

COLORADO WATER CONSERVATION BOARD

Department of Natural Resources

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Lauren Ris, CWCB Director

HOUSE BILL HB24-1435

THE 2024 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 680 loans totaling \$1.3 billion have helped finance engineering, construction, and the purchase of water.

The **Construction Fund (CF)** 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 funding from the state's General Fund. Revenues come from interest earnings and royalty distributions from federal mineral leases.

The **Severance Tax Perpetual Base Fund (STPBF)** 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. SB21-281 directed the CWCB to use the STPBF to fund the Water Supply Reserve Fund (WSRF), the Interbasin Compact Committee Operation Fund (IBCC) and the Water Efficiency Grant Program from the STPBF.

Small Project Loan Report - A report detailing the 13 loans new loans made in calendar year 2023, providing about \$38 million, was submitted to the General Assembly on January 15th 2024. A copy of the report is available on the legislative website at www.colorado.gov.

Loan interest rates are adjusted bi-monthly by CWCB. The rates mid-year 2023 were:

- 1.85% for Agricultural loans and
- 2.60% to 3.35% for Municipal loans
- 6.0% for Commercial loans
- 2.0% for Hydroelectric projects



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

2024 Bill Highlights

Includes over \$220M in funding for important CWCB Programs and Projects. Including: \$23M in Water Plan Grant funding; \$2M for Turf Replacement funding; \$2M for Water Forecasting; \$4M for Drought Planning; \$65M in loan funds for the Windy Gap Firming Project and \$100M in loan funds for the Northern Integrated Supply Project; \$20M for Shoshone Water Right Permanency

For more information, contact
Daphne Gervais, DNR Legislative
Liaison (720) 635-4705

Colorado Water Conservation Board
1313 Sherman Street, Room 718
Denver, CO, 80203
Phone: (303) 866-3441
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. The applications are for programs, projects or activities of statewide impact or importance or exceed the available funds in other grant programs Applications are considered by the Board for inclusion in the annual CWCB Water Projects Bill.

Non-Reimbursable Project Investments			
Section 1. 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 2. Floodplain Risk Management (Continuation)	Assists communities to revise and improve floodplain studies and maps. (f/n/a Map Modernization Program) Provides the required non-federal matching dollars that are further leveraged by local cost share and in-kind services. This Program expects to leverage \$10M in federal funding alone this year.	Statewide	\$1,000,000
Section 3. 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 funds annually.	Statewide	\$500,000
Section 4. Litigation Fund - Restoring Cash Balance (Continuation)	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 5. Colorado Mesonet Enhancements (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	\$200,000
Section 6. Water Forecasting Partnership Project (Continuation)	This project will use modern technology to provide better characterization of snowpack, install new ground and aerial remote sensing data, and develop employee accepted hydrologic modeling practices, to provide more reliable volumetric water supply forecasting.	Statewide	\$2,000,000
Section 7. UCRC Modeling & Technical Analyses (Continuation)	Funds will support CWCB's efforts in the Upper Colorado River Commission (UCRC) with modeling and technical analyses necessary in development of post-2026 operational guidelines for Lake Powell and Lake Mead that protect Colorado's and the Upper Basin's significant interests in the River.	Statewide	\$500,000
Section 8. Statewide Diversion Telemetry Project	This will fund the installation of telemetry equipment at 306 sites across Colorado. Department of Water Resources (DWR) will install the equipment over the next five years.	Statewide	\$1,827,500

Section 9. SHP Groundwater Study Update	The Southern High Plains (SHP) Designated Groundwater Basin is in the southeast corner of Colorado, underlying most of Baca County and southeastern Prowers County. This funding will update a 2002 study and provide scenario analyses and community facilitation to establish the Southern High Plains residents' goals for their groundwater resources.	Southeast Colorado	\$250,000
Section 10. Turf Replacement Funding	The State's Turf Replacement Program (TRP) created by HB22-1151 allocated \$2 million in state funding to implement transformative landscape change and support municipal outdoor water conservation efforts. This funding will allow the TRP to continue and help advance and create turf removal and replacement projects across Colorado.	Statewide	\$2,000,000
Section 11. Drought Resilience Investment	This funding will support efforts to advance projects within and complimentary to the 2023 Water Plan that support drought planning, practical implementation of drought mitigation techniques, education, guidance and training. This will be done through the following focus areas: Drought Resilience Workshops; Water Plan Outreach Campaign; Water Loss Prevention and Validator Training; Adaptive and Critical Drought Projects; Storage Analysis Opportunities and Alternatives; Water Conservation Handbook.	Statewide	\$4,000,000
Section 12. Windy Gap Firming	Allows for the CWCB Board to increase the Windy Gap Firming Water Activity Enterprise of the Northern Colorado Water Conservancy District's (District) existing loan of \$90M by \$65.65M for a final loan amount of \$155.65M. The loan increase will allow the District to complete its Windy Gap Firming Project (aka Chimney Hollow Reservoir)	So. Platte	\$65,650,000 (Loan Increase)
Section 13. Northern Integrated Supply Project	Authorizes a \$101M loan to the Northern Integrated Supply Project (NISP) Water Activity Enterprise of the Northern Colorado Water Conservancy District to develop a new regional water supply project called NISP. NISP will provide 40,000AF of new water supplies annually for 11 communities and 4 water districts in the northern front range. Providing water to an estimated 500,000 residents by 2050. It includes two major components (Glade Reservoir Complex and the South Platte Water Conservation Project)	So. Platte	\$101,000,000 (Loan)
Section 14. Shoshone Water Permanency	The funding will support the Purchase and Sale Agreement between the Colorado River Water Conservation District and Public Service Company of Colorado (PSCo) for the purchase of the water rights associated with the Shoshone Power Plant. The CWCB and District plan to partner on the effort to change the water rights to a CWCB Instream Flow water right.		\$20,000,000 Severance Tax Transfer Rqd

Other Provisions

Section 15.

Water Plan Implementation Cash Fund Appropriation - This will appropriate \$23.3M of sports betting revenues within the Cash Fund to make grant funding available for projects that assist with the implementation of the Colorado Water Plan through CWCB's Application and Guidelines process.

Section 16 & 17.

Economic Recovery and Relief Cash Fund - Allows flexibility between Local Capacity Grants (direct awards to grantees for capacity building and work towards federal grant applications) and Technical Assistance Grants (where entities work with a CWCB hired contractor to for assistance with federal grant applications). The intended result is to still award \$5M in federal technical assistance grants. The original legislation fixed \$2.5M for each grant type and this will allow CWCB the flexibility to respond to market demands between the two programs but ultimately all will lead to federal grant applications.