

POLICY NUMBER: 8

SUBJECT: **CONSTRUCTION FUND AND SEVERANCE TAX TRUST
FUND PERPETUAL BASE ACCOUNT LOANS SOLELY
FOR THE PURCHASE OF WATER RIGHTS**

EFFECTIVE DATE: January 24, 1996

POLICY: The costs of land and water rights acquisition are eligible for CWCB funding as part of an authorized project. When no project is proposed, the costs of water rights acquisition is eligible for a CWCB loan if the purchase satisfies an existing water need or shortage. Acquisition of water rights that promote growth will not be eligible for a CWCB loan.

PURPOSE: To establish the conditions under which the CWCB would provide loans solely for the purchase of water rights.

APPLICABILITY: This policy and procedure apply to all applications for loans from the Construction Fund and from the Severance Tax Trust Fund Perpetual Base Account (STTFPBA).

PROCEDURE: When a Construction Fund or STTFPBA loan application is received for the sole purpose of acquiring water rights, staff will require the applicant to document the existing need or shortage that the water purchase will address. The information regarding the need for the water rights purchase will be summarized by staff in a board memo and presented for Board consideration. The applicant will also be required to submit a written appraisal or opinion of value from a qualified water rights appraiser supporting the purchase price, prior to disbursement of CWCB loan funds.

Approved by the CWCB
January 24, 1996 Board Meeting
Agenda Item # 9