



COLORADO
Colorado Water Conservation Board
 Department of Natural Resources

1313 Sherman Street, Room 718
 Denver, CO 80203

P (303) 866-3441
 F (303) 866-4474

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Lauren Ris, CWCB Director

TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, P.E., Finance Section Chief
 Mimi Winter, Finance Manager

DATE: November 15-16, 2023 Board Meeting

AGENDA ITEM: 15a. Financial Matters - Construction Fund and Severance Tax Perpetual Base Fund Financial Projections and Cash Management Report

Introduction (This is for information only and no action is necessary)

This agenda item provides the Board updated financial information for use in evaluating authorizations utilizing the Construction Fund and the Severance Tax Perpetual Base Fund for loans and non-reimbursable project investments. A Cash Management Report will be distributed at the Board meeting in order to provide current fund balance information. The Report utilizes information prepared by Clifton Larson Allen, LLP, Severance Tax and Federal Mineral Lease projections prepared by the Legislative Council, and interest earnings/repayment schedules prepared by CWCB staff.

Finance Staff Statement

As of the date of this memo, sufficient unreserved cash is available to fund all loans and grants recommended for approval at this Board Meeting.

Description

The Cash Management Report is used by the Finance Section staff to assure the Board that funds are available for the Water Project loans and grants recommended by staff. If the Report indicates that there are insufficient cash funds available for all applications the Board will prioritize project funding based on Financial Policy #12.

The Projections used in this report are based on the best information available and past experience. They include: CWCB operating expenses, non-reimbursable project investments, estimates of new project loans and loan increases, Severance Tax revenue, Federal Mineral Lease revenue, repayment of existing loans and interest from the Treasury. The Table below provides a snapshot of the projections and actual for the current fiscal year for revenue (excluding loan principal repayments).

Source	Beginning FY23/24 Projections	Current Projections	Actual To Date (Thru Sept 30)
Interest Earnings	\$27.9 M	\$32.5 M	\$6.9 M
FML	\$11.7 M	\$11.4 M *	\$2.0 M
Severance Tax	\$52.0 M	\$50.0 M * ^	\$10.3 M
Total	\$91.6 M	\$93.9 M	\$19.2 M

* September 2023 LCS Projection

^ Reduced by \$10M for transfer to CDPHE

