



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

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**TO:** Colorado Water Conservation Board Members

**FROM:** Kirk Russell, P.E., Finance Section Chief

**DATE:** January 25-26, 2016, Board Meeting  
(UPDATED January 25, 2016)

**AGENDA ITEM:** 20b. CWCB's 2016 Projects Bill  
Severance Tax Perpetual Base Fund - Granting Authority

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### Introduction

C.R.S 39-29-109 only allows the CWCB to loan money for water projects out of the Severance Tax Perpetual Base Fund (PBF). In the past, the Projects Bill has amended C.R.S. 39-29-109 every time a Non-Reimbursable Investment (NRI) has been funded out of the Severance Tax PBF. The language in the statute that in effect controls the CWCB's use of the money currently reads:

" ... The authorization and contract for each project must require repayment of principal and interest to the fund, and moneys so repaid shall be credited to the severance tax perpetual base fund."

This year has become a prime example of the CWCB's need to access the PBF to continue its mission and the funding of NonReimbursable Project Investments (NRIs). The current forecast for Federal Mineral Lease (FML) is a clear indication that it is time to look at the PBF as a supplemental source of funding for the NRIs.

It is import to note that regardless of the changes proposed, all Non-Reimbursable Investments will continue to require Legislative approval as part of the annual Water Projects Bill.

### Staff Recommendation

Staff shall make a recommendation based on decisions made at the CWCB Finance Workshop on January 25<sup>th</sup>.

### Updated Staff Recommendation based on 1/25/16 Finance Workshop discussions

Staff recommends the Board approve the annual transfer from the Severance Tax Perpetual Base Fund to the Construction Fund. This would add a provision to 39-29-109 of the C.R.S. to annually transfer \$5 million dollars from the Severance Tax Perpetual Base Fund to the Construction Fund for the CWCB to use in funding various studies, programs, and projects to assist in implementing actions identified with the Colorado Water Plan.

