gaging program to support multi-agency and water user needs such as water rights administration, compact protection, flood forecasting and warning and Decision Support System implementation and use. DWR must:

- maintain the electronic equipment in satellite-linked data collection stations;
- refurbish deteriorating gage station infrastructure and non-electronic station hardware;
- refurbish/replace cableways used for high flow measurements or implement alternate means of high flow measurement (for calibration of the upper end of stage-discharge relationships);
- rebuild gage sections damaged by high flows;
- flood harden, when possible, critical gages; and,
- continue, as necessary, the operation of vital gages operated by the United States Geological Survey (USGS) when that program can no longer provide the required support.

Office of the State Engineer

1313 Sherman Street, Suite 818 • Denver, CO 80203 • Phone: 303-866-3581 • Fax: 303-866-3589
<http://water.state.co.us>

Background

The Satellite-linked Monitoring System (SMS) has been operating since 1985, starting with 82 linked gaging stations. As the need for the data has increased, the SMS has expanded. Since inception, in excess of 8 million dollars has been invested in the development of the SMS infrastructure. Currently, DWR operates and maintains over 520 data collection platforms (DCPs) on rivers, streams, reservoirs, ditches and canals to collect and transmit basic stream flow and water elevation data to support the Division's primary mission of water rights and compact administration. Additional benefits of the system include flow alerts based on parameter thresholds, such as: low flow alerts in support of CWCB ISF programs; high flow alerts in support of flood protection decision making and flood warning; and, rate of change alerts below dams and reservoirs.

Collectively, these platforms and the computer equipment in Denver are the Satellite-linked Monitoring System (SMS). The USGS and other entities operate an additional 300+ sites in Colorado. The USGS and DWR are working to improve data availability and reduce duplication through improved gaging station effectiveness. The SMS provides basic water flow data to the staffs of the Division of Water Resources and Colorado Water Conservation Board and many public and private entities, such as: the Cities of Colorado Springs and Aurora, the Denver Water Board, the Arkansas River Compact Commission, Emergency Coordinators for most Colorado counties, water rights owners, recreationists such as fishermen and rafters, and conservation groups. Many programs of the DWR, such as various river operations analysis spreadsheets used in each of the seven DWR Division offices for water administration, and the DWR Safety of Dams Program rely upon the real-time data acquired through the SMS. Water resources accounting programs utilizing the SMS include the Dolores Project, the Colorado-Big Thompson Project and the Fryingpan-Arkansas River Project. CWCB programs, such as Stream and Lake Protection, Flood Protection and Water Supply Protection also utilize the real-time data.

FY2014-15 Funding Request

Satellite Telemetry Equipment. DWR requests \$275,000 to replace out-dated DCPs and upgrade associated satellite telemetry equipment. This is \$25,000 more than requested for the last several years and represents the basic funding required to replace equipment as it wears out or becomes out-dated.

In order to maintain the system, DWR projects that electronic equipment will be replaced, on average, every 10 years. DWR owns about 480 total sets of electronic (DCP and stage sensor) equipment out of the 520+ gages it operates. With an average life of 10 years, we project 45-50 replacements per year. At current equipment costs, the cost of DCP replacement with newest generation satellite transceivers as well as replacement of gage height sensors ranges from \$3750 to \$6000 per gage, depending on the type of gage height sensor needed (shaft encoder, constant flow bubbler or radar sensor). Using a mean of \$4500 and life expectancy of 10 years, the total annual projected equipment cost to simply maintain operable equipment is approximately \$216,000. The life of antennas, batteries, solar panels, wiring, and grounding equipment varies considerably. Based on the last several years, we project an average annual expense of this equipment is approximately \$24,000. Travel (vehicle mileage, per diem, etc.) and overtime support to perform this work around the State is projected at \$35,000. Total annual current cost is, therefore, approximately \$275,000.

Existing Stream Gages. DWR requests \$55,000 for refurbishing existing stream gages. The request in this category of funding is level and the same as the past several years. Approximately 60% of Colorado's satellite-linked gaging stations are located in the rivers and streams of the state. The others are located in reservoirs, ditches, and canals. Gaging station physical infrastructure (shelters, stream controls, independent reference gages, etc.) must be properly maintained and periodically refurbished in order to collect accurate data.

An important physical component of many DWR stream gages around the State is the ability to measure high flows so that the upper end of stage-discharge relationships can be improved and maintained to yield accurate high/flood flow data. High flow measurement capability varies from gage to gage. High flows at stream gages are measured from cableways near the gage or from nearby up- or downstream bridges. Cableways at DWR stream gages are given a detailed inspection each four years. Many cableways, primarily because of age, have been found to need replacement of key components of the cableway system. High flow measurement sustainability projects address such identified cableway design/safe use issues. These may include replacement of cable, improvements to the cable anchorage system, replacement of A-frame components, replacement of cable cars, etc. Costs can run from as little as \$1000 per cableway to as much as \$20,000 per cableway, depending on what components need replacement before a cableway can be returned to safe service. Alternatively, existing cableways found to have design or safe use deficiencies

are, under certain site conditions, being replaced with bank-operated cableways. Costs of installing bank-operated cableways range from \$6000 to \$9000 per site. As current funding allows, we have been addressing some of these needs.

FY2012-13 Accomplishments

The CWCB provided \$300,000 in FY2012-13 for satellite telemetry equipment upgrade and replacement and stream gage refurbishment. An additional \$12,826 in CWCB carryover funds was available from the previous fiscal year for a total FY2012-13 project budget of \$312,826. In total, DWR expended and committed a total of \$311,015, 99.5% of project funding.

Satellite Telemetry Upgrade Program. Of the \$245,000 allocated, \$245,123 were expended on the procurement and installation of new generation, high data rate, satellite-linked monitoring equipment and associated components. High data rate DCP upgrades have now been completed at all DWR gage stations. However, as discussed earlier, the normal wear, tear and software life cycle anticipates replacing all equipment every ten years, regardless of other system changes.

Streamgage Refurbishment. An allocation of \$55,000 along with carryover funds from the previous fiscal year in the amount of \$12,826 were used to refurbish existing stream gages throughout the State. Refurbishment projects and miscellaneous expenditures totaling \$27,891 were completed at the stream gages listed in Table 1. An additional \$38,000 committed toward the construction of four new gages to help manage flow alert systems in the West Fork Complex wild fire area were not expended in time to actually be included in FY2012-13, but will be included in the first quarter report for FY2013-14.

TABLE 1 - FY2012-13 Gage Projects

Div. I	Project Name	Description of Work	TOTAL
	South Platte River nr Kersey	Install radar unit	\$ 355.77
	Big Thompson near La Salle	Repair gage shelter roof	\$ 118.69
	South Platte River nr Balzac	Build sand dam to direct flow to gage	\$ 330.00
	Denver Metro Excel Energy	Connect to Excel DCP	\$ 224.23
Div. II			
	Arkansas River above Pueblo Reservoir	Staff gage - new inflow location	\$ 100.00
	Muddy Creek near Toonerville	Install wire weight gage	\$ 1,150.00
	Lake Creek above Twin Lakes	Repair gage	\$ 39.84
	LAWMA Aug Stn gage	Retrofit new intakes on stilling wells	\$ 113.70
	Verhoeff Flumes	Retrofit new intakes on stilling wells	\$ 156.39
Div. III			
	Rio Grande River nr Del Norte	Replaced cableway w/ new A frames	\$ 8,498.64
	Rio Grande River at 30-mile Bridge	Retaining wall and outside staff gage.	\$ 2,159.30
	Rio Grande River above Trinchera Creek	Retaining wall and outside staff gage.	\$ 147.71
	Conejos nr LaSausas (South Channel)	Installed outside staff gage.	\$ 147.71
	Spanish Creek nr Crestone	Clean gage pool, inlet work	\$ 370.22
	San Isabel Creek nr Crestone	Built V-notch weir and relocated gage.	\$ 1,093.78
	Paint and float supplies for Div 3 gages	Various locations	\$ 1,479.90
	Ventilation fans for 5 gages	Various locations	\$ 301.27
	New steps for RIOMONCO & TRIMTNCO	Built new steps to gage house	\$ 127.28
	Rio Grande Reservoir	Relocated staff gage	\$ 220.71
	Temporary labor to assist with projects above		\$ 2,731.13
Div. IV			
	Kannah Creek nr Grand Junction	Replaced inlet	\$ 28.99
	Leroux Creek above Carl Smith Reservoir	Refurbished control	\$ 271.70
	Uncompahgre River upstream of South Canal	Installed cantilever gage	\$ 127.98
	South Canal	Installed bubbler and extended line	\$ 187.08
	Redlands Canal	ADVM platform repair	\$ 88.92
	Uncompahgre River at UNCOLACO	Bank stabilization	
Div. V			
	Tenmile Creek below Copper Mtn	Staff gage	\$ 141.96
	Fryingpan River near Thomasville	CFB line extension	\$ 119.95
	Cableway for ORCHIDCO	New cableway	\$ 366.62
Div. VI			
	Michigan River at Walden	New staff gage	\$ 32.34
	White River below N Elk Creek near Buford	New radar sensor	\$ 1,806.02
Div. VII			
	Animas River near Howardsville	Installation of a bank operated cableway.	\$ 563.05
	Old Indian Gage bel Red Mesa Reservoir	Fix a broken pipe.	\$ 42.88
	Little Navajo River below Little Oso Diversion	Refurbish gage house.	\$ 139.42
	Outside horizontal cantilever gages	JACCUPCO, RIOMOUCO	\$ 707.21
Miscellaneous			
	Misc. supplies and equipment		\$ 1,404.58
	Moving expense, shelving and new office supplies		\$ 1,919.17
TOTAL			\$ 27,891.49

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

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



COLORADO WATER CONSERVATION BOARD

CONSTRUCTION FUND

NON-REIMBURSABLE PROJECT INVESTMENT

APPLICATION



Satellite Linked Monitoring & Stream Gage Refurbishment Program

(Project Name)

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Kirk Russell, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3232 or email kirk.russell@state.co.us

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1. Applicant Name(s): **Colorado Water Conservation Board (CWCB) and Colorado Division of Water Resources (DWR)**

Mailing address:

1313 Sherman Street, Room 721, Denver, CO 80203

Taxpayer ID#:

Email address:

Jeffrey.baessler@state.co.us

Phone Numbers: Business:

303-866-3441 X3202

Home:

Fax:

303-866-4474

2. Person to contact regarding this application if different from above:

Name:

Jeff Baessler

Position/Title

Deputy Section Chief, Stream and Lake Protection Section

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised April 2010

3. Provide a brief description of your organization below:

CWCB and DNR are state water agencies under the Colorado Department of Natural Resources.

Part B. - Description of the Project or Study

1. Name of the study or project: **Satellite-linked Monitoring System and Stream Gage Refurbishment**

2. What is the purpose of this grant application? Check one.

- ☐ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☒ Other (Please describe)

The purpose is for the continued operation of the State Satellite Linked Monitoring System and refurbishment program.

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

This is a statewide project

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

This project supports the continued operational viability of the State Satellite Linked Monitoring System and Stream Gage Refurbishment Program

Form Revised April 2010

- This is a project of statewide importance

- | Name | Address & Phone Number |
|------|------------------------|
|------|------------------------|

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised April 2010

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

Estimated Engineering Costs:

Estimated Construction Costs:

Estimated Total Costs:

\$330,000

9. **How much funding are you requesting?**

\$330,000

Part C. - Project Sponsor Financial Information

1. The CWCBC Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCBC) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant:

Print Applicant's Name: **Jeff Baessler / Scott Cuthbertson**

Project Title: **Satellite-Linked Monitoring System and Stream Gage Refurbishment**

Date: **August 2, 2013**

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3232.

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Joe Busto, Weather modification Program Coordinator
Watershed Protection and Flood Mitigation Section

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investments Item #2**
Weather Modification – Water User Cost Share Assistance

Introduction

The CWCB has had grants to locally sponsored winter ground based cloud seeding programs since 2004. This was at the request of water users that starting sponsoring cloud seeding programs after the sustained drought of the early 2000s. Currently there are seven permitted programs operated by three different permit holders. Since 2007 every year downstream water users in NM, NV, AZ, and CA provide grants to the CWCB match with our funding. Over forty entities partner in cloud seeding programs in the Upper Colorado, Grand Mesa, Gunnison, and Southwestern basins. New programs have been developed, new equipment has been deployed new evaluation and refinement studies are underway. We also have updated WM Rules enacted in 2012 that also help support growth, development, and competition for this type of work. Staff believes the CWCB funds leverages funds from four other states to provide grants and technical assistance to our locally sponsored cloud seeding programs. For every dollar CWCB spends it leverages five dollars. Additional snowpack in our high mountain areas provides numerous benefits to the environment, recreation and water users.

Staff Recommendation

Staff recommends that the Board request the General Assembly authorize \$175,000 from the Construction Fund to be appropriated to the CWCB for the Weather Modification Program.

CWCB Water Project Non-Reimbursable Investment Program

Project Data Sheet

Sponsor: Colorado Water Conservation Board

Location: Statewide

Project Name: WM Grants

Project Type: Grants, Equipment, & Evals

Drainage Basin: Colo., Gunn, SW Basins

Water Source: Various

Total Project Cost: \$1M+ spent all sources

Funding Source: Construction Fund

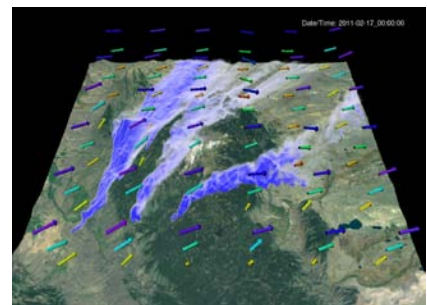
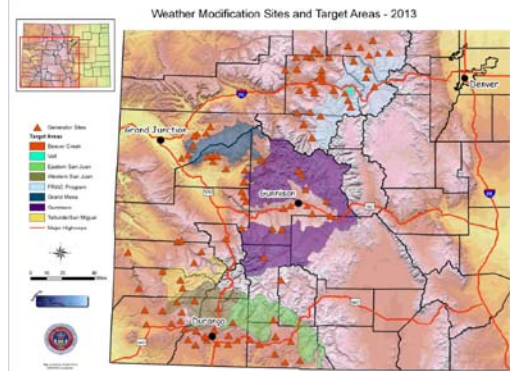
CWCB NRI: \$175,000

Type of Grantee: Grants to Sponsors

The CWCB has had grants since 2004 and has been delegated the DNR-EDO's weather modification permitting program since 1987. The primary program is suspending operations based on avalanche snowpack thresholds. At right is our seven programs with colored shapes and ice nuclei generators shown as orange triangles. 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 our agency and the New Mexico Interstate Stream Commission, Southern Nevada Water Authority, Central Arizona WCD, and California Six Agency Committee. These grants support

the commitment to work together towards regional water solutions. Colorado's programs are stable at ten years old or even older like 40 years at Vail/Beaver Creek. State of the art or industry standard operations in Colorado must be our goal. The updated WM Rules now require target control evaluations and after the first year the estimates are coming in at one to seven percent increases. The estimates in contractor reports are 10-15% so there is room for improvement. Staff has been working with Desert Research Institute of Reno, Nevada to bring in newer machines high elevation machines to increase effectiveness. Last year we have developed weather model displays for 100 points. A success story has at the Grand Mesa where City of GJ employees own and operate a lean effective program now with help from the CWCB and Lower Basin. Representatives from A State Council for Cloud Seeding will tour this retooled program in September 2013. Staff is developing liquid propane seeding for use as it was found to be safe, economical, reliable and cost effective and increases precipitation through a USBR research study. At right is the nation's first two-in-one seeder at the Cedaredge Water

Treatment Plant deployed in October 2012. It dispenses propane during warm snowy periods and silver in colder snowy periods. This will help us adapt seeding to warming climate. Contractors don't use propane seeding but it is likely the perfect tool for many of our 29 ski areas so it merits exploration. A 2008 Board approved WM Strategic Plan staff balanced grants for operations, new equipment, and evaluations and teamed with the updated 2012 WM Rules we are beginning to see the fruits of that labor. Winter Park Ski Area requested a silver-in-snow analysis for proper targeting and estimates of increases. Silver in snow is convincing evidence of a seeding effect since background levels are filtered out and its silver above background in layers of snow pack. Denver Water will fund a plume modeling study to evaluate and refine current generator configurations. (graphic at right) Typically each year about \$1M is spent on cloud seeding with 175,000 or 17.5% from the CWCB and \$175,000 or 17.5% from the Lower Basin and New Mexico. For every dollar CWCB spends five is leveraged.





COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
NON-REIMBURSABLE PROJECT INVESTMENT
APPLICATION



CWCB Weather Modification Grants – Water User Cost Share Program

(Project Name)

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Kirk Russell, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3232 or email kirk.russell@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1.	Applicant Name(s):	Joe Busto, CWCB	
	Mailing address:	1313 Sherman Street, Room 721 Denver, CO 80203	
	Taxpayer ID#:		Email address:
			Joe.busto@state.co.us
	Phone Numbers: Business:	303-866-3441, 3209	
	Home:	303- 587-5585	
	Fax:	303-8661-4272	
2.	Person to contact regarding this application if different from above:		
	Name:	Same	
	Position/Title		

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised November 2011

3. Provide a brief description of your organization below:

CWCB is the state water and policy planning organization. Our mission is to protect, conserve, and develop Colorado's water resources. The WM permitting program is the Executive Director's Office of DNR program that has been delegated to the CWCB Director since 1987. Due to more frequent and prolonged droughts several new water manager sponsored programs developed after 2002 and requested CWCB assistance to help address shortages through seeding.

Part B. - Description of the Project or Study

1. Name of the study or project: CWCB Weather Modification Grants – Water User Cost Share Program

2. What is the purpose of this grant application? Check one.

- ☐ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☒ Other (Please describe)

This is cost share and technical assistance and development help to locally sponsored cloud seeding programs. This money is also matched with money for the Colorado River Seven Basin States and supports the water augmentation initiatives of those agreements. Typically the CWCB is 17%, Lower Basin is 17% and the remaining 65% comes from Local sources for \$1M/year for winter seeding programs

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

There are seven wintertime permits in Colorado in: Upper Colorado Central Mtns, Vail/Beaver Creek, Grand Mesa, Gunnison, Telluride/Dolores, Western San Juan Mountains, and Eastern San Juan Mountains.

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

There is a 2008 board adopted CWCB Weather modification Strategic Plan that explains the mission which is essentially a balance of grants to extend time of operations, technical assistance and funding in modernizing equipment and methods, and studies and evaluations that will help determine the effectiveness of seeding programs. There are agreements between the CWCB and Lower Basin and CWCB and New Mexico Interstate Stream Commission to provide annual grants if funding is available to assist in the development and operations of our seven wintertime cloud seeding programs. The CWCB started WM grants in 2004 and signed agreements with the LB and NM in 2007.

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

5. Explain why you are requesting a grant, instead of a loan. (the Construction Fund exists primarily to provide low interest loans for the construction or rehabilitation of raw water projects. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people and organizations, and/or a large geographical area .

Cloud Seeding is an issue of statewide and regional interest. It is a low cost program to develop small amounts of additional snow and water. The CWCBC is about 17% of the total \$1M spent per year. This program is small but popular and has allowed us to share science, funding, and knowledge throughout the Colorado River Basin. Five newer style seeders have replaced older seeding styles and a new large collaboration of seven water districts and four ski areas in the Upper Colorado Region was developed in 2010. Staff believes these programs benefit a wide range of people and organizations and the environment. A focus of staff is better equipment at higher elevations. Updated WM Rules in 2012 require target control evaluations each year and require proposals to sponsors that help evaluate and refine programs. The new rules also suggest several evaluation methods lifted out of the ASCE manuals for cloud seeding. This has led to sponsors asking tough questions and refining their own programs. The Front Range Water Council will spend less on operational seeding and funding a plume modeling study with the National Center for Atmospheric Research to look at their existing generator placement and effectiveness. There are over forty entities that pitch in and pay for cloud seeding each year in Colorado.

6. List the names and addresses of any technical or legal consultants retained to represent the applicant or to conduct investigations for the proposed project or study.

Name	Address & Phone Number
------	------------------------

Maria Pastore – Grand River Consulting Glenwood Springs, CO

Pam Deems – San Juan Resource Conservation & Development Council Durango, CO

Jeff Tilley - Desert Research Institute, Reno, NV

Dan Breed – National Center for Atmospheric Research, Boulder, CO

7. List any feasibility study or scope of work that has been completed or is now in progress for the proposed project or study. (Submit one copy with this application):

The Wyoming Water Development Commission is nearing completion of a nine year \$14M wintertime cloud seeding experiment and the results are “trending positive” but won’t be published until after winter 2013-2014. The results will be statistically significant at high confidence intervals and recommendations from this program will be applied to Colorado’s programs. Several previous experiments have demonstrated positive results from seeding programs through research programs sponsored by the USBR and NOAA. Currently there are nine states with operational programs in the western U.S.

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

Estimated Engineering Costs:

Estimated Construction Costs:

Estimated Total Costs:

\$1,000,000

9. **How much funding are you requesting?**

\$175,000

Part C. - Project Sponsor Financial Information

1. The CWCBC Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCBC) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant:

Print Applicant's Name: Joe Busto

Project Title:

Date: 08-07-13

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3232.

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Thuy Patton, Floodplain Mapping Coordinator
Watershed Protection and Flood Mitigation Section

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investments Item #3**
Colorado Floodplain Map Modernization Program

Introduction and Discussion

In early 2003, Congress approved a substantial funding package to provide updated floodplain mapping nationwide. Similar funding levels have been allocated by Congress in subsequent years. The CWCB approved and the General Assembly authorized a non-reimbursable investment of \$500,000 in the 2003 Construction Fund Bill with annual funding amounts in all subsequent Bills. Staff is now requesting a total of \$500,000 for program funding.

Colorado has received over \$11 million in federal grant dollars for floodplain mapping activities since 2003 as part of the floodplain Map Modernization program initiated by FEMA. The FEMA funds are being matched by CWCB and local cost-share dollars to implement the map update work that includes engineering and GIS to create new digital countywide maps. The funds authorized in the 2003 and all subsequent Construction Fund Bills have provided the required non-federal matching dollars. The State funds are further leveraged by local cost share dollars and in-kind services from many communities thus far.

Staff Request

The staff of the Watershed Protection and Flood Mitigation Section is requesting approval by the Board for a non-reimbursable investment from the CWCB Construction Fund in the amount up to \$500,000 to provide matching dollars and related study funds in order to take advantage of the federal grant funds from FEMA for modernized floodplain maps in Colorado.

Staff Recommendation

Staff recommends that the Board request that the General assembly authorize up to \$500,000 from the Construction Fund to be appropriated to the Colorado Water Conservation Board for technical activities related to the Colorado Floodplain Map Modernization Program.

CWCB Water Project Non-Reimbursable Investment Program Project Data Sheet

Sponsor: Colorado Water Conservation Board

Location: Statewide

Project Name: Colorado Floodplain Map
Modernization Program

Project Type: Matching Funds for Federal
Grants

Drainage Basin: All River 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



COLORADO WATER CONSERVATION BOARD



CONSTRUCTION FUND 2013-2014 NON-REIMBURSABLE PROJECT INVESTMENT APPLICATION

Colorado Floodplain Map Modernization \$500,000

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Kirk Russell, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3232 or email kirk.russell@state.co.us

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1.	Applicant Name(s):	Colorado Water Conservation Board, Thuy Patton		
	Mailing address:	1313 Sherman Street, Rm 721 Denver, CO 80203		
	Taxpayer ID#:		Email address:	Thuy.patton@state.co.us
	Phone Numbers: Business:	303-866-3441 ext 3230		
	Home:	720-219-7441		
	Fax:	303-861-4272		
2.	Person to contact regarding this application if different from above:			
	Name:			
	Position/Title			

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

3. Provide a brief description of your organization below:

The Watershed Protection and Flood Mitigation Section of the CWCBC has evolved over time and expanded its operations to include watershed protection and flood-related activities that assist in the prevention of loss of life and damage to property caused by flooding events.

Part B. - Description of the Project or Study

1. Name of the study or project: Colorado Floodplain Map Modernization and Risk Map Program

2. What is the purpose of this grant application? Check one.

- ☒ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☐ Other (Please describe)

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

This is a statewide program eventually affecting most or all counties and communities throughout Colorado.

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

This request is for a non-reimbursable investment from the Construction Fund to the CWCBC's Floodplain Map Modernization fund. The original investment in the 2003 Construction Fund Bill was \$500,000 and these dollars are used to leverage against federal grant dollars and local matching dollars for Map Modernization and Risk Map activities in Colorado. So far, the CWCBC has encumbered or pledged matching dollars for new digital floodplain maps in Douglas, Boulder, Larimer, Fremont, Clear Creek, Montezuma, Mesa, Garfield, Pueblo, Teller, LaPlata, Weld, Archuleta, Summit, Delta, Elbert, Montrose, Rio Grande, Park, Gunnison, Morgan, Prowers, Pitkin, Chaffee, and El Paso Counties, as well as Clear Creek, St. Vrain, Purgatoire, and Cache La Poudre Watersheds. FEMA has granted about \$11.0 million thus far for Colorado floodplain map modernization projects. We anticipate an excellent chance for continued substantial FEMA funding in Colorado during the next several years and beyond, with total allocations expected to surpass \$15 million in the next few years.

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised November 2011

5. Explain why you are requesting a grant, instead of a loan. (the Construction Fund exists primarily to provide low interest loans for the construction or rehabilitation of raw water projects. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people and organizations, and/or a large geographical area .

A regular funding program does not currently exist for non-federal matching dollars, other than the CWCB construction fund, for the required non-federal cost-share that would allow Colorado to fully take advantage of millions of federal grant dollars over the coming years. FEMA is providing increased levels of funding for floodplain map modernization in those States that are able to support and provide matching funds. The State match is bolstered by additional matching dollars and in-kind services from local governments, which allows Colorado to capitalize on this tremendous opportunity. The goal is to update and modernize Colorado's aging fleet of floodplain maps for floodplain management, flood hazard mitigation, flood insurance, and flood response purposes. In addition, the new digital maps will eventually be integrated into the Flood DSS to enhance Colorado's decision making tools.

6. List the names and addresses of any technical or legal consultants retained to represent the applicant or to conduct investigations for the proposed project or study.

Anderson Consulting Engineers	Fort Collins, CO	970-226-0120
ICON Engineering	Centennial, CO	303-221-0802

7. List any feasibility study or scope of work that has been completed or is now in progress for the proposed project or study. (Submit one copy with this application):

There are a number of scopes of work that are completed or in progress to address floodplain mapping activities in Colorado. Copies of these can be made available as needed and are also located on the L:drive in the Section A folder. At the onset of the Map Modernization program, the CWCB developed a Business Case Plan which determined priorities for countywide DFIRM projects for each year of the program. The priorities were determined upon several factors. The Business Case Plan is a working document amended for FEMA and the State to reassess the previous determined priorities, previous project completions and yearly anticipated budget. The Program has now transitioned to Risk Map, which will integrate the role of Risk in the map modernization process. The Business Case Plan and any other related documents can be made available upon request.

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised November 2011

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

Estimated Engineering Costs:

\$1,900,000

Estimated Construction Costs:

Estimated Total Costs:

\$1,900,000

9. **How much funding are you requesting?**

\$500,000

Part C. - Project Sponsor Financial Information

1. The CWCB Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCB) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant: Thuy Patton

Print Applicant's Name: Thuy Patton

Project Title: CWCB Floodplain Mapping Coordinator

Date: August 2, 2012

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3232

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Chris Sturm, Stream Restoration Coordinator
Watershed Protection and Flood Mitigation Section

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investments Item #4**
Colorado Watershed Restoration Program

Introduction

The CWCB supports watershed restoration projects presented by multiple stakeholders with diverse interests. The results are plans and projects designed to satisfy a range of non-consumptive and consumptive water use objectives. Many of these efforts are completed on small budgets funded through several sources of local, state and/or federal funds. There is often a community volunteer component that contributes in-kind services through donated materials and time. The Colorado Watershed Restoration Program (CWRP) has funded 32 projects with over \$1,000,000 since its first grant cycle in January 2009. The projects have leveraged \$6.50 for every \$1.00 contributed by CWRP.

In recent years Colorado has experienced mega-fires that have severely burned portions of watersheds critical to water supply. Post-fire soils are often hydrophobic, and this results in increased runoff after a rain event. Post-fire runoff has mobilized massive amounts of sediment to reservoirs and depositional stream reaches below burn areas. Many ephemeral drainages and perennial streams continue to contribute inordinate amounts of sediment after the forest begins to heal. The incised channels do not dissipate flood energy well, and the stream banks become a source for increased sediment loading. Staff is requesting more money for the program this year in order to address post fire restoration efforts. Priority will be given to those burn areas with the greatest potential to adversely affect water supplies.

Staff Recommendation

Staff recommends that the Board request the General Assembly to authorize \$500,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB for the Colorado Watershed Restoration Program.

CWCB Water Project Non-Reimbursable Investment Program

Project Data Sheet

Sponsor: Colorado Water Conservation Board

Location: Statewide

Project Name: Colorado Watershed Restoration Program

Project Type: Watershed Restoration

Drainage Basin: All Colorado River Basins

Water Source: Various

Total Project Cost: Up to 50% Cost Share

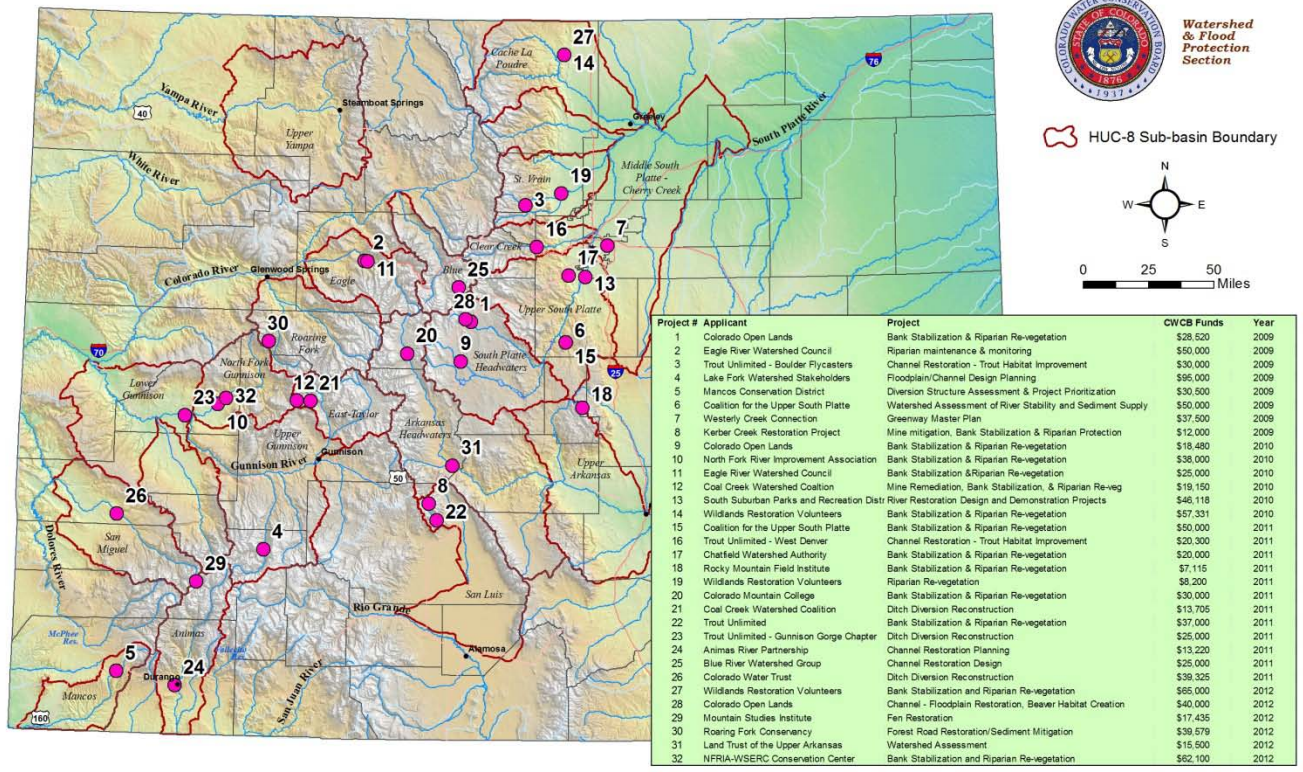
Funding Source: Construction Fund

CWCB NRI: \$500,000

Type of Grantee: State Government

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 protection, forest restoration (including post-fire), enhancement of aesthetic and environmental quality, recreation, and increased economic benefit. The CWCB has not had access to a regular and reliable source of funding for this Program in past years. Instead, special allocations on an annual basis from Severance Tax and Construction Fund investments have provided support for the Program. The Program has funded 32 projects since the first grant cycle in January 2009. Total project funding exceeds \$1,000,000. The projects have leveraged \$6.5 for every \$1 contributed by the Program. Twenty-three of the thirty-two projects funded have been mapped with focus areas identified in the Non-Consumptive Needs Assessment. The Program is intended for statewide benefit. The map below displays projects funded since 2009.

Colorado Watershed Restoration Program Grant Projects 2009 - 2012





COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
NON-REIMBURSABLE PROJECT INVESTMENT
APPLICATION



Colorado Watershed Restoration Program

(Project Name)

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Tim Feehan, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3211 or email kirk.russell@state.co.us

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1. Applicant Name(s): Colorado Water Conservation Board
Watershed and Flood Protection Section

Mailing address: 1313 Sherman Street, Room 721
Denver, Co 80203

Taxpayer ID#: Email address: Chris.sturm@state.co.us

Phone Numbers: Business: 303 866 3441
Home: 720 2109 4384
Fax: 303 866 4474
2. Person to contact regarding this application if different from above:

Name:

Position/Title

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised April 2010

3. Provide a brief description of your organization below:

The Watershed and Flood Protection Section of the CWCBC has evolved over time and expanded its operations to include watershed protection, flood mitigation, and forest restoration. The Watershed Restoration Program provides grant funding and technical expertise to partners for multi-objective plans and projects designed to reduce flood hazards, stabilize and restore stream channels, provide habitat, reduce erosion, and increase the capacity to utilize water.

Part B. - Description of the Project or Study

1. Name of the study or project: Colorado Watershed Restoration Program

2. What is the purpose of this grant application? Check one.

- ☐ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☒ Other (Please describe)

Provide funds for multi-objective studies and projects aiding watershed restoration efforts throughout the state.

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

Project funds will be used statewide where watershed restoration needs of high priority are identified through a competitive grant process. Priorities will be correlated with local requests, local contributions, community needs and the need to serve Colorado watersheds not previously served.

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

Multi-objective stream and watershed restoration studies and projects designed to stabilize channels, stabilize watersheds impacted by wildfire, reduce impacts due to historic mining or agricultural activities, improve watershed conditions to abate natural disasters, protect/enhance riparian and in-channel habitats, and improve recreation opportunities. Other project components may include reduction of water related risk to infrastructure, flood hazard reduction, and flood mitigation. There are degraded stream systems throughout the state in need of restoration designed to benefit non-consumptive and consumptive water uses. Projects are generally funded in all major river basins submitting applications to the Colorado Watershed Restoration Program.

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised April 2010

5. Explain why you are requesting a grant, instead of a loan. (the Construction Fund exists primarily to provide low interest loans for the construction or rehabilitation of raw water projects. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people and organizations, and/or a large geographical area .

The CWCB staff is requesting a non-reimbursable expenditure for Watershed Restoration because the program is 1) Staff initiated, 2) Endorsed by the Board, 3) Consistent with CWCB statutory responsibilities, and 4) Able to provide benefits for non-consumptive and consumptive water uses throughout the state. Presently the sources of state funding for these activities are not consistent and reliable. The funding will allow CWCB to cost-share with the federal government and other stakeholders to complete this much-needed work. The Colorado Watershed Restoration Program has leveraged \$6.5 for every \$1 contributed by the CWCB since its inception in 2009.

6. List the names and addresses of any technical or legal consultants retained to represent the applicant or to conduct investigations for the proposed project or study.

Name	Address & Phone Number
The CWCB and the Colorado Watershed Restoration Program grantees have access to numerous qualified consulting firms in Colorado. Some of the work can also be completed in-house as well to further help leverage grant dollars.	

7. List any feasibility study or scope of work that has been completed or is now in progress for the proposed project or study. (Submit one copy with this application):

The CWCB has a number of completed watershed restoration master planning studies that have been very useful to a variety of users. Some of them have been used as a first step toward design and implementation of projects to address watershed restoration needs. Some examples include the Uncompahgre Rapid River Assessment, the Eagle River Inventory and Assessment, Coal Creek Riparian and Habitat Assessment, the Dolores River Dialogue, and the Mancos River Watershed Rapid Assessment. All of this information is available to the public via the Internet and CWCB's Imaging System.

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised April 2010

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

\$200,000

Estimated Engineering Costs:

\$400,000

Estimated Construction Costs:

\$1,200,000

Estimated Total Costs:

\$1,800,000

9. **How much funding are you requesting?**

\$500,000

Part C. - Project Sponsor Financial Information

1. The CWCB Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCB) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant:

Print Applicant's Name: Chris Sturm, Stream Restoration Coordinator

Project Title: Colorado Watershed Restoration Program

Date: August 2, 2013

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3211

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



TO: Finance Committee
Colorado Water Conservation Board

John W. Hickenlooper
Governor

FROM: Kevin Houck, P.E. – Chief
Watershed Protection and Flood Mitigation Section
Taryn Finnessey- Drought & Climate Specialist
Water Supply Planning Section

Mike King
DNR Executive Director

James Eklund
CWCB Director

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investment Item #5**
Flood and Drought Response Fund

Introduction

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. This amount is proposed to increase to \$500,000 in FY14. This increased amount reflects activities associated with Drought Response (the amount was not previously increased when the Fund annexed drought responsibilities) and to address the increasing threat of wildfires and post-wildfire activities. The Flood Response Fund (Fund) was originally created to give the CWCB an ability to quickly respond to events and have program funds in the areas of: 1) flood documentation, 2) flood forecasting and outlooks, 3) post-event floodplain mapping, 4) aerial photography, and 5) flood mitigation. The FY 2012/13 request included an expanded scope involving drought response activities, and this year's request also includes this expanded scope.

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 recognizes that there will be years in the future when both flood conditions and drought conditions exist during the same water year and/or during the same fiscal year. In those situations, the Fund could be stressed by needs from the two extreme conditions, and Staff will prioritize expenditures.

Staff Recommendation

Staff recommends that the Board request the General Assembly to authorize \$500,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB for technical activities related to flood and drought response, as called out in the scope of the Flood and Drought Response Fund.

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

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. This amount is proposed to increase to \$500,000 in FY14. This increased amount reflects activities associated with Drought Response (the amount was not previously increased when the Fund annexed drought responsibilities) and to address the increasing threat of wildfires and post-wildfire activities. The Flood Response Fund (Fund) was originally created to give the CWCB an ability to quickly respond to events and have program funds in the areas of: 1) flood documentation, 2) flood forecasting and outlooks, 3) post-event floodplain mapping, 4) aerial photography, and 5) flood mitigation. The FY 2012/13 request included an expanded scope involving drought response activities, and this year's request also includes this expanded scope.

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 recognizes that there will be years in the future when both flood conditions and drought conditions exist during the same water year and/or during the same fiscal year. In those situations, the Fund could be stressed by needs from the two extreme conditions, and Staff will prioritize expenditures.



COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
NON-REIMBURSABLE PROJECT APPLICATION



CWCB Flood and Drought Response Fund

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request for a non-reimbursable investment. If you have difficulty with any part of the application, contact Kirk Russell of the Water Supply Planning and Finance Section (Colorado Water Conservation Board) for assistance, at (303) 866-3441 or email Kirk at Kirk.russell@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact Tim Feehan before completing this application at (303) 866-3441.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1. Applicant Name(s): Colorado Water Conservation Board staff
Kevin Houck and Taryn Finnessey

Mailing address: 1313 Sherman Street, Room 721
Denver, CO 80203

Taxpayer ID#: On file Email address: On file

Phone Numbers: Business: 303-866-3441
Home: 303-809-5324
Fax: 303-866-4474

2. Person to contact regarding this application if different from above:

Name: Same

Position/Title

Non-Reimbursable Application - CWCB Construction Fund

Form Revised August 2004

3. Provide a brief description of your organization below:

The Flood Protection Program and Office of Water Conservation and Drought Planning are two of the major program areas in the CWCB, which exist to prepare for, respond to, and mitigate the negative impacts from natural hazards such as droughts and floods. The CWCB is authorized by Statute to perform such activities.

Part B. - Description of the Project or Study

1. Name of the study or project: Flood and Drought Response Fund

2. What is the purpose of this grant application? Check one.

- ☒ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☐ Other (Please describe)

This request is to request a continuation the existing Flood and Drought Response Fund up to \$500,000 to continue to provide services related to the program. This program is currently authorized in C.R.S. 37-60-123.2 and provides valuable technical services for Colorado communities and the public at large.

Requested amount has been increased due to significant demands placed on the fund in 2012 and 2013 due to drought and wildfires.

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

Funds from this project would be used statewide in areas where flood or drought events occur or where mapping/hazard mitigation needs of high priority are identified. Priorities will generally be correlated with local request and contribution and community need. Statewide flood and drought updates will typically be provided during a presentation to the Board at its March meetings or as needed.

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

Provide engineering, meteorological, and other technical services related to the 5 major elements of the Flood Response Fund. The major elements of the program along with their anticipated funding needs are:

Flood and drought documentation	\$50,000
Natural hazard assessment	\$195,000
Hazard Mitigation	\$165,000
Flood and drought forecasting	\$80,000
Post event aerial Mapping	\$10,000

Non-Reimbursable Application - CWCB Construction Fund

Form Revised August 2004

-
5. Explain why you are requesting a grant, instead of a loan. (The Construction Fund exists primarily to provide low interest loans for the construction or rehabilitation of raw water projects. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people and organizations, and/or a large geographical area .

The CWCB staff is requesting a non-reimbursable expenditure for the Flood and Drought Response Fund since activities within the major program elements are 1) Staff initiated, 2) Required by Statute, 3) Endorsed by the Board, and 4) Provide valuable technical information for citizens of the state. To our knowledge there is no other source of funding available through other means to assist with the goals of the Fund.

6. List the names and addresses of any technical or legal consultants retained to represent the applicant or to conduct investigations for the proposed project or study.

Name	Address & Phone Number
------	------------------------

The CWCB has access to numerous qualified engineering consulting firms in Colorado through the As-Needed engineering program as well as standard contracting mechanisms. The CWCB has good working relationships with many qualified firms in addition to expertise provided by other federal, state, and local agencies and various partners. Some of the work can also be completed in-house as well to further help leverage grant dollars.

7. List any feasibility study or scope of work that has been completed or is now in progress for the proposed project or study. (Submit one copy with this application):

The CWCB has a number of completed documentation reports that have been highly useful for the scientific community and local governments as a whole. Publicly available information produced by the CWCB is either posted to our website or included in Laserfiche.

Non-Reimbursable Application - CWCB Construction Fund

Form Revised August 2004

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

\$350,000

Estimated Engineering Costs:

\$150,000

Estimated Construction Costs:

N/A (future projects and loan requests may result)

Estimated Total Costs:

\$500,000

9. **How much funding are you requesting?**

\$500,000

Part C. - Project Sponsor Financial Information

1. The CWCB Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. The Flood and Drought Response Fund often works on an informal cost share basis. Some activities are staff driven and are not conducive to cost-sharing. Funds will be sought from other partners to match CWCB funding whenever possible.

The above statements are true to the best of my knowledge:

Signature of Applicant: On File

Print Applicant's Name: Kevin Houck and Taryn Finnessey

Project Title: Flood and Drought Response Fund

Date: August 1, 2013

Return this application to:

Mr. Kirk Russell, P.E., Chief
Water Supply Planning and Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 750
Denver, CO 80203

To submit applications by Email, send to: kirk.russell@state.co.us

To submit applications by Fax, send to: (303) 894-2578

For questions, call Telephone No.: (303) 866-3441

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Ray Alvarado
Interstate, Federal & Water Information Section

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investments Item #6**
Colorado Decision Support System Operation and Maintenance

Introduction

The Colorado Decision Support System (CDSS) goal is to help water users make informed decisions regarding major water issues and policy positions. For the past twenty years, the DSS's have provided the State of Colorado agencies, water users and managers a better means for organizing, accessing and evaluating a wide range of information and alternative strategies for managing their water resources. Over these years the CDSS has evolved and adjusted to meet the changing water information needs and will be a vital component in Colorado's Water Plan. All basins have a DSS in place or one is being implemented; as such, a mechanism to maintain and operate CDSS into the future has led to this request for \$200,000 for the continued operation and maintenance of CDSS by the CWCB and DWR.

Staff Recommendation

Staff recommends that the Board request the General Assembly to authorize \$200,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB for the Colorado Decision Support System operation and maintenance.

Staff recommends that the Board request the General Assembly to authorize the establishment of a new fund for Colorado Decision Support System operation and maintenance.

Staff recommends that the Board request the General Assembly to authorize annually from the Construction Fund, up to \$200,000 in order to restore the unencumbered balance in the fund up to \$200,000.

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

Sponsor: Colorado Water Conservation Board

Location: Statewide

Project Name: CDSS Operation and Maintenance

Project Type: Other

Drainage Basin: All Colorado River Basins

Water Source: Various

Total Project Cost: \$200,000 refreshed annually
up to \$200,000

Funding Source: Construction Fund

CWCB NRI: \$200,000

Type of Grantee: State

This request is for funding to operate and maintain the CDSS infrastructure developed the past 20 years by CWCB and DWR. Historically this operation and maintenance was accomplished by using ongoing CDSS implementation plans throughout the state. These implementations have been or are near completions, so past funding sources will no longer be available for the ongoing CDSS operation and maintenance. A long term funding source is needed in order to maintain the extensive data and tools developed under this effort.



COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
NON-REIMBURSABLE PROJECT INVESTMENT
APPLICATION



CDSS Operational and Maintenance

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Kirk Russell, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3232 or email kirk.russell@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1. Applicant Name(s): Colorado Water Conservation Board

Mailing address: 1313 Sherman
Denver, CO 80203

Taxpayer ID#: Email address: ray.alvarado@state.co.us

Phone Numbers: Business: 303-866-3441
Home:
Fax:

2. Person to contact regarding this application if different from above:

Name: Ray Alvarado

Position/Title CWCB Staff

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised April 2010

3. Provide a brief description of your organization below:

State Agencies under the Department of Natural Resources

Part B. - Description of the Project or Study

1. Name of the study or project: CWCB CDSS Operation and Maintenance Fund

2. What is the purpose of this grant application? Check one.

- ☐ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☒ Other (Please describe)

The purpose is for ongoing support in maintaining the CDSS that has been or will be implemented in the major river basins within the state maintained by CWCB and DWR.

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

Statewide

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

The fund will be used for operating and maintenance of CDSS models, databases and software tools by CWCB and DWR. It will also be used to support CWCB's use of DNR's supported GIS server and software.

Form Revised April 2010

- ## Statewide Importance

- | Name | Address & Phone Number |
|------|------------------------|
|------|------------------------|

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised April 2010

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

Estimated Engineering Costs:

Estimated Construction Costs:

Estimated Total Costs:

\$200,000

9. **How much funding are you requesting?**

\$200,000

Part C. - Project Sponsor Financial Information

1. The CWCB Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCB) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant:

Print Applicant's Name: Ray Alvarado

Project Title: CWCB CDSS Operation and Maintenance Fund

Date: August 1, 2013

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3232

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Andy Moore, Water Resources Engineer
Interstate, Federal, and Water Information Section

DATE: September 12, 2013

SUBJECT: **Non-Reimbursable Investments Item #7**
Arkansas River Decision Support System

Introduction

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. \$750,000 has previously been approved by the Board for Phases 1 and 2. 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.

Staff Recommendation

Staff recommends that the Board request the General Assembly to authorize \$500,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB to continue implementation of the ArkDSS.

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

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. \$750,000 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.



COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
NON-REIMBURSABLE PROJECT INVESTMENT
APPLICATION



Arkansas River Decision Support System

(Project Name)

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Kirk Russell, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3232 or email kirk.russell@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1. Applicant Name(s): Colorado Water Conservation Board

Mailing address: 1313 Sherman St, Ste 721
Denver, CO 80203

Taxpayer ID#: Email address: andy.moore@state.co.us

Phone Numbers: Business: 303-866-3441
Home:
Fax:

2. Person to contact regarding this application if different from above:

Name: Andy Moore

Position/Title: Water Resources Engineer

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

3. Provide a brief description of your organization below:

The Colorado Water Conservation Board (CWCBC) was created in 1937 for the purpose of aiding in the protection and development of the waters of the state. The agency is responsible for water project planning and finance, stream and lake protection, flood hazard identification and mitigation, weather modification, river restoration, water conservation and drought planning, water information, and water supply protection.

Part B. - Description of the Project or Study

1. Name of the study or project: Arkansas River Decision Support System (ArkDSS)

2. What is the purpose of this grant application? Check one.

- ☒ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☐ Other (Please describe)

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

Arkansas River Basin – Division 2

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

The ArkDSS will be similar to other DSSs developed in Colorado, with data collection and development of modeling tools to aid in water resources planning and management. The feasibility study was completed in December 2011, resulting in a proposed implementation including four phases, at an estimated total cost of \$7,590,000. The \$500,000 requested herein will be used to continue implementation of the ArkDSS, which at this stage includes primarily data compilation and data collection activities that will provide the foundation for the ArkDSS.

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

-
5. Explain why you are requesting a grant, instead of a loan. (the Construction Fund exists primarily to provide low interest loans for the construction or rehabilitation of raw water projects. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people and organizations, and/or a large geographical area .

The ArkDSS will be part of Colorado's Decision Support Systems, to aid in water resources planning for the State. Water users and planners within the Arkansas Basin, as well as the State, will benefit from the data and tools developed as part of the ArkDSS.

6. List the names and addresses of any technical or legal consultants retained to represent the applicant or to conduct investigations for the proposed project or study.

Name	Address & Phone Number
N/A	

7. List any feasibility study or scope of work that has been completed or is now in progress for the proposed project or study. (Submit one copy with this application):

The feasibility study for the ArkDSS was completed in December 2011. The report is available for download on the web page below:

<http://cwcbs.state.co.us/water-management/basin-roundtables/Pages/ArkansasBasinRoundtable.aspx>

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

\$7,590,000

Estimated Engineering Costs:

Estimated Construction Costs:

Estimated Total Costs:

\$7,590,000

9. **How much funding are you requesting?**

\$500,000

Part C. - Project Sponsor Financial Information

1. The CWCBC Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCBC) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant:

Print Applicant's Name: Andy Moore

Project Title: Arkansas River Decision Support System (ArkDSS)

Date: August 1, 2013

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3232.

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Steve Miller, Senior Water Resource Specialist
Interstate, Federal, and Water Information Section

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investments Item #8**
Gunnison Basin Irrigation System Planning and Optimization Studies

Introduction

For over 30 years the Board has been actively involved in the Colorado River Basin Salinity Control Program ("CRBSCP") and more recently has committed to participation in the Gunnison Basin Selenium Management Program ("SMP").

The proposed project is to offer financial assistance to the non-federal irrigation systems in a portion of the Gunnison Basin to allow them to more effectively compete in the CRBSCP, which will also meet the goals of the SMP. These entities would obtain Board funded engineering services to evaluate and design enhancements to existing irrigation systems. These systems have opportunities to receive significant federal funding for infrastructure improvements because of the attendant water quality and water conservation benefits that can be realized in the basin. However, the federal funding is dependent on credible designs and cost-estimates for which no financial assistance is currently available. In addition, opportunities to realign and combine systems are overlooked in an effort to minimize design costs under the current system. The proposed program will enable irrigators to better compete in the 2015 CRBSCP Funding Opportunity Announcement ("2015 FOA") and more effectively utilize any such funds awarded. The River District will coordinate the selection and distribution of the individual technical assistance grants to irrigation entities within the study area. This will allow utilization of the District's expertise and personnel to target areas where modernization opportunities are the greatest

Staff Recommendation

Staff recommends that the Board request the General Assembly to authorize \$250,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB for use by the Colorado River Water Conservation District to conduct the Gunnison Basin Irrigation System Planning and Optimization Studies.

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

Sponsor: Colorado Water Conservation Board
And Colorado River Water
Conservation District

Location: Delta, Montrose, and Gunnison
Counties

Project Name: Gunnison Basin Irrigation
System Planning and
Optimization Studies

Project Type: Irrigation System Planning

Drainage Basin: Gunnison River Basin

Water Source: Gunnison River

Total Project Cost: \$250,000

Funding Source: Construction Fund

CWCB NRI: \$250,000

Type of Grantee: Conservation District and
Irrigation Companies

The proposed project is to offer financial assistance to the non-federal irrigation systems in the study area to allow them to obtain engineering services to evaluate and design enhancements to existing irrigation systems. These systems have opportunities to receive significant federal funding for infrastructure improvements because of the attendant water quality and water conservation benefits that can be realized in the basin. However, the federal funding is dependent on credible designs and cost-estimates for which no funding is currently available. In addition, opportunities to realign and combine systems are overlooked in an effort to minimize design costs under the current system. The proposed program will enable irrigators to better compete in the 2015 CRBSCP Funding Opportunity Announcement ("2015 FOA") and more effectively utilize any such funds awarded.

Grant funding is being sought to stimulate sound engineering designs and planning that can lead to a significant infusion of federal funding which may be combined with construction loans from the Board. The irrigation system operators have marginal resources with which to obtain high quality technical services at the beginning of the federal funding process offered through the Colorado River Basin Salinity Control Program. State financial assistance to defray or reduce the upfront application costs can result in major new irrigation modernization projects, producing Statewide and local benefits of improved water quality, improved water use efficiency, and more productive agricultural communities.

The River District will coordinate the selection and distribution of the individual technical assistance grants to irrigation entities within the study area. This will allow utilization of the District's expertise and personnel to target areas where modernization opportunities are the greatest.



COLORADO WATER CONSERVATION BOARD

CONSTRUCTION FUND

NON-REIMBURSABLE PROJECT INVESTMENT

APPLICATION



Gunnison Basin Irrigation System Planning and Optimization Studies

(Project Name)

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Kirk Russell, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3232 or email kirk.russell@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1. Applicant Name(s): Steve Miller for Colorado Water Conservation Board in cooperation with the Colorado River Water Conservation District

Mailing address: Colorado Water Conservation Board
1313 Sherman Street, Room 721
Denver, CO 80203

Taxpayer ID#: Email address: Steve.miller@state.co.us

Phone Numbers: Business: 303-866-3441, x3228

Home:

Fax:

2. Person to contact regarding this application if different from above:

Name:

Position/Title

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

3. Provide a brief description of your organization below:

The Colorado Water Conservation Board (CWCBC) represents each major water basin, Denver and other state agencies in our joint effort to use water wisely and protect our water for future generations. The Colorado River Water Conservation District is the principal water policy and planning agency for the Colorado River Basin within the State of Colorado. The River District is responsible for the conservation, use, protection, and development of Colorado's apportionment of the Colorado River. The River District provides legal, technical, and political representation regarding Colorado River issues for our constituents.

Part B. - Description of the Project or Study

1. Name of the study or project: Gunnison Basin Irrigation System Planning and Optimization Studies

2. What is the purpose of this grant application? Check one.

- ☒ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☐ Other (Please describe)

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

Gunnison Basin and tributaries downstream of Crystal Reservoir to the Mesa County line, including all of Delta County and portions of Gunnison and Montrose Counties.

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

The proposed project is to offer financial assistance to the non-federal irrigation systems in the study area to allow them to obtain engineering services to evaluate and design enhancements to existing irrigation systems. These systems have opportunities to receive significant federal funding for infrastructure improvements because of the attendant water quality and water conservation benefits that can be realized in the basin. However, the federal funding is dependent on credible designs and cost-estimates for which no funding is currently available. In addition, opportunities to realign and combine systems are overlooked in an effort to minimize design costs under the current system. The proposed program will enable irrigators to better compete in the 2015 CRBSCP Funding Opportunity Announcement ("2015 FOA") and more effectively utilize any such funds awarded.

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

5. Explain why you are requesting a grant, instead of a loan. (the Construction Fund exists primarily to provide low interest loans for the construction or rehabilitation of raw water projects. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people and organizations, and/or a large geographical area .

Grant funding is being sought to stimulate sound engineering designs and planning that can lead to a significant infusion of federal funding which may be combined with construction loans from the Board. The irrigation system operators have marginal resources with which to obtain high quality technical services at the beginning of the federal funding process offered through the Colorado River Basin Salinity Control Program. State financial assistance to defray or reduce the upfront application costs can result in major new irrigation modernization projects, producing Statewide and local benefits of improved water quality, improved water use efficiency, and more productive agricultural communities.

The River District will coordinate the selection and distribution of the individual technical assistance grants to irrigation entities within the study area. This will allow utilization of the District's expertise and personnel to target areas where modernization opportunities are the greatest.

6. List the names and addresses of any technical or legal consultants retained to represent the applicant or to conduct investigations for the proposed project or study.

Name	Address & Phone Number
None	

7. List any feasibility study or scope of work that has been completed or is now in progress for the proposed project or study. (Submit one copy with this application):

This project would be a compliment to similar studies being done by the US Bureau of Reclamation for the Uncompahgre Valley Water Users Association, which operates a federally owned and managed irrigation system in the area, and has received resources.

A successful pilot program of small technical assistance grants (\$3-5000 / entity) was offered through the Delta Conservation District in 2012. However, due to the source of funding for that program (funds linked to endangered species recovery) only entities with suspected selenium loading return flows were eligible. The proposed new program would remove this restriction and make all non-federal irrigation system operators in the study area eligible.

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised November 2011

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

\$50,000

Estimated Engineering Costs:

\$200,000

Estimated Construction Costs:

0

Estimated Total Costs:

\$250,000 (not including CRWCD in-kind)

9. **How much funding are you requesting?**

\$250,000

Part C. - Project Sponsor Financial Information

1. The CWCB Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCB) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant: /s/

Print Applicant's Name: Steve Miller

Project Title: Gunnison Basin Irrigation System Planning and Optimization Studies

Date: Aug. 14, 2013

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3232.

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Taryn Finnessey, Drought & Climate Change Technical
Specialist; Water Supply Planning Section

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investments Item #9
Implementation of Drought Mitigation Strategies**

Introduction

Drought is a common and natural occurrence in Colorado, affecting some portion of the state every 9 out of 10 years and nearly every sector of the economy. The newly revised 2013 Colorado Drought Response and Mitigation Plan provides a number of recommended actions that will help to better prepare the state as a whole for drought events that can bring serious and costly impacts. The plan as developed through an extensive statewide stakeholder process. Increased preparedness will help to lessen impacts and can ultimately help to save the state funds when responding to an event. Investment in drought preparedness is a proactive way to safeguard Colorado communities from the devastation that this natural disaster can bring.

Staff Recommendation

Staff recommends that the Board request the General Assembly to authorize \$100,000 from the Construction Fund to be appropriated to the Department of Natural Resources for allocation to the CWCB for the Implementation of Drought Mitigation Strategies.

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

Sponsor: Colorado Water Conservation Board

Location: Statewide

Project Name: Implementation of Drought
Mitigation Strategies

Project Type: Drought Preparedness

Drainage Basin: All Colorado River Basins

Water Source: Various

Total Project Cost: 100,000

Funding Source: Construction Fund

CWCB NRI: \$100,000

Type of Grantee:

Drought is a common and natural occurrence in Colorado, affecting some portion of the state every 9 out of 10 years and nearly every sector of the economy. The newly revised 2013 Colorado Drought Response and Mitigation Plan provides a number of recommended actions that will help to better prepare the state as a whole for drought events that can bring serious and costly impacts. The plan as developed through an extensive statewide stakeholder process. Increased preparedness will help to lessen impacts and can ultimately help to save the state funds when responding to an event. Investment in drought preparedness is a proactive way to safeguard Colorado communities from the devastation that this natural disaster can bring



COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
NON-REIMBURSABLE PROJECT INVESTMENT
APPLICATION



Implementation of Drought Mitigation Strategies

(Project Name)

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Kirk Russell, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3232 or email kirk.russell@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1.	Applicant Name(s):	Taryn Finnessey		
	Mailing address:	1313 Sherman St Denver, CO 80203		
	Taxpayer ID#:		Email address:	Taryn.finnessey@state.co.us
	Phone Numbers: Business:	303866.3441 X3231		
	Home:			
	Fax:	303.866.4474		
2. Person to contact regarding this application if different from above:				
	Name:			
	Position/Title			

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised November 2011

3. Provide a brief description of your organization below:

OWCDP, a subset of the Water supply planning section of the CWCB, exists to foster water conservation and drought planning by local communities and to assure that Colorado decision makers and the public are informed about the need for water conservation and drought planning. This unit also exists to manage the monitoring, implementation and response actions as outlined in the Colorado Drought Mitigation and Response Plan and as approved by the Governor and the Federal Emergency Management Agency (FEMA).

Part B. - Description of the Project or Study

1. Name of the study or project: Implementation of Drought Mitigation Strategies

2. What is the purpose of this grant application? Check one.

- ☒ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☒ Other (Please describe)

Fund will be used to implement the recommendations of the 2013 Colorado Drought Mitigation and Response Plan

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

Statewide

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

Drought is a common and natural occurrence in Colorado, affecting some portion of the state every 9 out of 10 years. The 2013 Colorado Drought Response and Mitigation Plan provides a number of recommended actions that will help to better prepare the state as a whole for drought events that can bring serious and costly impacts. Increased preparedness will help to lessen impacts and can ultimately help to save the state funds when responding to an event. Investment in drought preparedness is a proactive way to safeguard Colorado communities from the devastation that this natural disaster can bring.

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised November 2011

-
5. Explain why you are requesting a grant, instead of a loan. (the Construction Fund exists primarily to provide low interest loans for the construction or rehabilitation of raw water projects. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people and organizations, and/or a large geographical area .

This is a CWCB initiated project, which is of statewide interest and benefits a wide range of people and organizations and a large geographical area. It does not have any components that would lend itself to a loan.

6. List the names and addresses of any technical or legal consultants retained to represent the applicant or to conduct investigations for the proposed project or study.

Name	Address & Phone Number
N/A	

7. List any feasibility study or scope of work that has been completed or is now in progress for the proposed project or study. (Submit one copy with this application):

The 2013 Colorado Drought Mitigation and Response Fund is currently in process and will be before the CWCB board of directors for approval in September. The plan will be posted on the CWCB website when complete and is available on that site now in draft form.

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised November 2011

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

100,000

Estimated Engineering Costs:

Estimated Construction Costs:

Estimated Total Costs:

100,000

9. **How much funding are you requesting?**

100,000

Part C. - Project Sponsor Financial Information

1. The CWCB Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCB) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant:

Print Applicant's Name: Taryn Finnessey

Project Title: Implementation of Drought Mitigation Strategies

Date: August 15, 2013

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3232.

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



TO: Finance Committee
Colorado Water Conservation Board

FROM: Ted Kowalski, Chief
Interstate, Federal, and Water Information Section

DATE: September 13, 2013

SUBJECT: **Non-Reimbursable Investments Item #10**
Refresh of Litigation Fund

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

Introduction

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 Treat, and ongoing litigation regarding the Rio Grande Compact 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 for the Board, with accompanying letter from the Attorney General. These

items provide more detail about the request, such as the river basin in question, and a specific value for the request, appropriate for the issues at hand.

Staff Recommendation

Staff recommends that the Board request that the litigation fund be refreshed with \$1.2 million, to ensure necessary participation by the State of Colorado in these important processes, in conjunction with the Office of the Attorney General.



COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
NON-REIMBURSABLE PROJECT INVESTMENT
APPLICATION



Refresh of Litigation Fund

(Project Name)

Application Deadline: August 1 for funds available July 1 the following year.

Funding recommendations will be considered at the November CWCB Board Meeting.

Instructions: This application form should be emailed, typed, or printed neatly. You may attach additional sheets as necessary to fully answer any question, or to provide additional information that you feel would be helpful in evaluating this application. Include with your application a cover letter summarizing your request. If you have difficulty with any part of the application, contact Kirk Russell, PE, Finance Section Chief for assistance, at (303) 866-3441, ext. 3232 or email kirk.russell@state.co.us.

Generally, the applicant is also the prospective owner and sponsor of the proposed project. If this is not the case, contact CWCB before completing this application.

Part A. - Description of the Applicant (Project Sponsor or Owner);

1. Applicant Name(s): Interstate, Federal, and Water information Section, Colorado Water Conservation Board

Mailing address: 1313 Sherman Street, Room 723
Denver, CO 80203

Taxpayer ID#: Email address: ted.kowalski@state.co.us

Phone Numbers: Business: 303-866-3441 .3222
Home:
Fax:
2. Person to contact regarding this application if different from above:

Name: Ted Kowalski

Position/Title: Chief; Interstate, Federal, Water Information Section

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

3. Provide a brief description of your organization below:

The Interstate, Federal, and Water Information Section represents the state in negotiations, discussions, and litigation regarding interstate matters, but the Colorado River Compact, the Arkansas River Compact, "wild and scenic alternative processes," and matters associated with the Endangered Species Act and Recovery Programs demand most of the attention of this Section. This Section is also responsible for establishing and maintaining the State of Colorado's decision support systems.

Part B. - Description of the Project or Study

1. Name of the study or project: Refresh of Litigation Fund

2. What is the purpose of this grant application? Check one.

- ☐ Study
☐ Demonstration project.
☐ Rehabilitation or replacement of existing
☒ Other (Please describe)

Refresh of litigation account up to \$4 million, to be used "for the purpose of engaging in litigation...to defend and protect Colorado's allocations of water in interstate streams and rivers..."

3. General location of the study or demonstration project. (Please include county, and approximate distance and direction from the nearest town):

Denver, CO

4. Please provide a brief narrative description of the proposed study or demonstration project including purpose, need, and service area. (Attach scope of study, if available)

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)."

Non-Reimbursable Project Investment Application - CWCBC Construction Fund

Form Revised November 2011

-
5. Explain why you are requesting a grant, instead of a loan. (the Construction Fund exists primarily to provide low interest loans for the construction or rehabilitation of raw water projects. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people and organizations, and/or a large geographical area .

Increased activity on the interstate streams, especially the Rio Grande, the Republican, and the Colorado has brought down the balance of the litigation fund considerably since the last refresh. With many ongoing processes and controversies ahead, the IFWI section and Office of the Attorney General request that the fund be refreshed up to the cap of \$4 million to allow staff and the Attorneys General to prepare and participate in these ongoing important matters.

6. List the names and addresses of any technical or legal consultants retained to represent the applicant or to conduct investigations for the proposed project or study.

Name	Address & Phone Number
Office of the Attorney General	1300 Broadway, 7 th Floor, Denver CO 80203

7. List any feasibility study or scope of work that has been completed or is now in progress for the proposed project or study. (Submit one copy with this application):

Copies of the Annual Reports on the Litigation Fund are available upon request.

Non-Reimbursable Project Investment Application - CWCB Construction Fund

Form Revised November 2011

8. What is the estimated cost of the study/demonstration project? Please include estimated Study, Planning, Engineering, and Construction costs, if known :

Estimated Planning/Study Costs:

Estimated Engineering Costs:

Estimated Construction Costs:

Estimated Total Costs:

to refresh account up to \$4 million.

9. **How much funding are you requesting?**

\$1.2 million

Part C. - Project Sponsor Financial Information

1. The CWCB Construction Fund is primarily a revolving loan fund. Non-reimbursable investments are approved only when the project or study is of statewide interest and benefits a wide range of people. Provide copies of the two most recent annual reports, financial statements, corporate reports or other current documentation of financial condition and operations with this application.
2. Provide a brief narrative description of potential sources of funding (in addition to the CWCB) which have been explored or which will be explored for the proposed project or study. (Examples would be Local County and Town Governments, Water Conservancy Districts, USDA Rural Development, The Natural Resources Conservation Service, The U.S. Environmental Protection Agency, Commercial Banks, etc.)

The above statements are true to the best of my knowledge:

Signature of Applicant:

Print Applicant's Name: Ted Kowalski

Project Title: Refresh of Litigation Fund

Date: 7/30/13

Return this application to:

Mr. Kirk Russell, P.E., Chief
Finance Section
COLORADO WATER CONSERVATION BOARD
1580 Logan Street, Suite 600
Denver, CO 80203

Submit applications by email to: kirk.russell@state.co.us or fax to (303) 894-2578
For questions call (303) 866-3441, ext. 3232.

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 721

Denver, Colorado 80203

Phone: (303) 866-3441

Fax: (303) 866-4474

www.cwcb.state.co.us



TO: Colorado Water Conservation Board Members

FROM: Tim Feehan, P.E., Deputy Director

DATE: September 13, 2013

SUBJECT: **2014 Projects Bill**
Long Hollow Reservoir

John W. Hickenlooper
Governor

Mike King
DNR Executive Director

Jennifer L. Gimbel
CWCB Director

Introduction

The Colorado Water Resources and Power Development Authority (Authority) is currently constructing Long Hollow Reservoir (Project). During the summer of 2011, the Authority received five bids, ranging in cost from \$18.4 million to \$20.8 million. The low bidder was Weeminuche Construction, a commercial construction enterprise owned and operated by the Ute Mountain Ute Tribe. Weeminuche Construction (Contractor) was the general contractor for the Animas La Plata Project.

During the bid process the Authority determined the overall project to be approximately \$5 million over budget. The total Project costs at that time were determined to be \$24.5 million, which included past and future expenses for engineering, construction surveillance, administration, land acquisition, construction, and project contingencies. To address the budget shortfall and to move the Project forward, the Authority agreed to contribute an additional \$2.5 million of Authority funds and the Ute Mountain Ute Indian Tribe agreed to request (and received) \$3 million from its Tribal Resource Funds, associated with the Animas La Plata Project.

The contractor initiated construction during the summer of 2012 and is approximately 55% complete. To-date, however, significant cost overruns have occurred, mainly attributed to the grouting of the foundation. The bid quantity for grouting was 9,144 sacks (sacks are 90 lbs. each), but upon completion of the grouting process that quantity has increased to 43,064 sacks, resulting in a project cost increase of \$2.4 million alone. Other project overruns have been encountered with the outlet works and spillway, resulting in an additional increase of almost \$1 million, for a total cost overrun to-date of \$3.25 million. The Authority Board is requesting that the CWCB contribute funding for 50% of the cost overrun balance or \$1.575 million.

Recommendation

Staff recommends that the CWCB Finance Committee make a favorable recommendation to the CWCB Board at the November 2013 Board meeting, to include a \$1,575,000 funding request in CWCB's 2014 Projects Bill, from the Severance Tax Trust Fund Perpetual Base Account, for the construction of the Long Hollow Reservoir Project.

Project Background

The 5,400 acre-foot Long Hollow Reservoir facility is located approximately 22 miles southwest of Durango, 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. The Project would allocate 300 acre-feet of storage annually for the State Engineer's Office to use for deliveries to New Mexico during the mid-summer low-flow period, with the remaining water to be used for irrigation purposes. It is estimated that the reservoir would fill to its 5,400 acre-foot capacity 4 of 14 years, with an average fill of 3,450 acre-feet per year.

The Project will be contracted, managed, and operated by the La Plata Water Conservancy District (District) in conformance with the Memorandum of Understanding between the District and the Colorado Division of Water Resources (the DWR will have the ability, through a SCADA system to operate the project remotely). There are 46 irrigation ditches within the District, with an estimated irrigated acreage of 23,000 acres.

Water and Power Background

The Authority was created in 1981 to assist in the development water resources in the State. Upon creation of the Authority, the General Assembly appropriated \$30.1 million to the Authority from the CWCB Construction Fund to carry out its statutory mission. The \$30.1 million appropriation did not specifically identify any water projects. The Authority Board, however, did decide to participate in the Animas La-Plata Project to cover the State's cost sharing obligation (for the irrigation component) for the Project. Therefore, in 1989 the Authority Board deposited \$30 million into an Animas-La Plata escrow account, which overtime with interest grew to a fund balance of \$42.4 million.

In 2001 federal legislation greatly reduced the Project scope, removing any irrigation component and limited the Project strictly to municipal and industrial use. The Project identified seven project beneficiaries, the State of Colorado, Animas-La Plata Water Conservancy District, Southern Ute Indian Tribe, Ute Mountain Ute Tribe, San Juan Water Commission, Navajo Nation, and the La Plata Conservancy District (New Mexico). To assist in securing Colorado project water, the Authority elected to purchase Animas-La Plata District's project water allocation of 2,600 acre-feet of depletion, given the District's financial inability to do so at that time. The cost of that purchase was \$7,256,750. The Authority Board then elected to escrow \$15 million for water resource development in the La Plata River Basin, with priority given to projects that assisted with irrigated agriculture and the State meeting compact requirements. The remaining \$20.1 million (\$42.4m - \$7.2m - \$15m) in funds that were originally escrowed back in 1989 were then released back to the Authority to assist with the development of water resources throughout the State. The \$20.1 million in remaining funds were loaned (on an interim basis) to the communities of Rifle, Louisville, Fountain, and Fountain Valley to assist with various water resource projects, consistent with the Authority's statutory mission. These loans were subsequently refunded on a long-term basis through the issuance of bonds by the Authority. The Authority has provided \$17 million of this \$20.1 million as state match for federal funds received under the Safe Drinking Water Act. With the remaining resources and other resources of the Authority, the Authority created a small hydropower loan and matching feasibility grant program, with \$10 million available for loans.

Project Financial Summary

The \$15 million that the Authority Board set aside in 2001 for water resource projects in the La-Plata River Basin was directed to the design and construction of Long Hollow Reservoir in 2008. The

project was bid in 2011 and Weeminuche Construction was awarded the Project at a final negotiated bid of \$19 million. Available funds from the Authority for the Project were \$19 million (\$15M + \$3M interest + other Authority resources). The total overall cost of the project, including design, construction surveillance, land purchase, administration, and project contingencies was \$24.5 million. The Project proceeded forward in the summer of 2012 with the following financial support:

- Authority initial investment = \$19 million
- Authority additional funding = \$2.5 million
- Ute Mountain Ute Tribe Tribal Resource funds = \$3 million

To-date the Project is experiencing a significant cost overrun of approximately \$3.25 million, mainly attributed to final quantity of material associated with the foundation grouting. The Southwestern Water Conservation District has recognized the significance of this Project and has committed \$100,000 to assist with the cost overrun. The Authority Board is requesting that the CWCB contribute funding for 50% of the remaining cost overrun balance or \$1.575 million.

Discussion

In reviewing the history of the Authority's development of water resource projects in southwest Colorado and throughout the State, and the overall financial management of funds to accomplish that task, staff believes the funding request by the Authority to be reasonable, for the following reasons:

- Authority has committed an additional \$3.25 million of funds towards the Project, beyond the original funding for the Project of \$21.5 million.
- Ute Mountain Ute Tribes are contributing \$3 million in Tribal Resource Funds to complete the Project.
- Southwest Water Conservation District is contributing \$100k towards cost overruns.
- The Project allocates 300 acre-feet of storage annually for the State to meet its delivery obligations under the La Plata River Compact.
- The Project provides a critical irrigation component to the La Plata River Basin.
- Authority would provide additional funding of \$1.575 million to cover cost overruns.
- The Project will be managed and operated by the La Plata Water Conservancy District (District) in conformance with the Memorandum of Understanding between the District and the Colorado Division of Water Resources. The Authority will no longer be associated with the Project.
- The \$30.1 million in financial resources appropriated to the Authority in 1981 have been utilized for various water resource development projects throughout the State. To-date, the Authority will have directed \$23 million specifically to Long Hollow Reservoir Project, \$7.2 million for Animas-La Plata water purchase and \$20 million for loans to various communities for water projects. Though the Authority will receive a return on the A-LP water purchased and for the loans made, those funds go directly back into other Authority programs, such as providing the State match for the Drinking Water Revolving Fund and Water Pollution Control Revolving Fund that leverages millions in federal funding for water projects throughout the State.
- CWCB and the Authority over the years have worked together on a number of projects to develop the water resources of the State. The completion of the Long Hollow Reservoir would serve as another collaborative example of working together to meet the State's water needs.

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Tim Feehan, Deputy Director, Resource Management
Tom Browning, Deputy Director, Integrated Water Resources
Chatfield Reallocation Loan/Grant Funding

DATE: September 13, 2013

SUBJECT: 2014 Projects Bill – Water Project Funding
Chatfield Reallocation Project Funding

Introduction

The CWCB has received preliminary requests for loan and grant funding for the Implementation Phase of the Chatfield Reallocation Project. The requests could total as much as \$88 million in new CWCB loans. At this time CWCB is does not have sufficient funding to fully cover the requested loan amounts. Review of available and future cash balances out to fiscal year 14/15 indicate an approximate \$10 to \$20 million shortfall in meeting these loan requests.

Kirk Russell, Chief of the CWCB Finance and Administration, will provide at detailed summary of current and future cash projections at the Finance Committee Meeting.

Recommendation

Staff recommends the Committee advance the funding concept for the Chatfield Reallocation Project to the full Board for consideration and potential approval at the November 2013 regular Board meeting.

Background

The Chatfield 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 Partners investigated several alternatives and their associated impacts. 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 FR/EIS package is scheduled to be sent to Washington, D.C. by October 1st for review by Headquarters and the Assistant Secretary of the Army (Civil Works). A Record of Decision on the Project is anticipated in early 2014.

The current water providers involved in the FR/EIS include the Central Colorado Water Conservancy District, South Metro Water Supply Authority, Centennial W&S District, Town of Castle Rock, Castle Pines Metro District, Castle Pines North Metro District, Center of Colorado WCD, Mt. Carbon Metro District, and Denver Botanic Gardens.

Proposed Project Bill Language

The following language could be considered for the 2014 Project Bill as it relates to this Project.

SECTION X. Project Authorization. (1) Pursuant to section 37-60-122 (1) (b), CRS, the Colorado water Conservation board is hereby authorized to loan moneys to enable the construction of the Chatfield Reallocation Project - \$88 million

A breakdown of the individual water provider's loan needs is estimated at:

Borrower	Est. Loan (\$ Millions)
1) Centennial Water & Sanitation District	\$45.0
2) Central Colorado Water Conservancy District	\$28.0
3) Castle Pines Metropolitan District	\$5.0
4) Castle Pines North Metropolitan District	\$5.8
5) Center of Colorado Water Conservancy District	\$0.6
6) Mount Carbon Water & Sewer District	\$2.5
Total	\$88.0

Over the past 4 months staff has been working with the Central Colorado Water Conservancy District (District) to develop a number of potential funding packages. Given that the District is a downstream agricultural user and that it holds the most senior conditional storage right of all of the Project participants (23,000 AF), negotiations were focused around the benefits of expanding the District's involvement in the Project. Having the District purchase additional storage would not only reduce the State's financial commitment to the Project, but it could potentially assist in improving stream flows downstream of the reservoir and enhancing agricultural production.

The following is a brief summary of the funding packages discussed:

- District purchases Western Mutual's storage allocation of 1,425 AF at an estimated cost of \$9,975,000 (\$7,000/AF). CWCB provides the District with a 20% grant (\$1,995,000) and finances the remaining balance of \$7,980,000 at 1.75% for 30-years.
- District purchases Aurora's storage allocation of 3,561 AF at an estimated cost of \$24,927,000 (\$7,000/AF) plus an interest charge of 1.75%. District would agree to purchase a fixed storage amount annually over a 30-year period, with the right terminate the contract on any given year. Upon termination, the District would retain what they purchased to-date and the State would retain the remaining unpaid storage balance. CWCB provides the District with a 10% grant (\$2,492,700).

- District purchases its own storage allocation of 2,849 AF and Western Mutual's allocation of 1,425 AF at a total estimated cost of \$29,918,000. CWCB provides the District with a 20% grant for the Western Mutual portion only (\$1,995,000) and finances the remaining balance of 27,923,000 at 1.75% for 30-years. Central's \$28 million loan request presented in the Table above is this funding alternative

If the District were to choose to purchase Aurora's and Western Mutual's storage allocation in the Project, per the financial packages described above, CWCB would be committing \$4,487,700 in grant funding. Please note that the estimated cost of \$7,000/AF to acquire the storage is only an estimate and is subject to change, based on the final cost allocation by the Corps of Engineers. Additionally, the \$7,000/AF does not include future operation and maintenance costs.

STATE OF COLORADO

Colorado Water Conservation Board Department of Natural Resources

1580 Logan Street, Suite 600
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 894-2578
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Finance Committee
Colorado Water Conservation Board

FROM: Anna Mauss, PE, Project Manager
Kirk Russell, PE, Chief
Finance & Administration Section

DATE: September 13, 2013

SUBJECT: 2014 Projects Bill – Water Project Funding
WISE Project Funding

Introduction

The CWCB has received several preliminary requests for loan funding for the Water Infrastructure and Supply Efficiency (WISE) Project - Implementation Phase. Collectively the loan requests total \$50 million. Staff will present a summary of the Project components and general concept of staff's approach to funding the Project and its inclusion in the 2014 Project Bill.

Recommendation

Staff recommends the Committee advance the funding concept for the Water Infrastructure and Supply Efficiency (WISE) Project - Implementation Phase and recommends its consideration for approval by the full Board in November.

Background

The WISE Partnership is a regional water supply project between 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 provide the backbone by delivering water from the South Platte when Aurora and Denver Water have available water supplies and capacity. WISE will also enable Denver Water to access its supplies through Prairie Waters during periods when it needs to utilize its additional water supplies. Denver Water and Aurora Water will supply water to SMWSA at a master

meter located near Aurora's Binney Water Purification Facility (Binney Facility). SMWSA will develop infrastructure within their area for distribution to their members.

To distribute WISE water to its members, SMWSA is developing the Western Pipeline system. This system will begin at a new pump station located at the Binney Facility. This pumping facility will be dedicated to pumping WISE water generally west to a high point located near the intersection of Smoky Hill Road and E470. From this location, WISE water will flow by gravity south and then west along E470/C470 corridor through an existing pipeline currently owned and operated by East Cherry Creek Valley Water & Sanitation District (ECCV) known as the ECCV western pipeline. Several turnouts will be constructed to deliver water directly to WISE partners with systems adjacent to this pipeline. A turnout and pump station will also be constructed near the intersection of Chambers Road and E470 to deliver water to WISE partners located south of the ECCV western pipeline. A pipeline will be constructed along the eastern side of Rueter-Hess Reservoir to allow storage of WISE water. In total, three new pump stations, 45 miles of new pipelines, 15 miles of existing pipe to be acquired from ECCV, and unique delivery points for each of the participants will be part of this system. In total this system will cost approximately \$132 to \$142 million.

Proposed Project Bill Language

The following language shall be considered for the 2014 Project Bill as it relates to this Project.

SECTION X. Project Authorization. (1) Pursuant to section 37-60-122 (1) (b), CRS, the Colorado water Conservation board is hereby authorized to loan moneys to enable the construction of the WISE Project - \$50 million

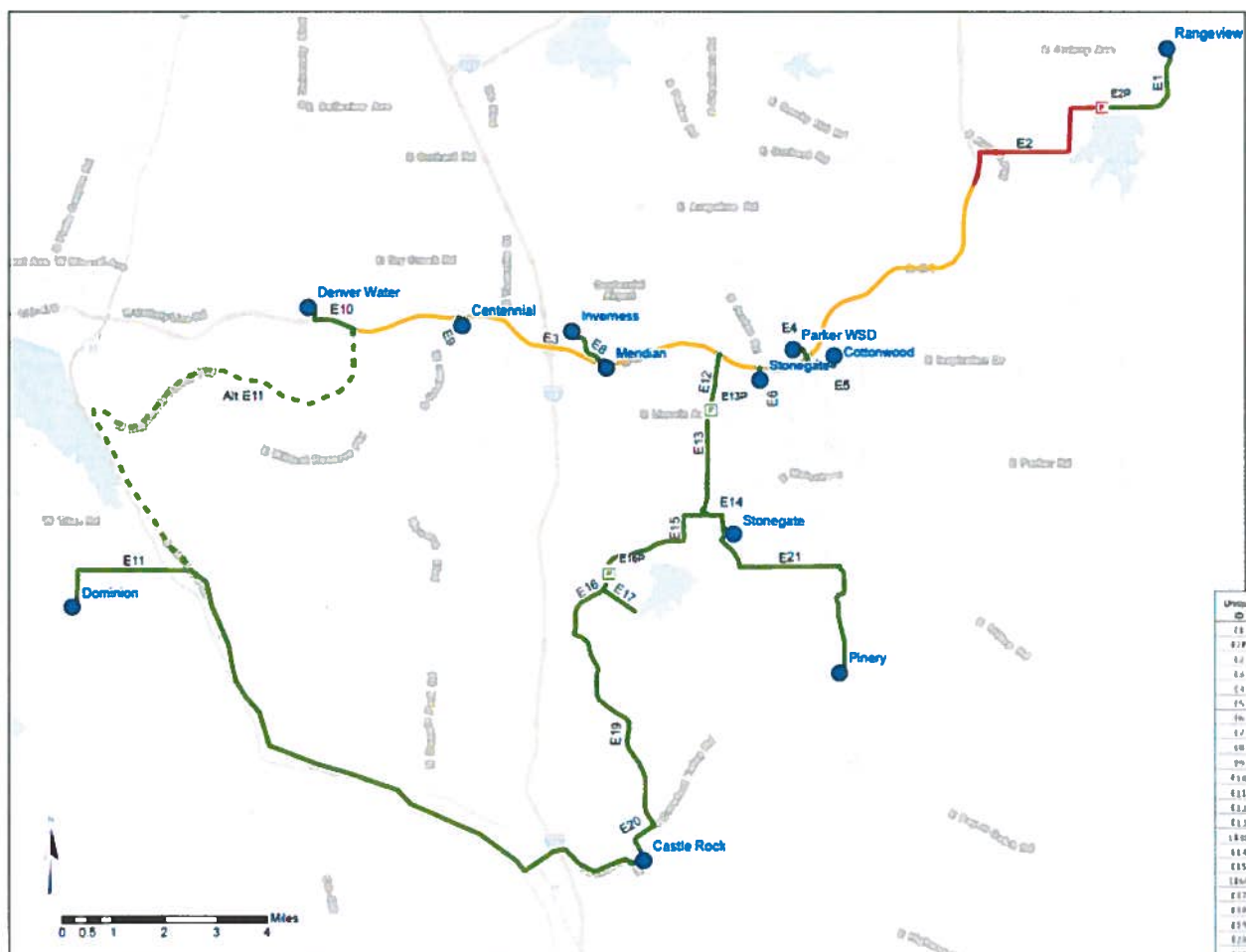
A breakdown of the individual water provider's loan needs are estimated at:

Borrower	Est. Loan (\$ Millions)
1) Cottonwood Water & Sanitation District	\$4.0
2) Dominion Water & Sanitation District	\$6.0
3) Inverness Water & Sanitation District	\$5.0
4) Parker Water & Sanitation District	\$12.0
5) Pinery Water & Wastewater District	\$10.0
6) Rangeview Metropolitan District	\$6.0
7) Stongate Village Metropolitan District	\$6.0
Total	\$50.0

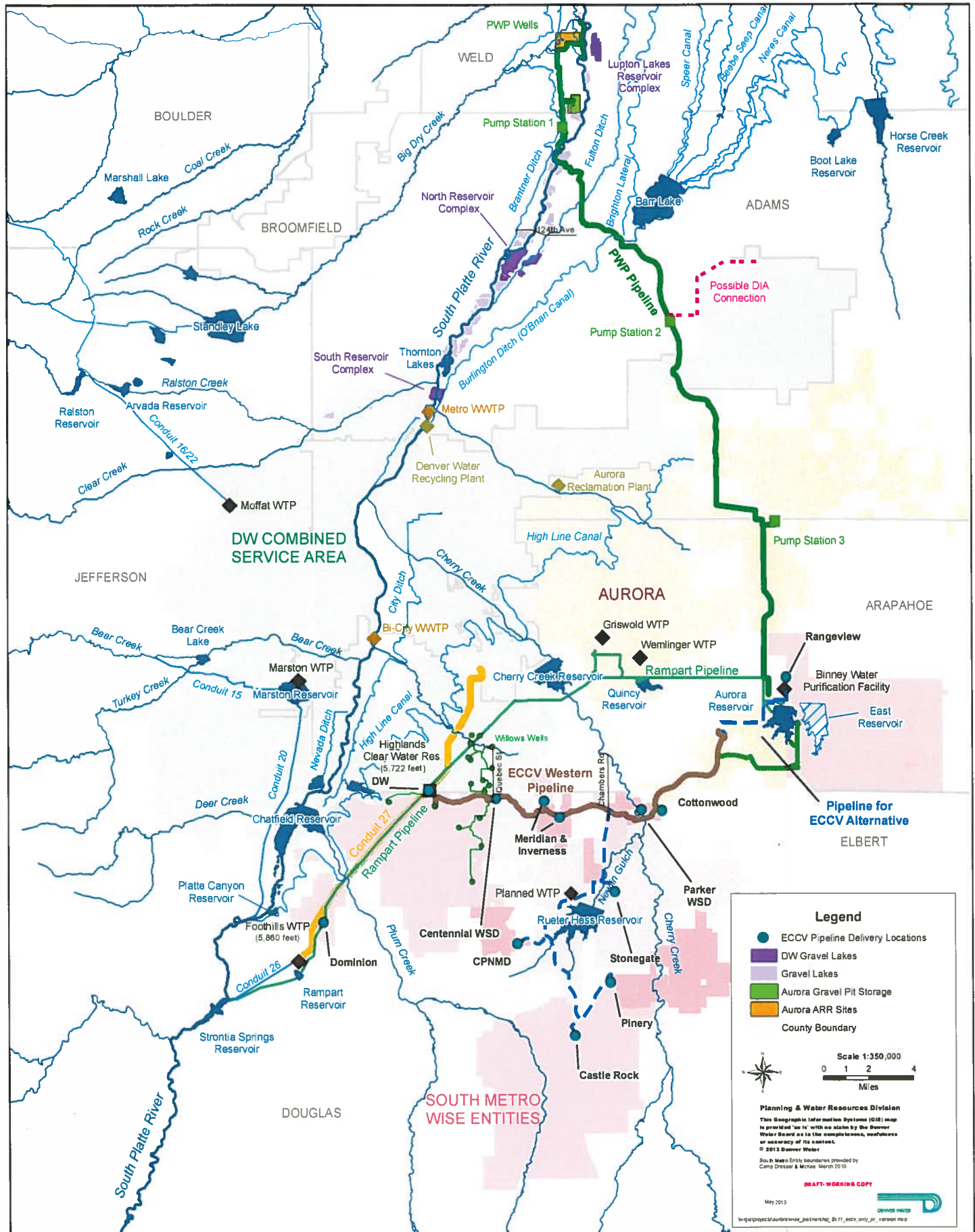
Water Project Loan Program Project Data Sheet

Borrower:	WISE Participants	County:	Douglas & Arapahoe
Project Name:	Water Infrastructure and Supply Efficiency Partnership	Project Type:	New water supply
Drainage Basin:	South Platte/Metro / District 8	Water Source:	South Platte
Total Project Cost:	\$132 - \$142 million	Funding Source:	TBD
Type of Borrower:	Municipal	Est. Annual Delivery:	7,000 AF
CWCB Loan:	\$50,000,000 (multiple borrowers)	Interest Rate:	TBD
		Term:	TBD

The Water Infrastructure and Supply Efficiency (WISE) Partnership is a regional water supply project between Aurora Water, Denver Water and the South Metro Water Supply Authority (South Metro) to combine available water supplies and system capacities to create a sustainable water supply. Through WISE, Aurora Water and Denver Water will provide treated water to South Metro for distribution to its members on a permanent basis. Aurora's Prairie Waters system will provide the backbone for delivering water from the South Platte when Aurora and Denver Water have available water supplies and capacity. South Metro will develop infrastructure within its area for distribution to members. Seven participants are requesting CWCB loans to fund their share of the WISE infrastructure. These include: Cottonwood WSD, Dominion WSD, Pinery WSD, Inverness WSD, Parker WSD, Rangeview Metro Dist., and Stonegate Village Metro Dist. Funding is for construction beginning in 2014.

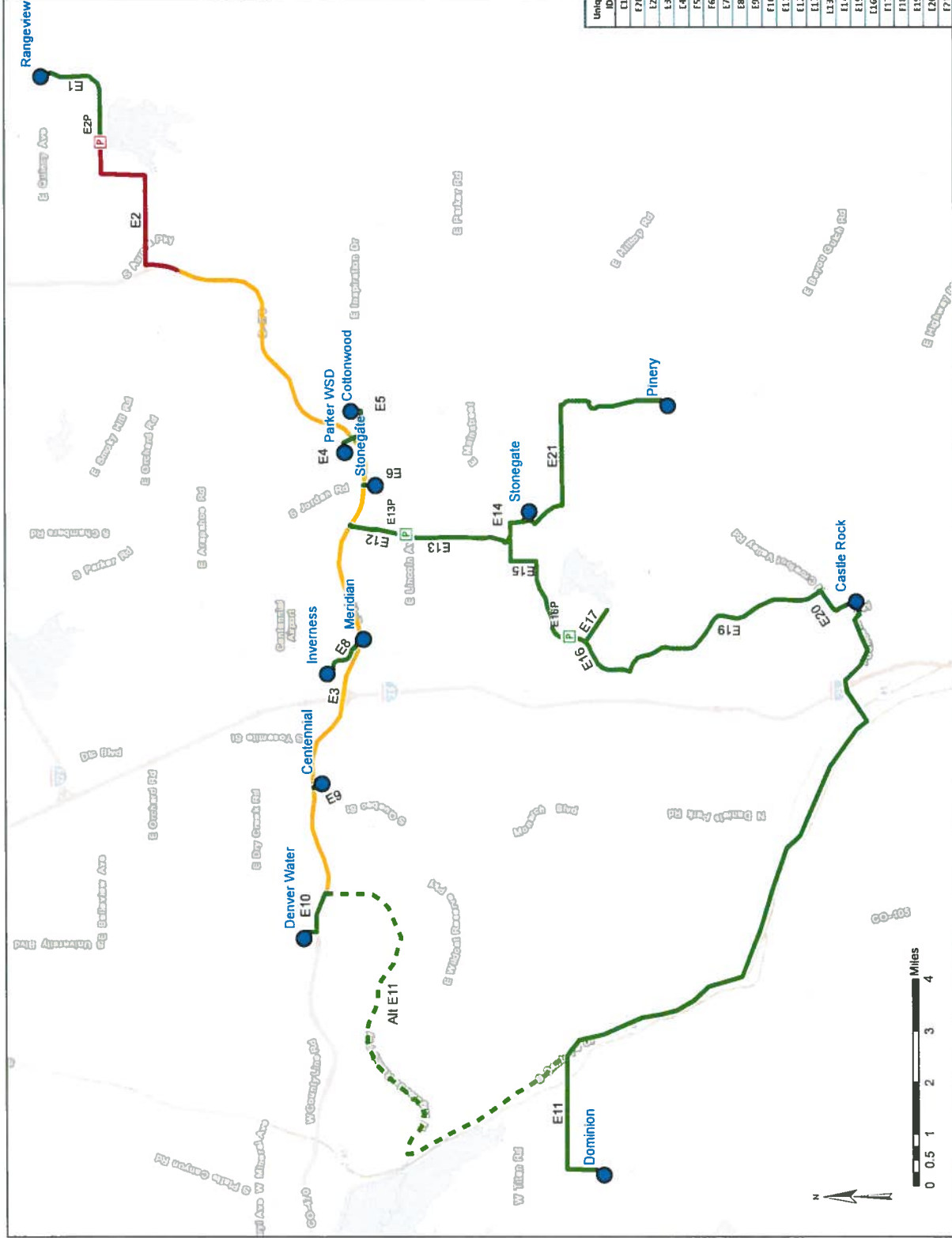


MAP 1: WISE OVERVIEW



MAP 2 PARTICIPANT DELIVERY LOCATIONS

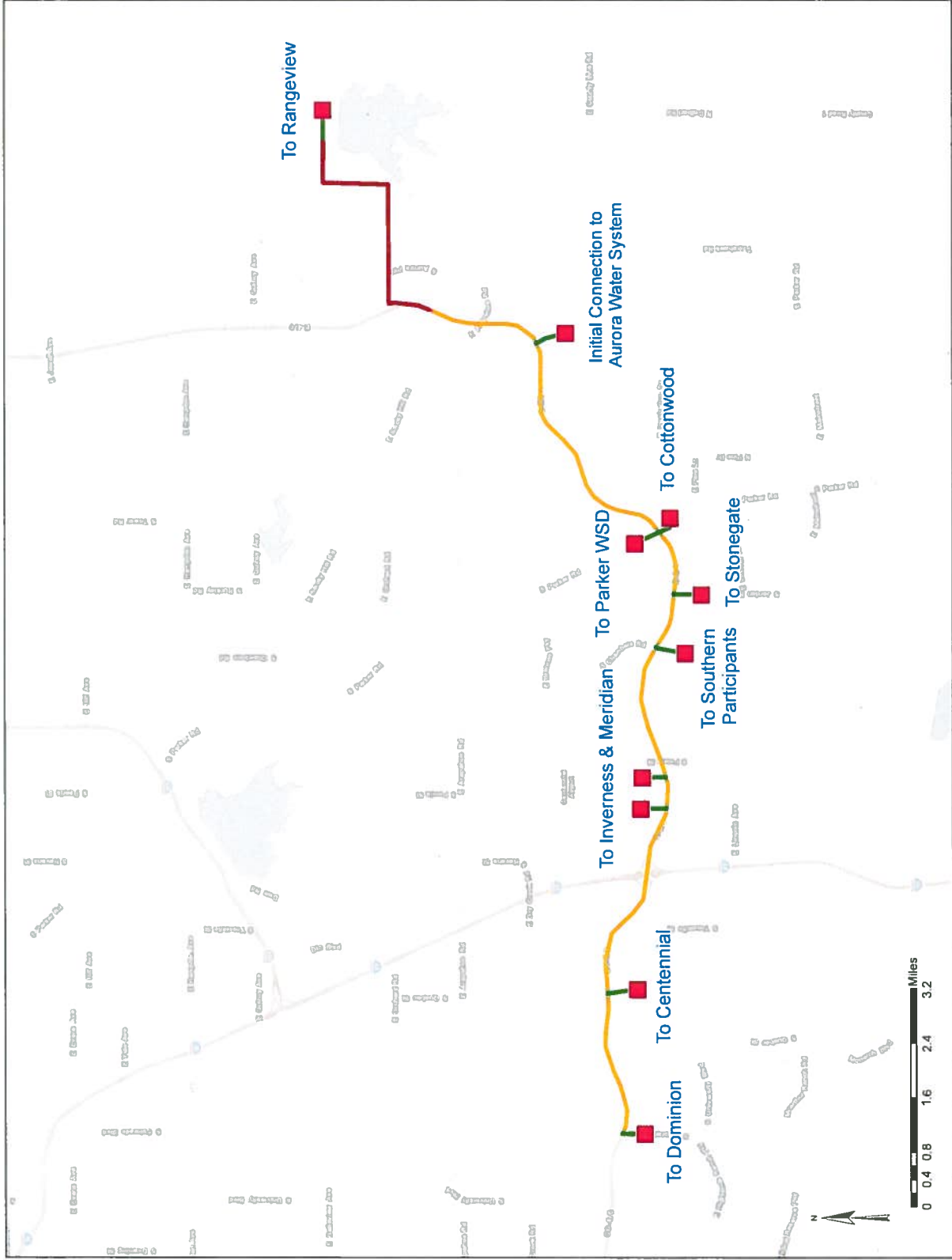
- Legend**
- Proposed Delivery Locations
 - Proposed Pump Stations**
 - Core
 - Local
 - Proposed Pipe Cost Category**
 - Core
 - ECCV (Core)
 - Local
 - Local (alternate)



Unique ID	Segment Description	Facility Type
E1	BWPF to Rangeview	Local
E2P	PS at BWPF	Core
E2	BWPF to Smoky Hill	Core
E3	ECCV Line Purchase (Holeholder)	ECCV (Core)
E4	ECCV to Parker	Local
E5	ECCV to Cottonwood	Local
E6	ECCV to Stonegate (lower zone)	Local
E7	ECCV to Meridian	Local
E8	ECCV to Inverness	Local
E9	ECCV to Centennial	Local
E10	ECCV to Denver Water	Local
E11	Castle Rock to Dominion	Local
E12	ECCV to Lincoln	Local
E13	Lincoln to Tee North of NR	Local
E13P	Chambers'PS	Local
E14	Tee North of BHR to Stonegate (Upper Zone)	Local
E15	Tee North of BHR to PS at BHR	Local
E16P	PS at BHR	Local
E17	PS at BHR to BHR Discharge Structure	Local
E18	CPHMD/CRWye to CPHMD	Local
E19	CPHMD/CRWye to Crowfoot Valley Rd	Local
E20	Crowfoot Valley Rd to Castle Rock	Local
E21	Stonegate to Pinery	Local

MAP 3 CORE TURNOUT LOCATIONS

- Legend**
- Proposed Turnout Locations
 - Proposed Pipelines**
 - Core
 - ECCV (Core)
 - Local



STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

1313 Sherman Street, Room 721
Denver, Colorado 80203
Phone: (303) 866-3441
Fax: (303) 866-4474
www.cwcb.state.co.us



John W. Hickenlooper
Governor

Mike King
DNR Executive Director

James Eklund
CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Tim Feehan, P.E, Deputy Director

DATE: September 13, 2013

SUBJECT: **2014 Projects Bill**
Construction Fund and Severance Tax Fund - Statute Change

Discussion

The CWCB supports its operations, loan program, and its non-reimbursable investment programs from the Severance Tax Perpetual Base Fund (STPBF) and the Construction Fund (CF). The CF receives revenues from principal and interest received from loans, state treasury interest, and Federal Mineral Lease. The STPBF receives revenues from principal and interest from loans, state treasury interest, and severance tax paid to the state from oil and gas production.

The CF was setup statutorily to allow funds to be disbursed towards non-reimbursable investments; however, the STPBF was not. Currently, STPBF statute only allows funds to be used for loans, unless the statute is amended, which if approved by the legislature allows the funds to be used for non-reimbursable investments. There have been a number of amendments to the STPBF statute over the years for non-reimbursable investments in water projects, such as the Chatfield Reallocation Project, Rio Grande Cooperative Project, and the Animas La-Plata Project.

Given that CWCB CF is currently the sole statutorily approved source for non-reimbursable investments, all the agency's operational costs and non-reimbursable investments (studies and programs) are funded from the CF. The growth of the CF is controlled by Policy 13, which states that the CF shall grow at an annual rate of 0.5% over the Construction Cost Index (CCI). This typically equates to an annual growth rate of about 3.5%. Over the past five years, however, the CWCB Board has approved exemptions to Policy 13, permitting the growth rate to be less than what was required by policy, thereby allowing critical programs and studies to be funded. To address this reoccurring policy exemption, staff is currently evaluating two fund management scenarios, as described below:

- Amend the STPBF to allow loans "and grants".
- Amend the STPBF to allow loans "and grants" and merge STPBF with the CF.

Discussion

At the September 26, 2013 Finance Committee Meeting, staff would like to explore these two new fund management options with the Board. There are pros and cons in keeping with the status quo or with changing how these funds are managed. It is staff's position; however, that given the current and projected financial needs of the Agency, it may be the right time to reconsider how we manage our funds internally.

Staff will provide the Board with more detailed information on this topic at the meeting.