



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, Finance Section Chief

DATE: November 15-16, 2023 Board Meeting

AGENDA ITEM: 18. Severance Tax Perpetual Base Fund Transfer to Water Supply Reserve Fund

Staff Recommendation

Pursuant to SB21-281, staff recommends the Board direct the State Treasurer to transfer \$3,000,000 from the Severance Tax Perpetual Base Fund to the Water Supply Reserve Fund on July 1, 2024.

Introduction/Background

SB21-281 was approved and signed by the Governor in the 2021 legislative session. This bill changed the funding source for the Water Supply Reserve Fund (WSRF). The WSRF was previously funded by the Severance Tax Operational Fund (Operational Fund). Current Severance Tax revenues and future projections provide staff with the confidence that this \$3M funding is available and warranted.

It is important to note that this \$3.0M is not a guaranteed annual amount and an annual review of the agency's needs will be assessed again at the 2024 Finance Committee. This will be followed by a transfer recommendation in November 2024 for a FY24/25 transfer if funds are available.

