



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

1313 Sherman Street
Denver, CO 80203

P (303) 866-3441
F (303) 866-4474

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

TO: Colorado Water Conservation Board Members

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

DATE: January 27-28, 2020 Board Meeting

AGENDA ITEM: 18c. 2020 Projects Bill

Introduction (This is for information only and no action is necessary)

Attached is the summary of the proposed 2020 CWCB Projects Bill for discussion and modification as necessary.

Summary of the \$154 million Bill request includes:

1. \$12.25 million dedicated to Water Plan Implementation for FY20/21
2. \$135 million for large project loans (>\$10 million)
3. \$6 million for Non-reimbursable Investments
4. Revision to the statute that allows CWCB to fund Water Efficiency Grants



COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

HOUSE BILL HB20-XXXX

THE 2020 WATER PROJECTS BILL

Background

The General Assembly annually authorizes water projects from the Construction Fund and the Severance Tax Perpetual Base Fund. The CWCB provides low-interest loans to domestic and agricultural water providers for water supply projects. These revolving loan funds generate interest earning that are then used for CWCB operations, programs, projects and grants to help implement Colorado's Water Plan. To date, over 600 loans have helped finance engineering, construction, and the purchase of water.

The CWCB is celebrating the fourth anniversary of Colorado's Water Plan. This Bill includes several projects and programs that will help implement the Plan including consumptive and non-consumptive projects and activities throughout the state.

The **Construction Fund** was created in 1971 to provide low-interest loans for water projects and provide monies for non-reimbursable investments. The Fund is a revolving loan fund that allows the CWCB to operate without money from the state's General Fund. Revenues come from interest earnings and royalty distributions from federal mineral leases.

The **Severance Tax Perpetual Base Fund** was established by the General Assembly in 1997. The Fund is a revolving loan fund that receives revenues from interest earnings and from severance taxes paid by the producers of gas, oil, coal and other minerals.

Small Project Loan Report - A report detailing the 15 loans made in calendar year 2019, providing about \$49.4 million, was submitted to the General Assembly on January 15th 2020. A copy of the report will be available on the legislative website at www.colorado.gov.

Loan interest rates are adjusted bi-monthly by CWCB. The rates mid-year 2019 were:

- 1.65 % for agricultural loans and
- 2.30% to 3.00% for municipal loans
- 6.0% for commercial loans
- 2.0% for hydroelectric projects



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

2020 Bill Highlights

Provides \$154 million focusing on Implementation of Colorado's Water Plan. Including: Water storage, Watershed health, Environment and Recreation, Flood Control/mitigation, Stream Monitoring, Water Conservation, Innovation, Preserving Agriculture, Training and Education, Flood Hazard Mapping, Large Loans, and other programs and projects.

For more information, contact
Alice Cosgrove, DNR Legislative
Liaison (303) 866-3311

Colorado Water Conservation Board
1313 Sherman Street, Room 718
Denver, CO, 80203
Phone: (303) 866-3441
Internet: www.cwcb.state.co.us

The CWCB accepts applications for non-reimbursable project investments and project loans over \$10 million on August 1st of each year. Applications typically include programs, projects or activities of statewide impact or importance and are considered by the Board for inclusion in the annual CWCB Water Projects Bill.

Non-Reimbursable Project Investments			
Section X. Satellite Monitoring (Continuation)	Appropriates funds to install, maintain, and operate satellite monitored stream gauges and lysimeters for water rights administration and data collection, as statutorily authorized.	Statewide	\$380,000
Section X. Floodplain Map Modernization Program (Continuation)	Assists communities to revise and improve floodplain studies and maps. Provides the required non-federal matching dollars that are further leveraged by local cost share and in-kind services. This Program leverages four million dollars in local and federal funds annually.	Statewide	\$500,000
Section X. Weather Modification Permitting Program (Continuation)	Assists water conservation and conservancy districts with the development of cloud seeding programs to provide benefits to recreation, streams, and reservoirs through snowpack enhancement. This Program leverages about one million dollars in local and out of state annually.	Statewide	\$350,000
Section X. Colorado Mesonet Project (Continuation)	This project will provide funding for operation, maintenance, travel, communications, database and website management for temperature and precipitation stations referred to as the Colorado Mesonet, previously managed and operated by NOAA and currently operated by the Colorado Climate Center at CSU.	Statewide	\$150,000
Section X. Lidar Acquisition (Continuation)	High quality topographic data is necessary to develop accurate FEMA flood hazard mapping. Additionally, the Colorado Hazard Mapping program relies on high quality elevation data for debris flow mapping and fluvial hazard mapping. These funds have leveraged \$5.6M in FEMA funds through the U.S. Geological Survey (USGS) 3D Elevation Program.	Statewide	\$200,000
Section X. Restoration of Litigation Fund Cash Balance	Restore the CWCB Litigation Fund to \$2,000,000 to assist in addressing legal issues associated with compact compliance or any other litigation activities as defined under section 37-60-121 C.R.S.	Statewide	Up to 2,000,000
Section X. Arkansas River Basin Decision Support System (Continuation)	The Arkansas River Basin Decision Support System (ArkDSS) is the last DSS to be developed in Colorado's DSS. This funding continues implementation efforts as identified in the ArkDSS feasibility study completed in 2011. Implementation at this stage will include development of a surface water planning model and an admin/accounting tool.	Arkansas	\$500,000
Section X. CDSS Operation and Maintenance (Continuation)	Provides funding to continue the operations and maintenance of the Colorado Decision Support System (CDSS). The CDSS provides data and analytical tools to aid in water resources planning and management in the State.	Statewide	\$500,000

Section X. Water Forecasting Partnership Project (Continuation)	This program focuses on using modern technology to provide better characterization of snowpack, installing new ground and aerial remote sensing data, and develop employee accepted hydrologic modeling practices, to provide more reliable volumetric water supply forecasting.	Statewide	\$350,000
Section X. Fish & Wildlife Resources Fund (122.2)	Pursuant to C.R.S. 37-60-122.2 and CWCB Policy 15 and 20. The CWCB provides funding for the consideration and approval of Fish and Wildlife Resources Fund grant applications pursuant to statute.	Statewide	\$1,000,000
Section X. Colorado Water Loss Control Initiative (Continuation)	Water loss control has been identified in Colorado's Water Plan. This Phase II funding will continue to provide statewide training workshops on the water loss control methodology (AWWA M36) with a focus on smaller rural providers. Funding also provides technical support to interested water providers in improving the management of their water systems.	Statewide	\$1,000,000
Section X. Colorado Water Plan Implementation Funding (Continuation)	<p>Appropriates \$12.25M in grant making from the Construction Fund to support the implementation of the Colorado Water Plan by funding the following activities:</p> <ul style="list-style-type: none"> • \$4M for the Watershed Restoration program funding; • \$1.5M for Environmental, and Recreational projects; • \$1.5M to provide technical assistance, project, or program funding for agricultural projects; • \$0.75M to provide continued funding for the Alternative Agricultural (ATM) Grant Program as developed under SB07-122 as an effort to alternatives to permanent dry-up of agricultural lands; • \$0.5M for grants for Water Education, Outreach, and Innovation efforts; • \$1.0M for grant funding to implement long-term strategies for conservation, land use, and drought planning; • \$3M to facilitate the development of additional storage, artificial recharge into aquifers, and dredging existing reservoirs to restore the reservoirs' full decreed storage capacity for multi-beneficial projects and those projects identified in basin implementation plans to address the water supply and demand gap; 	Statewide	\$12,250,000
Large Water Project Loan Authorizations (> \$10 million)			
Section X. Arkansas River and Wildhorse Creek Levee Rehabilitation (Increase)	Authorizes a loan increase to the Pueblo Conservancy District to repair additional phase of levee rehabilitation within the City of Pueblo to bring them up to Federal Emergency Management Agency (FEMA) standards to provide flood protection to the City of Pueblo. (\$6.06M increase)	Arkansas	\$23,230,000 (Sev. Tax)

Section X. West Half Laramie-Poudre Tunnel Rehabilitation	Authorizes a loan to the Tunnel Water Company to rehabilitate the Laramie-Poudre Tunnel. The tunnel delivers Laramie water to the front range for its two large shareholders, Water Supply and Storage Co and Windsor Reservoir Co.	South Platte	11,615,000 (Const. Fund)
Section X. Arkansas Valley Conduit	Authorizes a \$90 million loan and a \$10 million grant to the Southeastern Colorado Water Conservancy District to provide non-federal cost share funding for this important component of the Frying Pan - Arkansas Project. This project will help bring quality drinking water to six counties in the lower Arkansas Valley.	Arkansas	\$100,000,000 (Sev. Tax)

Other Provisions

(Section X)

Statutory Revision: Revision to the Colorado Revised Statutes CRS 37-60-121 - Colorado Water Conservation Board Construction Fund - Creation - Nature of Fund - Funds for Investigations - Contributions - Use for Augmenting the General Fund - Funds Created

(1)(b)(VI) After July 1, 1981, domestic water treatment ~~and distribution systems~~ shall not be recommended by the board to the general assembly.

Justification - This a statute cleanup to reflect a change that was made five years ago

(Section X)

Statutory Revision: Revision to the Colorado Revised Statutes CRS 37-60-126(12) - Water Efficiency Grant Program Cash Fund

(IV) Any moneys remaining in the fund on June 30, ~~2020~~ 2030, shall be transferred to the severance tax operational fund described in section 39-29-109 (2) (b), C.R.S.

(b) Any covered entity or state or local governmental entity that has adopted a water conservation plan and that supplies, distributes, or otherwise provides water at retail to customers may apply for a grant to aid in the implementation of the water efficiency goals of the plan. Any agency may apply for a grant to fund outreach or education programs aimed at demonstrating the benefits of water efficiency. The office shall review the applications and make recommendations to the board regarding the awarding and distribution of grants to applicants who satisfy the criteria outlined in this subsection (12) and the guidelines developed pursuant to subsection (7) of this section.

(c) This subsection (12) is repealed, effective July 1, ~~2020~~ 2030.

Justification - The CWCB desires to continue to fund this valuable grant program