



COLORADO
Colorado Water
Conservation Board
Department of Natural Resources

1313 Sherman Street
Denver, CO 80203

P (303) 866-3441

F (303) 866-4474

John Hickenlooper, Governor

Robert Randall, Interim DNR
Executive Director

James Eklund, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Tim Feehan, Deputy Director, Resource Management

DATE: March 16-17, 2016 Board Meeting

AGENDA ITEM: 12. Water Plan Funding Update

Introduction *(Information Only)*

The development of a long term funding plan that addresses current and future water supply and infrastructure needs of the State, as identified in Colorado's Water Plan, has and will continue to be a priority of staff over the next year. Staff over the past year has developed and participated in a Statewide Funding Committee (Committee) that provided valuable insight and recommendations in the contents of Section 9.2, Funding, of the Water Plan. This Committee will continue to play a critical role in providing input towards the development of a realistic, sustainable funding plan that addresses the action items identified in Chapter 10 of the Water Plan.

Over the past few months staff discussed funding with the Board at the January 25, 2016, Finance Workshop and with the Inter Basin Compact Committee (IBCC) at their February 25, 2016 meeting. At both these meetings it was clear that funding is a very important component towards the successful implementation of the Water Plan and that existing funding sources and programs must be maximized and protected, where practical and new funding sources developed and protected, where there are gaps. It becomes a delicate balance between what water providers can accomplish under traditional and creative funding mechanisms and where the State can assist in that endeavor.

Discussion

At the January 25, 2016, CWCB Finance Workshop, the Board directive staff to research and report back on a number of different items. These items are summarized below, with a brief update on their progress:

- 1) Water Plan Funding Policy - The purpose of this policy would be to provide staff with the necessary direction in quantifying and prioritizing funding needs as identified in the Water Plan and the Basin Implementation Plans and how existing and future funds should be allocated and protected to meet those identified needs. A draft policy will be provided at the Board Meeting for your review and discussion.
- 2) Memorandum of Understanding/Agreement with the Water Resource and Power Development Authority (Authority) - Staff is currently working with the Authority to develop a MOU/A that would define a collaborative effort between the two agencies in future participation and funding of water



projects throughout the State. Staff will have a draft MOU/A for your review at the CWCB May, 2016 Board meeting.

- 3) Statewide Water Funding Plan - In line with the above described policy, staff is in the process of developing a Funding Plan that look at existing revenue streams, current fund balances, existing programs, and potential new revenue sources. The Funding Plan will attach current fund balance and existing funding streams with suggested programs that will assist in implementing the action items identified in the Water Plan. It will additionally look at the expansion of existing programs and the creation of new programs or funds, based on an assumed new revenue sources. Staff will have as draft Water Funding Plan for your review at the CWCB May, 2016 Board meeting.

Though not specifically discussed at the January 25, 2016, CWCB Finance Workshop, staff has been investigating the benefit of developing a Statewide Repayment Guarantee Fund, which would provide a State backed repayment guarantee on future bond issuance for larger, multi-entity projects. Staff will provide the Board with a detailed summary at the March 2015 Board meeting on how this fund could be potentially setup and its benefits.