



**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

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**TO:** Colorado Water Conservation Board Members  
**FROM:** Tim Feehan, Deputy Director, Resource Management  
**DATE:** May 18-19, 2016 Board Meeting  
**AGENDA ITEM:** 22. Water Plan Funding Update

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### **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, the Inter Basin Compact Committee (IBCC) at their February 25, 2016 meeting, and at an Impact/Green Bond Investment Workshop on April 14, 2016. At all of 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, as well providing assistance to environmental and recreation projects.

### **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 is attached for review and comment.
- 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 July, 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 will 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 present a potential funding plan for the Board's review and comments at the May 2016 Board Meeting, which will include discussions on a Repayment Guarantee Fund.

POLICY NUMBER: 20 DRAFT

SUBJECT:           **LONG TERM FUNDING PLAN FOR THE  
IMPLEMENTATION OF ACTION ITEMS IDENTIFIED IN  
THE COLORADO WATER PLAN.**

EFFECTIVE DATE: XXXX, 2016

REVISED DATE:    N/A

POLICY:           The Colorado Water Conservation Board (Board) will provide support and guidance in the development and annual revision of a long term Funding Plan for the implementation of action items identified in the Colorado Water Plan, in accordance with its statutory authority established in Sections 37-60-119, 37-60-120, and 37-60-121, that will assist water providers, districts, local and state entities, and others, in moving forward consumptive and non-consumptive projects identified in the Basin Implementation Plans or other planning documents, taking into account existing revenue streams available to the Board and the potential development of new revenue sources, to strengthen existing CWCB loan and grant programs, and to potentially develop new programs, funds, or other collaborations, that protect and direct existing and future funding sources that supports the Board's mission to "conserve, develop, protect, and manage Colorado's water for present and future generations", consistent with the CWCB's Strategic Framework, adopted in January of 2013.

PURPOSE:          To identify, protect, prioritize, and direct available and new funding sources that will move forward action items identified in the Colorado Water Plan, in a clear and concise Funding Plan.

APPLICABILITY:    This policy and procedure applies to future consumptive and non-consumptive water projects statewide.

PROCEDURE:        The Board will be presented with the initial Funding Plan at the September, 2016 Board Meeting, which will be re-evaluated and revised at each subsequent September Board Meeting, based on available funding, project review, and input throughout the year from the Basin Round Tables, Inner Basin Compact Committee, water providers, districts, local and state entity, and others.