

POLICY NUMBER: 14

SUBJECT: **APPROVAL AND PRIORITIZATION OF CONSTRUCTION
FUND APPLICATIONS FOR NON-REIMBURSABLE
PROJECT INVESTMENTS**

EFFECTIVE DATE: January 24, 2001
March 13, 2024

POLICY: The Colorado Water Conservation Board (CWCB) will accept applications for non-reimbursable project investments (aka CWCB Projects/Programs or Projects Bill Grants) from the Construction Fund until August 1 of each year.

Applications for funding requests for CWCB Projects/Programs and Projects Bill Grants from the Construction Fund will be accepted for the following types of projects only:

1. Projects or studies of statewide impact or importance,
2. Projects/Programs/Grants that increase the beneficial consumptive use of undeveloped compact entitled waters,
3. Water infrastructure or restoration projects that improve efficiency; public health and safety; or the environment,
4. Studies and demonstration projects that are designed to answer questions related to statewide issues.

The CWCB may, in any year, recommend approval to the General Assembly any program, project or studies in the above categories that the Board deems worthy of funding.

The project applicant must have completed a fully executed non-reimbursable investment funding contract with the CWCB within 2 years of the investment authorization by the General Assembly, or the Board will consider de-authorization of the investment.

PURPOSE: To establish an approval and prioritization process for non-reimbursable investments from the Construction Fund.

APPLICABILITY: This policy and procedure apply to applications for non-reimbursable investments from the Construction Fund.

PROCEDURE: Prior to the annual Finance Committee Meeting, composed of the Department of Natural Resources Executive Director, the CWCB Director, the State Engineer, or their representatives, and interested Board members, staff will prepare for the Committee's

consideration a list of Non-Reimbursable Investment applications that includes CWCB Projects & Programs and Projects Bill Grant applications. The information will include a summary of the technical and financial characteristics of each proposed project, program or study as well as a description of the sponsoring entity. Each application will be reviewed for conformity with the goals and objectives of the CWCB Mission and the Colorado Water Plan.

Prior to the November Board meeting the CWCB staff will update application information as necessary for the Board's final consideration.

Non-reimbursable investment applications will be considered for the following categories:

- a. Projects or studies of statewide impact or importance.
- b. Projects/Programs/Grants that increase the beneficial consumptive use of undeveloped compact entitled waters.
- c. Water infrastructure or restoration projects that improve efficiency; public health and safety; and the environment.
- d. Studies and demonstration projects that are designed to answer questions related to statewide issues.

Projects will be prioritized and recommended to the Finance Committee and subsequently the Board for consideration based on the following project types:

- Projects, programs or studies that have statewide impact or importance,
- Projects, programs or studies that assist in the administration of compact-entitled waters, or address problems relating to compact-entitled waters,
- Projects, programs or studies that facilitate solutions to regional water supply problems,
- Projects, programs or studies that address federal water rights issues,
- Projects, programs or studies that assist in the recovery of threatened or endangered wildlife species or the conservation of existing wildlife species within riparian ecosystems,
- State satellite monitoring system improvements and other projects, programs, studies, instrumentation or supplies that assist in the collection and development of hydrologic and climatologic data,
- Water, river restoration, and floodplain management projects, activities and studies affecting agriculture,

recreation, or other industries that economically impact significant areas of the state, and

- The use of funds to leverage non-state funds.
- The need for financial assistance as demonstrated by the project sponsor's inability to obtain funds elsewhere resulting in the Project, program or study's failure to advance.

Each year the committee may establish project priorities depending on the specific needs of the State and the availability of other project funding sources.

The applications will be further prioritized based on the type of applicant in the following order:

1. CWCB or other state agency
2. Governmental entities
3. Multiple entities
4. Private entities

Applications will be prioritized and recommended to the Board by the CWCB staff, following statutory guidelines, based on the types of projects, programs or studies in the following order:

1. Development of compact-entitled waters
2. Dam rehabilitation
3. Infrastructure construction or rehabilitation
4. Other water management activities and studies
5. Floodplain management projects

The applications will then be further prioritized based on the type of project applicants in the following order:

1. Agricultural or municipal low income
2. Municipal middle income
3. Municipal high income
4. Commercial/industrial water users

NOTE:

Recognizing that future needs and responses to those needs cannot be predicted with certainty, the Colorado Water Conservation Board reserves the right to recommend for funding any project, program or study that it determines worthy of non-reimbursable investment funding.