

POLICY NUMBER: 12

SUBJECT: **PRIORITIZATION OF PROJECT FUND APPLICATIONS FROM THE CONSTRUCTION FUND AND THE SEVERANCE TAX TRUST FUND PERPETUAL BASE FUND**

EFFECTIVE DATE: November 24, 1997

REVISED DATE: September 25, 2000
March 13, 2024

POLICY: The Colorado Water Conservation Board (CWCB) will give preference for funding from the Construction Fund and Severance Tax Trust Fund Perpetual Base Fund to those projects that are most cost effective, demonstrate the greatest need for assistance in financing, and that best relate to the Board's Mission and the Colorado Water Plan. This policy reflects the project priority order established in Sec. 37-60-121(1)(b)(I) and (II), CRS. That statute gives the first priority of funds to projects that increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters and the remainder of the funds to projects for the repair and rehabilitation of existing water storage and delivery systems, and controlled maintenance of the satellite monitoring system authorized pursuant to section 37-80-102(10).

PURPOSE: To establish a method to prioritize funding requests from the Construction Fund and Severance Tax Trust Fund Perpetual Base Fund in the event that the demand exceeds the available funds from either source in any given year.

APPLICABILITY: This policy and procedure apply to all requests for funding from the CWCB Construction Fund and Severance Tax Trust Fund Perpetual Base Fund.

PROCEDURE: Annually, staff prepared an estimate of fund available for Non-Reimbursable Investments (aka Projects Bill Programs, Projects, and Grants). This estimate is based on Policy #13 *Target Growth* and presented at the Annual CWCB Finance Committee Meeting. In the event that total requests for funding from the CWCB Construction Fund or the Severance Tax Trust Fund Perpetual Base Account exceed the funds available from either source in any given year, the requests for funding will be prioritized as described here. The CWCB staff will prepare, for the Board's consideration, a summary of the technical and financial characteristics associated with each project funding application. The project characteristics

will include the type of funding sought, type of project, the cost effectiveness of each project, the estimated total annual yield for water supply, the damages avoided for floodplain projects and the type of project sponsor as shown in the following list in order of priority:

1. Type of funding
 - a. loan
 - b. non-reimbursable investment
2. Type of project (structural or non structural)
 - a. development of compact entitlement
 - b. dam rehabilitation
 - c. infrastructure construction or rehabilitation
 - d. satellite monitoring system
 - e. water management activities and studies (including feasibility studies)
 - f. floodplain management
3. Estimated annual yield in acre-feet for water supply projects or damages avoided for floodplain projects
4. Cost effectiveness of the project*
5. Project sponsor
 - a. agricultural and municipal low income
 - b. municipal middle income
 - c. municipal high income
 - d. commercial/industrial

*For water supply projects cost effectiveness will be measured in terms of cost per acre-foot of water developed or supplied. For floodplain management projects, cost effectiveness will be based on the damages avoided as a result of the project.