



WATER SUPPLY RESERVE FUND

FY 2022-23 ANNUAL REPORT

Submitted by the Colorado Water Conservation Board to the House Agriculture, Water and Natural Resources Committee and the Senate Agriculture and Natural Resources Committee.



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

10/31/23

OVERVIEW

The Water Supply Reserve Fund (WSRF hereafter) is a grant program administered by the Colorado Water Conservation Board (CWCBC). WSRF grants are submitted to the CWCBC as recommendations from the nine basin roundtables, which were established under House Bill 05-1177 (the Colorado Water for the 21st Century Act). Grantee requests that have the requisite matching funds receive a recommendation to approve at the basin roundtables and are submitted to the CWCBC for final approval.

The WSRF Criteria and Guidelines (guidelines) are available on the [CWCBC website](#) and are set by the CWCBC consultation with the WSRF *Criteria & Guidelines Subcommittee*, a group composed of representatives from the IBCC and CWCBC Board in collaboration with the basin roundtables. Monies from the WSRF are distributed based on adherence with WSRF guidelines. When needed, an annual review of the guidelines allows for program adjustments that have enabled the WSRF program to adapt to the changing needs of Colorado's water community and meet the diverse needs of projects throughout the state.

THE WSRF PROGRAM HAS GRANTED OVER \$117 MILLION TO 888 PROJECTS ACROSS COLORADO, LEVERAGING OVER \$302 MILLION IN MATCHING CONTRIBUTIONS (CASH AND IN-KIND) FROM STATE, FEDERAL AND LOCAL PARTNERS.

BACKGROUND

The WSRF was created in 2006 by Senate Bill 06-179 and was modified by SB 09-106, SB13-181 and most recently by SB21-281. The legislature created the WSRF to help citizens identify and meet their critical water supply and management needs. Funds from the WSRF may be used to:

- 1) Identify human, environmental, or recreational water needs (also commonly referred to as "Needs Assessments")
- 2) Evaluate water supplies in each basin.
- 3) Build projects or identify methods to meet the water supply needs of the river basin.

TABLE 1: TOTAL, APPROVED & REMAINING BASIN ACCOUNT FUNDS FROM 2006 THROUGH JUNE 2023

BASIN	TOTAL BASIN FUNDS	APPROVED BASIN FUNDS	BASIN FUND BALANCE
Arkansas	\$4,339,395	\$3,881,594	\$433,449
Colorado	\$4,339,395	\$4,207,853	\$11,360
Gunnison	\$4,339,395	\$4,024,155	\$192,211
Metro	\$4,339,395	\$3,544,465	\$685,266
North Platte	\$4,339,395	\$4,011,637	\$579,172
Rio Grande	\$4,339,395	\$3,885,410	\$82,834
South Platte	\$4,339,395	\$4,120,750	\$230,365
Southwest	\$4,339,395	\$4,037,680	\$349,578
Yampa/White/Green	\$4,339,395	\$4,139,556	\$173,588

TABLE 2: TOTAL, APPROVED, AND REMAINING STIMULUS FUNDS FROM 2020 THROUGH JUNE 2023

BASIN	TOTAL BASIN FUNDS	APPROVED BASIN FUNDS	BASIN FUND BALANCE
Arkansas	\$200,000	\$200,000	\$0
Colorado	\$200,000	\$200,000	\$0
Gunnison	\$200,000	\$200,000	\$0
Metro	\$200,000	\$200,000	\$0
North Platte	\$200,000	\$200,000	\$0
Rio Grande	\$200,000	\$200,000	\$0
South Platte	\$200,000	\$200,000	\$0
Southwest	\$200,000	\$200,000	\$0
Yampa/White/Green	\$200,000	\$200,000	\$0

FIGURE 1: TOTAL, APPROVED, AND REMAINING BASIN ACCOUNT FUNDS FROM 2006 THROUGH JUNE 2023

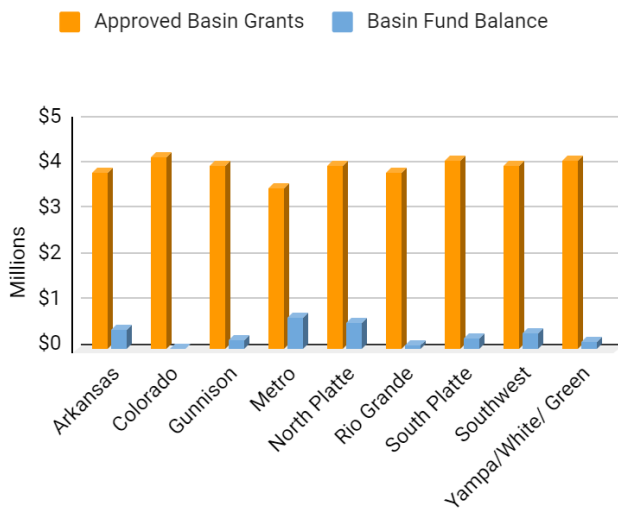
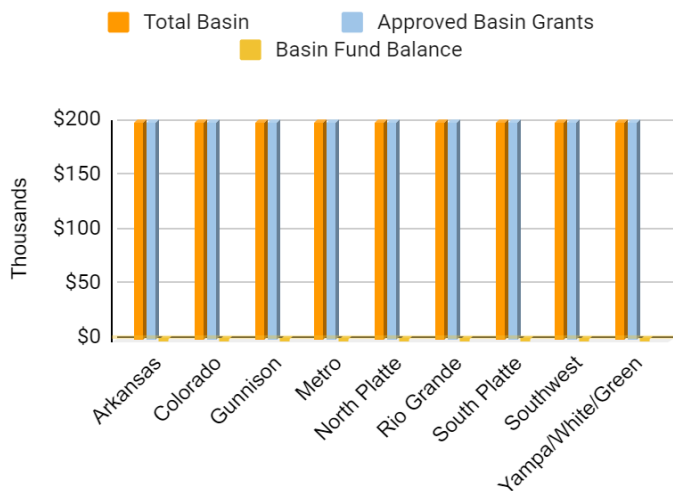


FIGURE 2: TOTAL, APPROVED, AND REMAINING STIMULUS FUNDS FROM 2020 THROUGH JUNE 2023



*PER HOUSE BILL 21-1260, WSRF STIMULUS FUNDS MUST BE AWARDED BY MAY 2023 AND FULLY SPENT BY SEPTEMBER 2025

DISTRIBUTION OF WSRF FUNDING

Historically, the WSRF Criteria and Guidelines allocated the funds into Basin Accounts and a Statewide Account. From the program inception through June 30, 2023, each Basin Account has received \$4,339,395. The Statewide Account received \$74,910,483 (including interest), with \$83,992,098 in approved grants.

In September 2022, the CWCB Board approved amended WSRF guidelines that created a change in how the Basin and Statewide Accounts would operate following a significant infusion of Severance Tax revenue. In June 2022, severance tax revenue was much higher than anticipated and provided \$20 million of funding for the WSRF program and the newly created PEPO Grant Program, comprised of \$3 million from the Perpetual Base Fund and \$17 million from Severance Tax revenue. The approval allowed CWCB to transfer \$4,666,792 into the Basin Roundtable account to raise the basin balances to a one-time level of \$1 million each. The approval also made \$1 million available for the PEPO Grant program. The Statewide Reserve account received \$2,913,944 and the remaining \$11,719,264 was made available as Statewide Grant Account funding, specifically allocated for Aging Infrastructure and Drought Resiliency projects.

Once the current Statewide Grant Account fund is awarded and its balance spent, the WSRF would return to operating at standard funding procedures, which would cap each basin account at \$750,000. Excess funds to cover at least 3 years of WSRF funding will be held in reserve to buffer against future years when no severance tax revenue is received, or other issues arise – providing long-term stability for roundtables to know they will get consistent funding they can plan for.

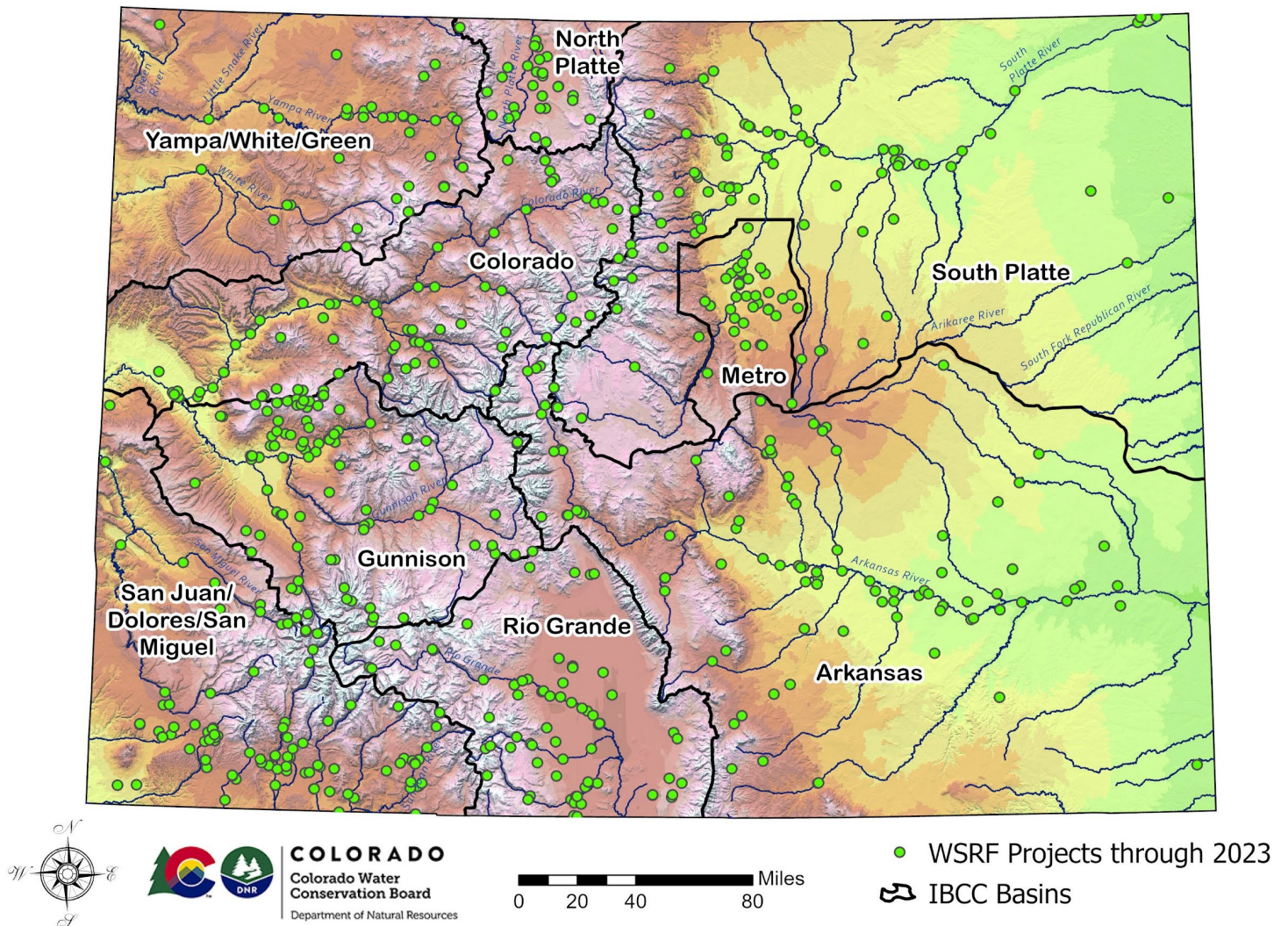
The distribution of WSRF funds from the Statewide Account per basin is shown in the following table.

TABLE 3: STATEWIDE FUND DISTRIBUTION APPROVED BY BASIN

Basin	Arkansas	Colorado	Gunnison	Metro	North Platte	Rio Grande	South Platte	Southwest	Yampa/White/ Green	Total
Amount Approved from Statewide Account	\$15,399,232	\$7,606,219	\$8,961,310	\$8,256,322	\$890,871	\$14,878,062	\$8,648,359	\$10,310,706	\$2,280,947	\$77,232,032
Number of Projects	110	38	56	57	12	59	71	51	27	481
Percent of Approved from Statewide Account	19.9%	9.8%	11.6%	10.7%	1.2%	19.3%	11.2%	13.4%	3.0%	100.0%
Number of Aging Infrastructure Projects	5	2	6	1	0	3	2	1	4	24
Amount Approved for Aging Infrastructure Projects	\$786,354	\$896,950	\$1,227,300	\$23,000	\$0	\$384,708	\$268,516	\$306,013	\$1,076,684	\$4,969,525
Number of Drought Resiliency Projects	5	1	4	4	1	4	2	3	1	25
Amount Approved for Drought Resiliency Projects	\$900,611	\$43,194	\$441,167	\$317,291	\$43,194	\$774,119	\$132,758	\$742,548	\$43,194	\$3,438,079

GEOGRAPHIC DISTRIBUTION OF WSRF PROJECTS

FIGURE 3: GEOGRAPHIC DISTRIBUTION OF WSRF PROJECTS THROUGH JUNE 2023



PROJECT STATUS SUMMARY

Of the 888 projects WSRF has funded from 2006-2023, 78% (697) have been completed. Another 16% (138) are in progress and 6% (53) are in the contracting process. Taken together, there are 191 active grants (in progress and contracting), involving approximately \$26.39 million. Per the WSRF Criteria and Guidelines, applications for the Basin and Statewide accounts are considered at each of the CWCB's bi-monthly board meetings following their approval from the appropriate basin roundtable and once supporting documentation has been provided in a letter from the roundtable's chair.

PROJECT IMPLEMENTATION SUMMARY

As recognized in the Colorado Water Plan, projects and implementation can cover a broad spectrum of activities. Some implementation efforts focus on information gathering, planning, technical studies, or programmatic work, amounting to roughly 27% (\$30,480,648) of efforts, whereas other efforts include infrastructure or other physical outcomes 73% (\$83,081,898).

DISTRIBUTION AND FUNDING BY PROJECT TYPE

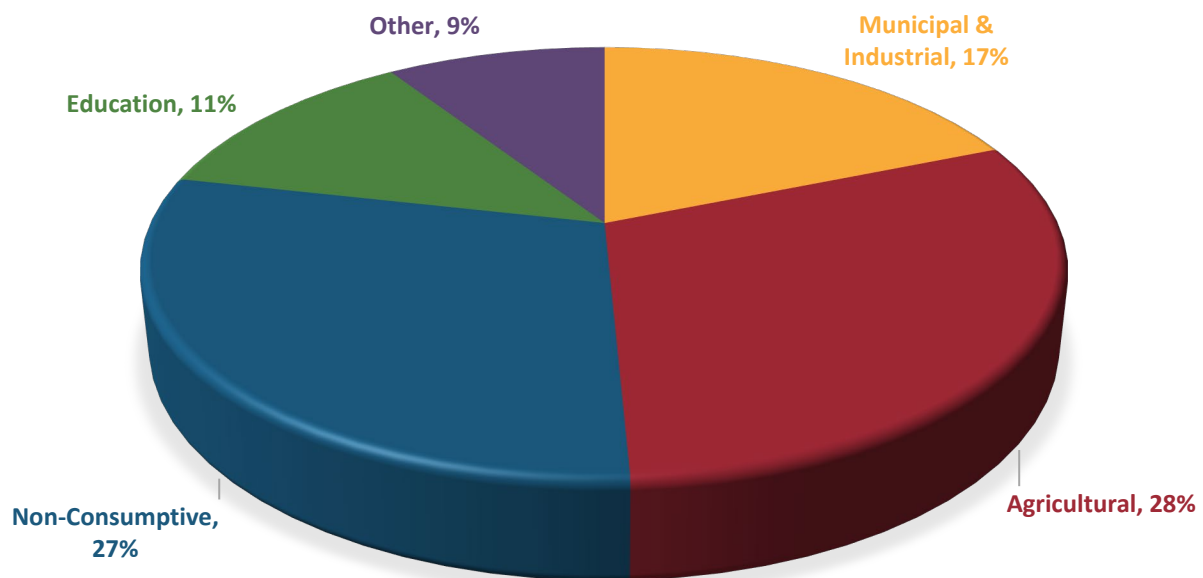
WSRF funded projects have addressed both consumptive (agricultural and municipal) and nonconsumptive (environmental and recreational) needs with most of the projects addressing multiple needs. Table 4 shows the distribution of WSRF funding by primary category.

TABLE 4: DISTRIBUTION AND FUNDING BY PROJECT TYPE

Type	Needs Assessment	Municipal & Industrial	Agricultural	Nonconsumptive	Education	Other
Arkansas	\$2,515,349	\$6,432,041	\$5,943,344	\$9,365,558	\$1,339,832	\$5,149,765
Colorado	\$1,243,512	\$1,485,408	\$5,536,931	\$7,827,770	\$784,746	\$1,554,926
Gunnison	\$572,186	\$4,187,090	\$7,763,869	\$4,653,750	\$625,921	\$1,278,242
Metro	\$1,550,084	\$7,381,4615	\$804,554	\$2,766,042	\$713,514	\$753,843
North Platte	\$211,986	\$995,000	\$3,251,513	\$3,504,611	\$490,357	\$860,423
Rio Grande	\$783,123	\$530,600	\$12,591,144	\$14,151,048	\$1,047,965	\$1,393,487
South Platte	\$1,611,783	\$1,597,038	\$4,862,146	\$5,186,860	\$1,203,387	\$3,438,112
Southwest	\$510,743	\$5,982,624	\$5,258,892	\$3,357,125	\$734,911	\$887,336
Yampa/White/Green	\$1,071,243	\$1,735,990	\$3,623,144	\$2,176,501	\$1,215,347	\$947,368
Total Funding	\$10,070,009	\$30,327,252	\$49,635,529	\$52,989,266	\$8,155,980	\$16,263,501
NUMBER OF FUNDED IMPLEMENTATION EFFORTS (PROJECTS, STUDIES, ETC.)						
Arkansas	13	44	45	52	16	33
Colorado	14	27	47	51	21	15
Gunnison	8	34	66	52	12	17
Metro	16	40	15	29	23	8
North Platte	2	3	33	21	4	5
Rio Grande	6	6	56	59	11	10
South Platte	20	28	40	43	29	11
Southwest	10	37	58	40	25	11
Yampa/White/Green	12	23	31	29	17	8
Total Number of Grants¹	101	242	391	376	158	118

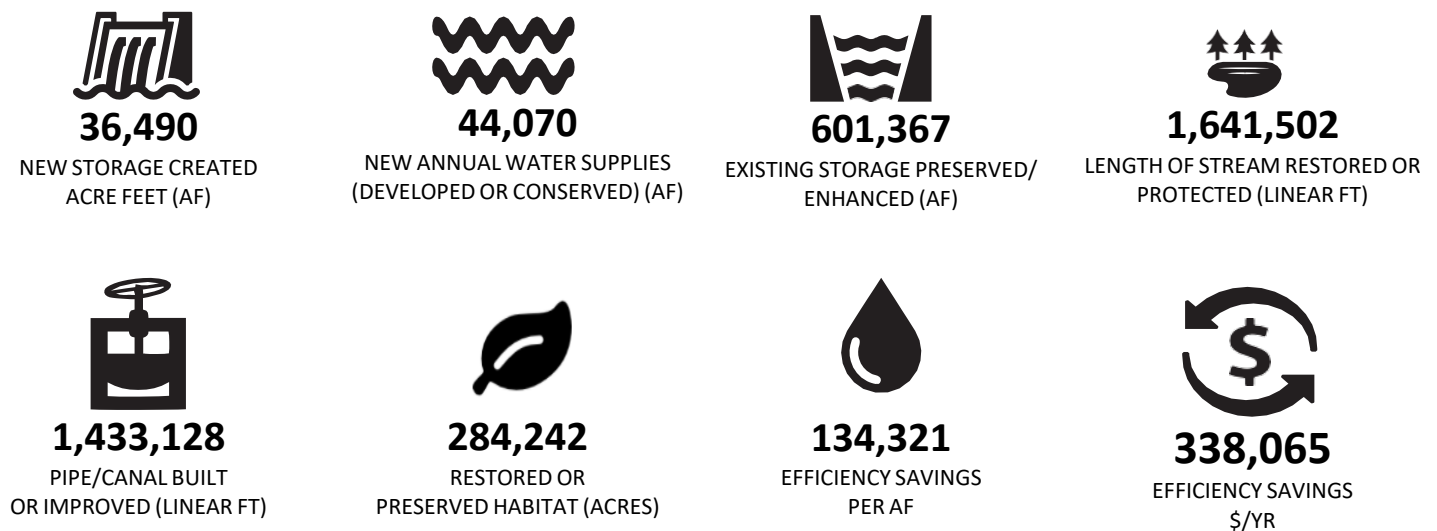
¹ Grants can be designated into more than one project type. The total number of grants or total amount of funding across all categories does not reflect the actual total number of grants or funding.

FIGURE 4: TOTAL WSRF FUNDING BY CATEGORY 2006-2023



WSRF IMPACT BY THE NUMBERS

FIGURE 5: CUMULATIVE WSRF GRANT IMPACT 2006-2023:



FUNDING SUMMARY

The WSRF Program has been very effective in its purpose. The program has provided grants for a mix of consumptive and nonconsumptive water projects and promoted multi-purpose projects throughout Colorado. Projects funded through the WSRF program help the state meet its water supply needs with money that was not available until the passage of the legislation.

Table 5 below displays the legislative appropriations and actual funds received by the Water Supply Reserve Fund Program since its inception in 2006. In 2009, the Water Supply Reserve Fund Program was reauthorized in perpetuity by SB 09-106. This legislation appropriates \$10,000,000 per year from the Severance Tax Trust Fund, subject to available funding. Due to the variability of revenue from Severance Tax, the WSRF has received reduced funding in some years. In 2021, the Colorado Legislature approved, and the Governor signed Senate Bill 21-160 adding \$5 million to the WSRF program from the General Fund. In 2021, SB 21-281 shifted WSRF's funding source from the Severance Tax Operational Fund to the CWCB's Severance Tax Perpetual Base Fund to provide a stable annual allocation of \$3 Million into the WSRF fund at the Board's discretion.

Table 5 also shows the breakdown of funds between the Basin and Statewide Accounts as directed by the Criteria and Guidelines. The Basin Account funds are then distributed evenly among the nine basin roundtables.

Table 5: WSRF FUND APPROPRIATION AND RECEIPTS 2006-JUNE 2023

WSRF FUND APPROPRIATION AND RECEIPTS

Fiscal Year	Legislative Appropriation	Funds Received	Statewide Account	Basin Account
2006/2007	\$10,000,000	\$10,000,000	\$5,500,000	\$4,500,000
2007/2008	\$6,000,000	\$6,000,000	\$4,200,000	\$1,800,000
2008/2009	\$10,000,000	\$7,000,000	\$4,300,000	\$2,700,000
2009/2010	\$5,775,000	\$5,775,000	\$4,215,750	\$1,559,250
2010/2011	\$6,000,000	\$6,000,000	\$4,380,000	\$1,620,000
2011/2012	\$7,000,000	\$7,000,000	\$4,732,000	\$2,268,000
2012/2013	\$10,000,000	\$7,157,724	\$4,580,943	\$2,576,781
2013/2014	\$10,000,000	\$10,091,639	\$6,458,649	\$3,632,990
2014/2015	\$10,000,000	\$10,000,000	\$6,400,000	\$3,600,000
2015/2016	\$10,000,000	\$9,103,590	\$5,826,298	\$3,277,292
2016/2017 (FY2017)	\$0	\$0	\$0	\$0
2017/2018 (FY2018)	\$10,000,000	\$1,455,776	\$931,697	\$524,079
2017/2018 CF (FY2018)	\$0	\$7,000,000	\$4,480,000	\$2,520,000
2018/2019 CF (FY2019)	\$0	\$3,544,884	\$2,268,726	\$1,276,158
2019/2020 (FY2020)	\$10,000,000	\$10,000,000	\$6,400,000	\$3,600,000
2020/2021 (FY2021)	\$2,500,000	\$2,500,000	\$1,600,000	\$900,000
2021/2022 (FY2022)	\$0	\$0	\$0	\$0
2022/2023 (FY2023)	\$2,700,000	\$2,700,000	\$0	\$0
Interest	N/A	\$2,857,935	\$3,541,544	
(Prior Years Interest Adjustment 2007-2014 and FY2015, FY2016, FY2017)				
FY 2018 Interest	N/A	\$ 376,467	\$376,467	\$0
FY 2019 Interest	N/A	\$ 431,589	\$431,589	\$0
FY 2020 Interest	N/A	\$ 558,732	\$558,732	\$0
FY 2021 Interest	N/A	\$ 329,821	\$329,821	\$0
FY 2022 Interest	N/A	\$281,215	\$281,215	\$0
FY 2023 Interest	N/A	\$1,118,090	\$1,118,090	\$0
TOTAL	\$109,975,000	\$111,282,462	\$72,911,521	\$39,054,551

APPROVED APPLICATION LINKS BY BASIN

The following links show WSRF applications approved by the CWCB board by basin through September 2023:

- [Arkansas Basin](#)
- [Colorado Basin](#)
- [Gunnison Basin](#)
- [Metro Basin](#)
- [North Platte Basin](#)
- [Rio Grande Basin](#)
- [South Platte Basin](#)
- [Southwest Basin](#)
- [Yampa/White/Green Basin](#)

PUBLIC EDUCATION, PARTICIPATION & OUTREACH (PEPO) GRANT PROGRAM

When Senate Bill SB 21-281 restructured severance tax distributions and the CWCB came up with a standard funding allocation for WSRF, the CWCB also opted to dedicate funds for enhanced support of the roundtables' Public Education Participation and Outreach (PEPO) coordinators in each of the basins. Funds can also support larger statewide CWCB and PEPO-led initiatives. The resultant Public Education Participation and Outreach Grants were developed for this purpose and \$300,000 is approved annually by the CWCB Board for funding for each of the 9 basins.

PEPO Grants establish a funding mechanism for the CWCB to provide monies for coordinated PEPO efforts across the state. Funds can be used for PEPO efforts including supporting basin coordinators and/or statewide initiatives.

TABLE 6: FUNDING BY BASIN JUNE 2022-JUNE 2023

BASIN	GRANT TYPE	GRANT AMOUNT
Arkansas	Basin Coordinator	\$25,000
Colorado	Basin Coordinator	\$25,000
Gunnison	Basin Coordinator	\$25,000
Metro/South Platte	Basin Coordinator	\$50,000
North Platte	Basin Coordinator	\$0 (did not apply)
Rio Grande	Basin Coordinator	\$25,000
Southwest	Basin Coordinator	\$25,000
Yampa/White/Green	Basin Coordinator	\$25,000
Statewide	Statewide Initiative*	\$0

*No statewide initiative grants were awarded in the FY22-23 timeframe.

To learn more or if you have questions, please email waterplan.info@state.co.us, call 303-866-3441 or visit the Colorado Water Conservation Board website at, <https://cwcb.colorado.gov>.



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