



## COLORADO

### Colorado Water Conservation Board

Department of Natural Resources

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**TO:** Colorado Water Conservation Board Members

**FROM:** Kara Scheel, Endangered Species Recovery Program Manager  
Interstate, Federal, and Water Information Section

**DATE:** January 27-28, 2025

**AGENDA ITEM:** 5. 2025 Species Conservation Trust Fund Eligibility List Approval

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#### Staff Recommendation:

Staff recommends, contingent upon available revenues, that the Board:

- (1) Concur with the Department of Natural Resources Executive Director's proposed recommendations to the General Assembly to approve an expenditure of up to \$5 million from the Species Conservation Trust Fund for fiscal year 2025-2026, including up to \$2.5 million for the Colorado Water Conservation Board priorities outlined herein; and
- (2) Forward a statement of concurrence to the Colorado Parks and Wildlife Commission.

#### Introduction:

The Species Conservation Trust Fund (SCTF) was created in 1998, pursuant to [H.B.98-1006](#) (codified in section 24-33-111, C.R.S. [2016]). The Colorado General Assembly set forth that the fund would be used to preserve or improve the natural environment of species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species.

Each year, the Executive Director of the Department of Natural Resources (DNR) prepares a species conservation eligibility list (SCEL) after consultation with the Colorado Water Conservation Board (CWCB) and its Director, and the Colorado Parks and Wildlife (CPW) Commission and its Director. The SCEL identifies programs (and associated costs) that are eligible for funding from the SCTF. Once finalized with the Board and the Commission, the SCEL is sent to the Colorado General Assembly for review and modifications as appropriate prior to the passage of the annual SCTF bill.



## Statutory Requirements of the Species Conservation Trust Fund:

The Species Conservation Trust Fund Act requires that funding be distributed for the following purposes:

- (1) Cooperative agreements, recovery programs, and other programs that are designed to meet obligations arising under the federal Endangered Species Act of 1973 and that provide regulatory certainty.
- (2) Studies and programs established or approved by CPW and the Executive Director of the DNR regarding:
  - (a) Species placed on the state endangered or threatened list;
  - (b) Candidate species, in order to assist in the recovery or protection of the species to avoid listing of the species; and
  - (c) Scientific research relating to listing or delisting any species.

## Fiscal Year 2025-26 Outlook:

The Species Conservation Trust Fund is traditionally supported by infusions of revenue from the Severance Tax Operational Fund (Operational Fund). Under current law, the SCTF is authorized to receive infusions of revenue via an annual appropriation of up to \$5 million, approved each year by the General Assembly through the Long Bill. The SCTF is also currently protected by the 200% statutory reserve requirement for the Operational Fund. When the reserve is full, which it is currently, there is a sufficient balance in the Operational Fund to sustain programs through two full years without disruption in the event of a severe severance tax revenue downturn. Pursuant to Section 24-33-111 (3)(a), C.R.S., annual legislation is still required to secure the required authorization of the species conservation project eligibility list.

The FY 2024-25 Long Bill (H.B. 24-1430) included an appropriation of \$5 million from the Operational Fund to the SCTF effective July 1, 2024. The revenue from this appropriation is now available in the SCTF and requires legislative authorization during the 2025 session for Commission- and Board-approved priorities and projects that will begin in FY 2025-26.

The Governor's FY 2025-26 budget request changes the source of revenue for three of DNR's programs traditionally funded with severance tax, including the SCTF, to transfers from the General Fund. This proposed change in revenue source for the SCTF does not change the requested appropriation amount, which remains at \$5 million. It also does not affect funding for projects that have already been approved in prior SCTF legislation.

In the event the General Assembly does not approve the proposed revenue source change and chooses to continue to use Operational Fund revenue for the SCTF, the Department anticipates that there will be sufficient severance tax revenue to support the SCTF at the requested \$5 million level through the forecast period (FY 2026-27) without requiring any of the funds currently held in the Operational Fund reserve.



## Fiscal Year 2025-2026 Recommended Projects:

CWCB staff recommends the following projects for fiscal year 2025-26.

Project/Program	Request
1. Upper Colorado River Endangered Fish Recovery Program and San Juan River Basin Recovery Implementation Program	\$2,480,000
2. Selenium Management, Research, Monitoring, Evaluation, and Control	\$20,000
<b>Total CWCB SCTF Request:</b>	<b>\$2,500,000</b>

### ***1. Upper Colorado River Endangered Fish Recovery Program and San Juan River Basin Recovery Implementation Program: Up to \$2,480,000***

The Upper Colorado River Endangered Fish Recovery Program and San Juan River Basin Recovery Implementation Program (Colorado Recovery Programs) were established under cooperative agreements, signed by the Governor of Colorado, as multi-agency partnerships in 1988 and 1992. The goal of the Recovery Programs is to recover the threatened and endangered Colorado pikeminnow, bonytail, razorback sucker, and humpback chub. The Recovery Programs provide Endangered Species Act compliance for more than 1,500 water projects in Colorado.

Funding for improvement projects is greatly needed to ensure the success of these programs. Projects include research related to the recovery of the species, installation of screens to prevent escapement of non-native fish, diversion rehabilitation to improve fish passage, augmenting flows under dry conditions, equipment needed for performing non-native removal and other recovery efforts, habitat restoration, canal salvage operations, and other conservation measures as defined in the Programs' respective recovery action plans.

### ***2. Selenium Management, Research, Monitoring, Evaluation and Control: Up to \$20,000***

Selenium is a naturally occurring element that can cause deleterious effects to fish reproduction. Increased selenium concentrations can occur when weathering and irrigation mobilize selenium through the soil and into waterways. Selenium levels were historically high in the Gunnison and Colorado River Basins, rivers that are designated critical habitat for the threatened and endangered Colorado pikeminnow, humpback chub, bonytail, and razorback sucker.

The Gunnison Basin Selenium Management Program is a required conservation measure identified in the Programmatic Biological Opinion (issued by the U.S. Fish and Wildlife Service, December 2009) as part of the Aspinall Unit National Environmental Policy Act



evaluation (issued December 2010). At the time of the evaluation, the U.S. Fish and Wildlife Service determined that high selenium levels in the Uncompahgre and Gunnison Rivers are limiting the recovery of the Colorado River endangered fish species and that the Selenium Management Program is necessary for the continued existence of the species. The Program has successfully improved fish habitat by reducing selenium loading from irrigation runoff in the Gunnison Basin. Due to this program's efforts, the mainstem of the Gunnison River was removed from the State's list of impaired waters (303D) in 2021. This funding will support on-going well monitoring that supports research efforts previously funded by the SCTF in years prior.

