

Kirk Russell, Deputy Director
Colorado Water Conservation Board



COLORADO'S WATER PLAN

COLLABORATING
ON COLORADO'S
WATER FUTURE

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August 2016

October 2016

December 2016

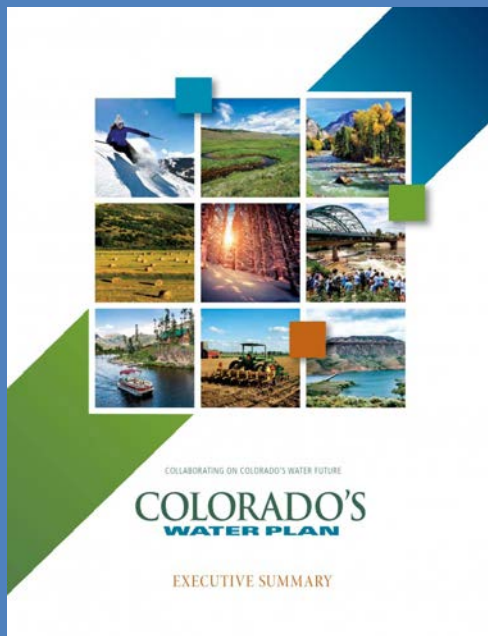
February 2017

CLOSING
THE
GAP.

GETTING TO
ZERO BY 2030.

- Google search
 - "Colorado water plan newsletter"

Colorado's Water Funding Puzzle



- CWCB Cash Funds & Sev. Tax Revenues
- 2017 CWCB Projects Bill
 - Water Plan Funding
\$25M (3 years = \$75M)
 - Loan Guarantee Fund



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

Numbers-Numbers-Numbers

\$900 Million

CWCB has
invested in
Water Supply
Projects

\$170 Million

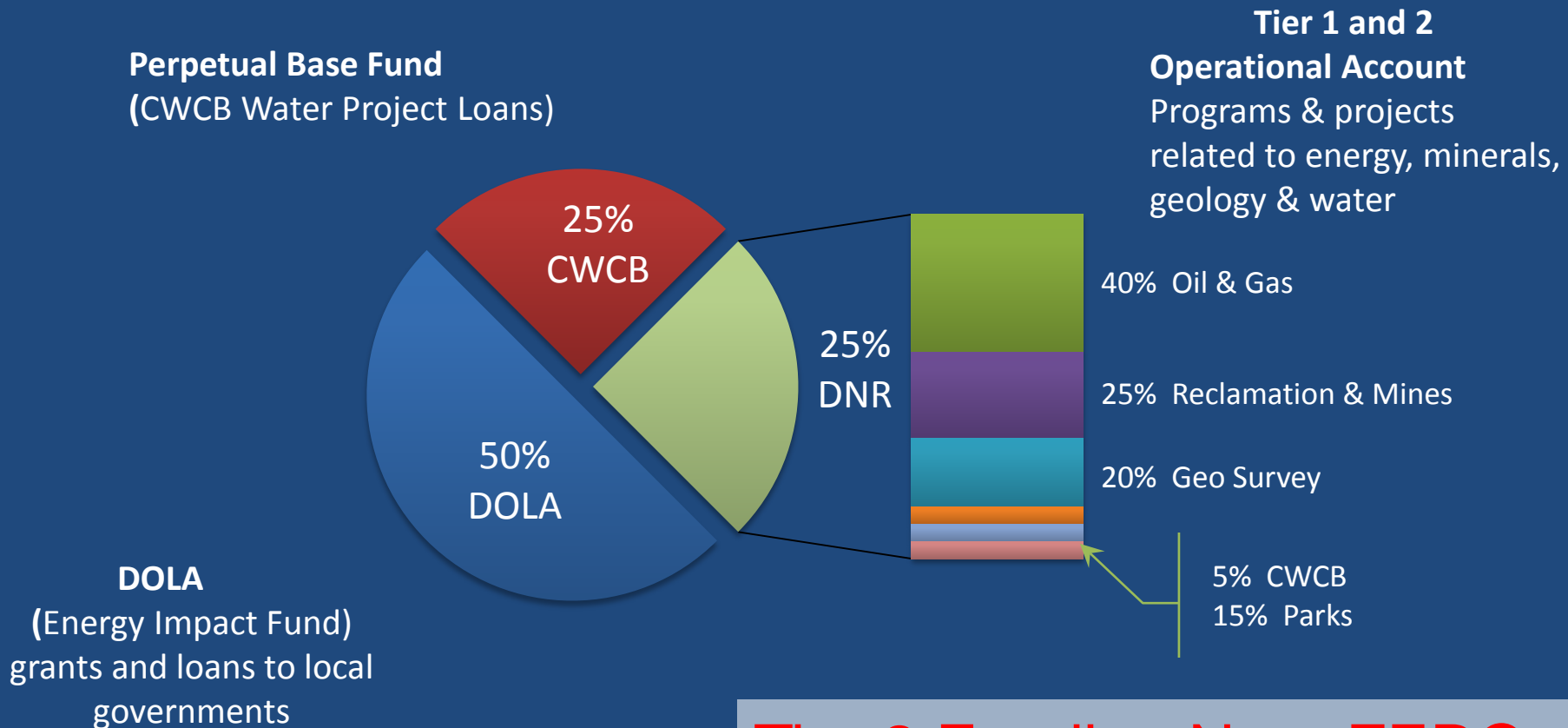
Transferred to
balance state
budget
(\$30M returned)

\$20 Billion

Need identified in
CWP by
2050
(\$3B available)

SEVERANCE TAX TRUST FUND

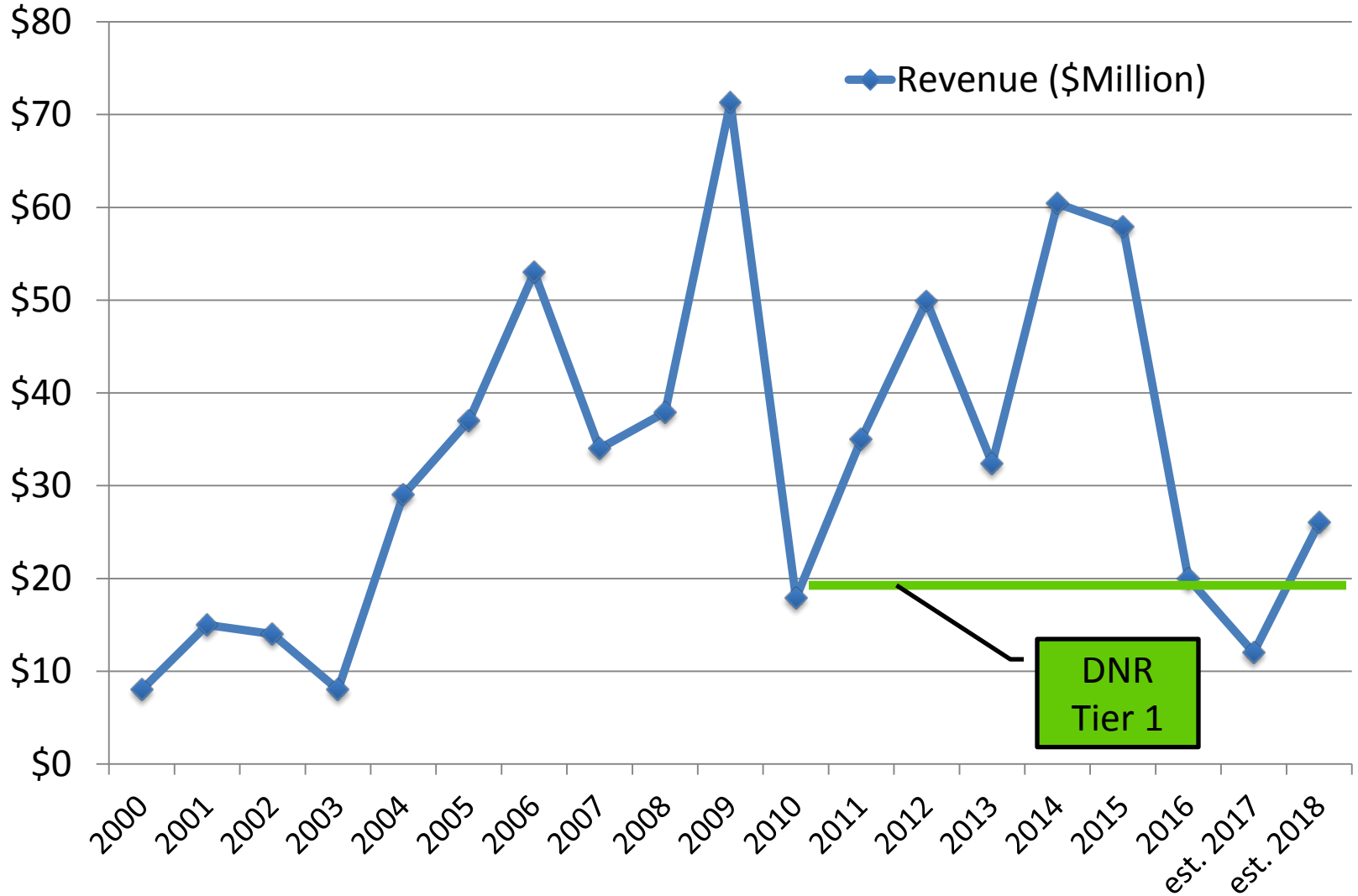
The Severance Tax Trust Fund resides in the office of the State Treasurer. The Fund is to be perpetual and held in trust as a replacement for depleted natural resources and for the development and conservation of the state's water resources. 39-29-109 CRS.



Tier 2 Funding Near ZERO

Severance Tax Volatility

Showing 25% of Revenue (\$Million)





**Hey Kirk - Where did you find the
Water Plan money?**



More Numbers

\$50M/yr – Available for water supply loans

\$40M/yr avg – Sev. Tax over the last 10 years

\$70M – City of Aurora, Prairie Waters Proj. -

Paid in Full

Timing is everything:

Severance Tax revenues have been above average over the last 5 years; Aurora investment paid off; Water Plan completed and shows \$20B in funding needs



COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

An Act

\$165 Million
2017 CWCB
Projects Bill

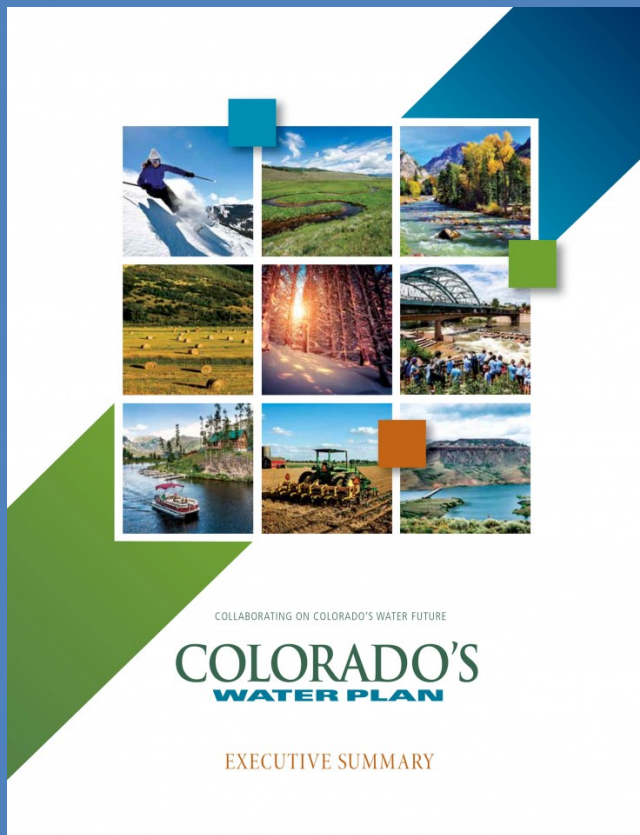
\$130 Million
Loans > \$10M

\$10 Million
CWCB Ops/Program Funding

\$25 Million
Water Plan
Implementation Funding

3-5 Year Water Plan Funding

Colorado's Water Plan **\$25M** Implementation

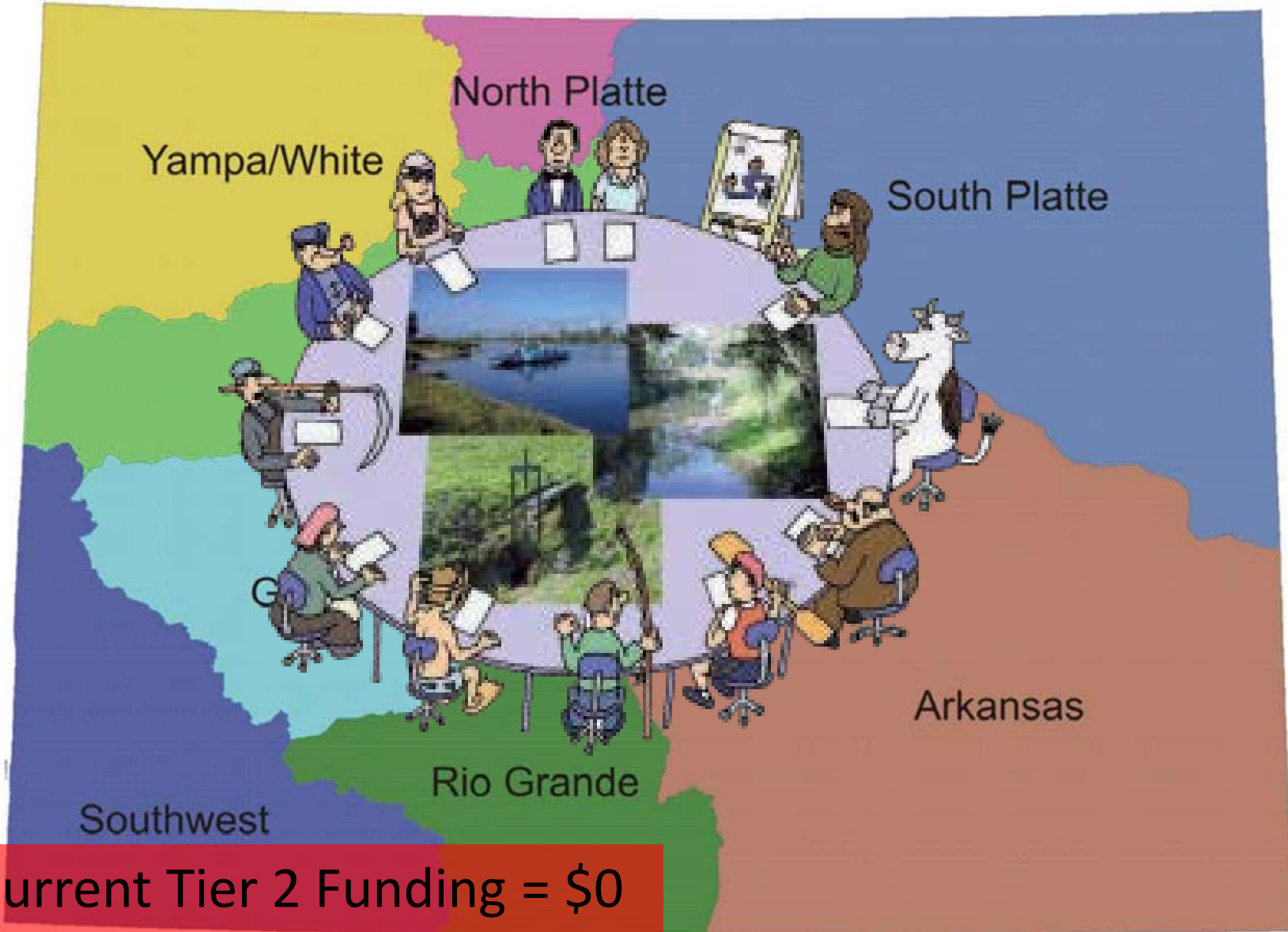


2017 Funding Summary

- **\$10M** Basin Roundtable (WSRF) Supplemental Funding
- **\$5M** Watershed & Stream
- **\$10M** CWP Grants

Water Plan Funding
\$10M (3 years = \$30M)

**Water Supply
Reserve Fund**



Current Tier 2 Funding = \$0



PROTECTING
OUR
WATERSHEDS

FOR OUR WAY
OF LIFE AND
ECONOMY.

Watershed Health, Environment, and Recreation

Colorado's Water Plan sets a measurable objective to cover 80 percent of the locally prioritized lists of rivers with stream management plans, and 80 percent of critical watersheds with watershed protection plans, all by 2030.

 **COLORADO** *Water Plan Funding \$5M (3 years = \$15M)*



Colorado Watershed Restoration Grants

Grants for watershed/stream restoration and flood mitigation projects

Projects and studies may include:

- Restoring stream channels
- Providing habitat for aquatic species
- Restoring riparian areas
- Reducing erosion
- Reducing flood hazards

Commitment to protect and restore ecological processes that connect land and water

50% minimum match required

Photo Courtesy of Travis Reid Watercress Stream
Uncompahgre Wilderness www.travisreidphotos.com

Water Plan Funding

\$10M (3 years = \$30M)

Water Plan Implementation Grants

- \$2M - Addressing the supply/demand gap
- \$3M - New Storage (Surface, Aquifer, Dredging)
- \$1M - Implement long-term strategies for conservation, land use, and drought planning
- \$1M - Education, Outreach, and Innovation
- \$1M - Technical assistance & grants for Ag
- \$1M - Non-Consumptive (Enviro. & Recreation)
- \$1M - Statewide Water Supply Initiative (SWSI)
Update



Water Plan Implementation Grants

- Applications by August 1, 2017
- Reviewed at Sept. 2017 CWCB Mtg
- Approved at Nov. 2017 CWCB Mtg



COLLABORATING ON COLORADO'S WATER FUTURE

COLORADO'S
WATER PLAN

EXECUTIVE SUMMARY

Loan Guarantee Fund

Credit Rating

\$300M REGIONAL Project

Market Rate
2.9%



AA+



~~3.5%~~
2.9%



A

CWCB's \$30M Fund



4.5%
2.9%



None



*Kirk Russell, P.E.
Deputy Director
Colorado Water Conservation Board*



COLORADO
Department of Natural Resources



CLOSING
THE
GAP.

GETTING TO
ZERO BY 2030.

Supply-Demand Gap

Colorado's Water Plan sets a measurable objective of reducing the projected 2050 municipal and industrial gap from as much as 560,000 acre-feet to zero acre-feet by 2030.

Water Plan Funding \$2M in FY17/18



PLANNING FOR STORAGE

AS WE
CONSERVE.

Storage

Colorado's Water Plan sets a measurable objective of attaining 400,000 acre-feet of water storage in order to manage and share conserved water and the yield of IPPs by 2050. This objective equates to an 80 percent success rate for these planned projects.

Water Plan Funding \$3M in FY17/18



INTEGRATING WATER-SAVING ACTIONS

AND LAND USE
PLANNING.

Conservation

Colorado's Water Plan sets a measurable objective to achieve 400,000 acre-feet of municipal and industrial water conservation by 2050.

Land use

Colorado's Water Plan sets a measurable objective that by 2025, 75 percent of Coloradans will live in communities that have incorporated water-saving actions into land-use planning.

Water Plan Funding \$1M in FY17/18



IMPROVING
PUBLIC
AWARENESS
AND

ENGAGEMENT
ON WATER ISSUES.

Education, Outreach, and Innovation

Colorado's Water Plan sets a measurable objective to significantly improve the level of public awareness and engagement regarding water issues statewide by 2020, as determined by water awareness surveys. Colorado's Water Plan also sets a measurable objective to engage Coloradans statewide on at least five key water challenges (identified by CWCB) that should be addressed by 2030.

Water Plan Funding \$1M in FY17/18



SUSTAINING
OUR AG
ECONOMY

ALONGSIDE
GROWTH.

Agriculture

Colorado's Water Plan sets an objective that agricultural economic productivity will keep pace with growing state, national, and global needs, even if some acres go out of production.

Water Plan Funding \$1M in FY17/18

Loan Guarantee Fund

Credit Rating

\$300M REGIONAL Project

Market Rate
2.9%



AA+



~~3.5%~~
2.9%



A

CWCB's \$30M Fund



4.5%
2.9%



None



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COLORADO
Department of Natural Resources

WE NEED YOUR HELP TO IMPLEMENT THE PLAN.

IMPLEMENTATION

STARTS WITH YOU.





Colorado Water Banking
Storage
and ATMS

*Colorado Water Conservation Board
Grants and Financing Programs*

HB05-1177 Water for the 21st Century Act created nine Basin Roundtables

- The BRTs provide forums for locally driven, collaborative solutions
- Broad range of stakeholders—municipal providers, counties, industry and interest groups have a seat at each table



Colorado's Water Plan: The path to a secure water future.

- Vibrant & sustainable cities
- Healthy watersheds & environment
- Robust recreation & tourism
- Viable & productive agriculture

COLORADO'S
WATER PLAN



Common Themes

- Agriculture - preservation, increase acres
- Environmental and Recreational Needs
- Municipal and Industrial Needs
- Watershed Health / Restoration and Protection
- Increase Storage and Multiple Benefit Projects
- Interstate Compact Compliance
- Education, Outreach, Communication Needs
- Water Quality

Colorado's Water Plan

Measureable Objectives

Agriculture

- Keep pace with growing state, national, and global needs
- Encourage innovation, creativity, and research
- Voluntarily share 50,000 acre feet by 2030 through alternative transfer methods (ATM)
 - DARCA
 - CAWA - November 29 IBCC / CAWA
 - Getches - Wilkinson Center
 - Upper Colorado River / System Conservation

Alternatives to Buy and Dry

- Rotational Fallowing
- Interruptible Supply
- Deficit Irrigation
- Water Cooperative
- Water Bank
- Water Conservation Easement
- HB 13-1248 / SB 198
- More agility in temporary water market

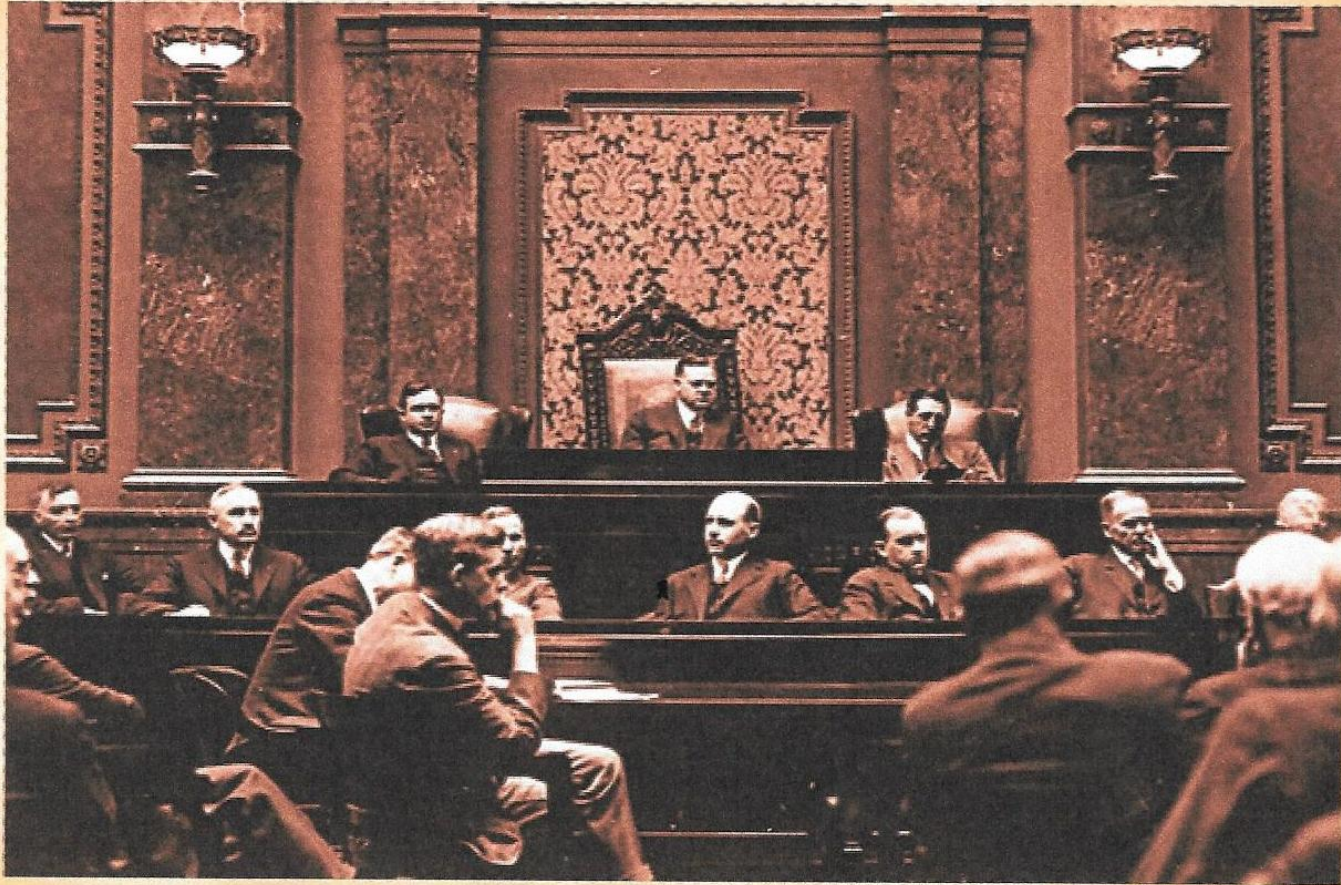


Water Banking

- Conceptual
- Water Cooperative
- West Slope / Lake Powell Contingency / CR call pre-emption
- Arkansas Valley past legislation / last year proposal



Historical Water Planning



www.coloradowaterplan.com



COLORADO'S
WATER PLAN



COLORADO

Colorado Water
Conservation Board

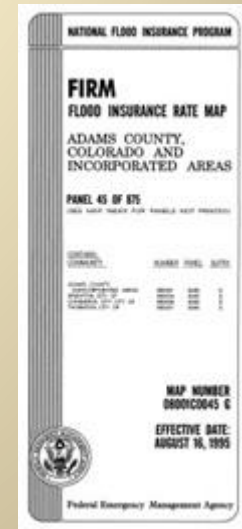
Department of Natural Resources





Colorado's Water Plan:
Working Together by
Cooperating and Collaborating

Thank you

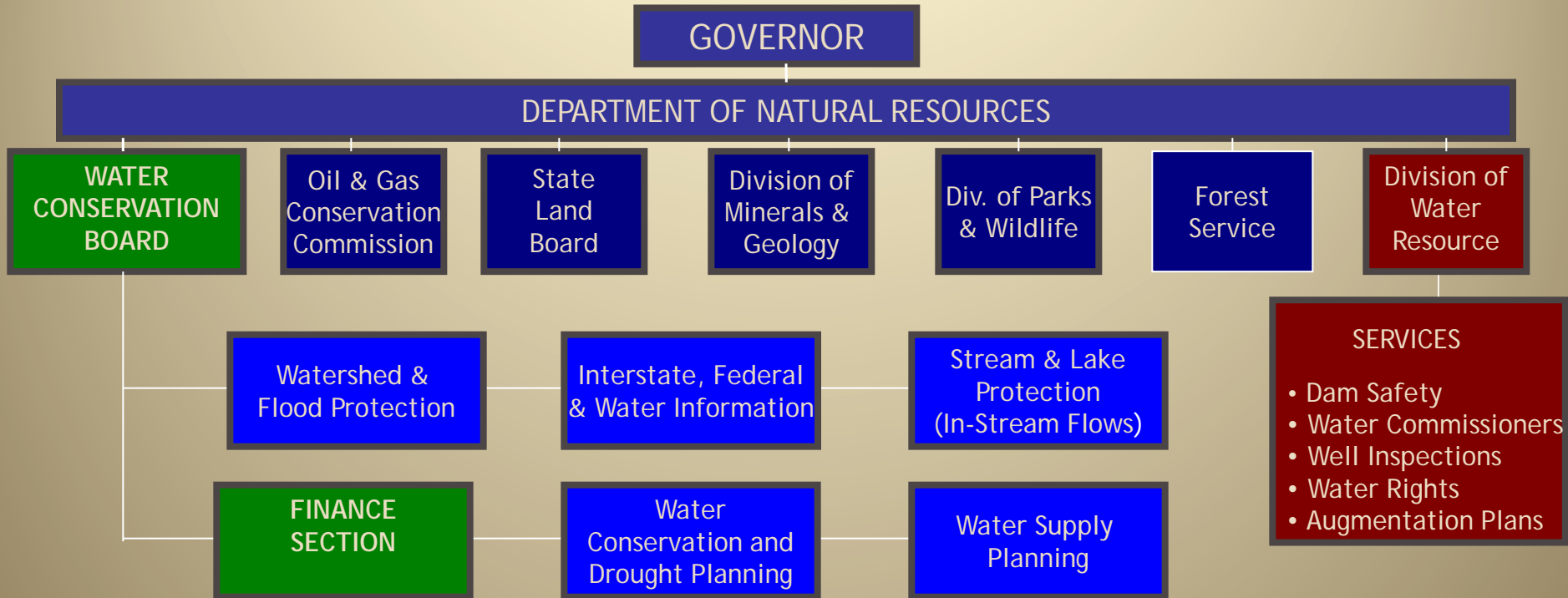


Operations/Programs:

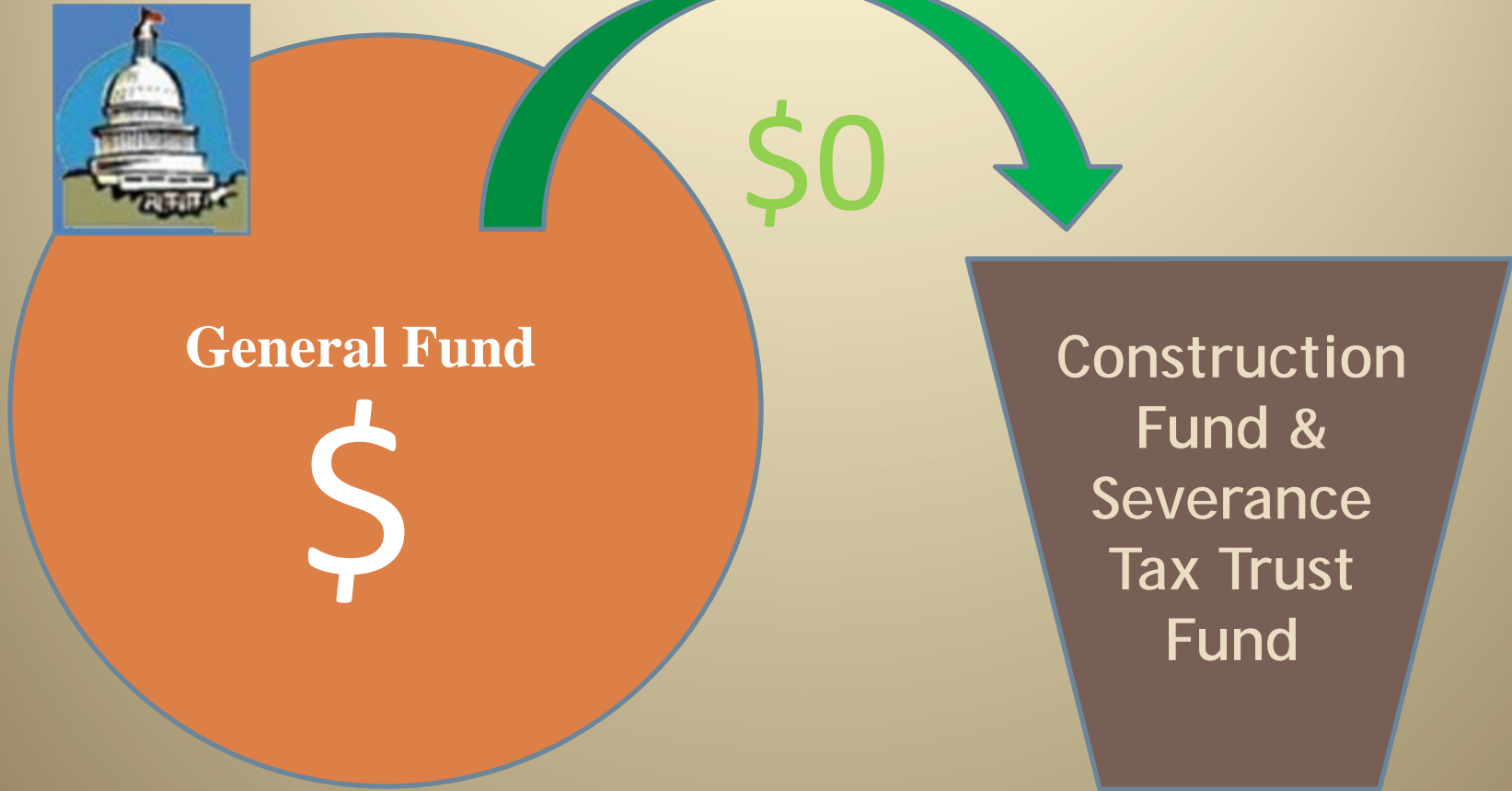
- Water Project Loan Program
- Water Conservation and Drought Planning
- Interstate Compact Protection
- Stream and Lake Protection
- Watershed & Flood Protection
- Decision Support Systems
- Water Supply Planning



ORGANIZATIONAL CHART



CWCB's Funds



CWCB is Self-Supporting

Low interest loans for RAW WATER projects

Loan funding sources:

- *Construction Fund* - created in 1971
- *Severance Tax Trust Fund Perpetual Base Fund* - created in 1997

450+ completed projects in repayment

\$50+ million available for new loans in 2016/2017

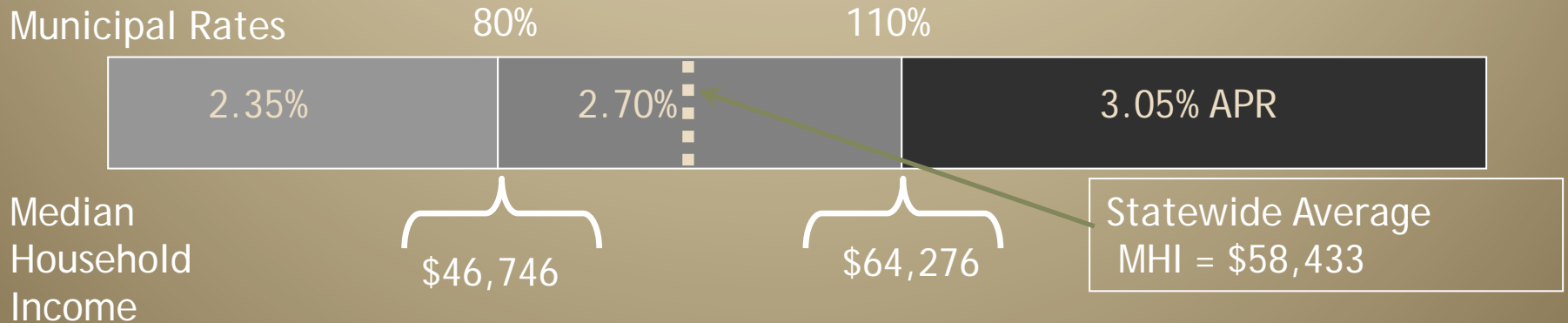
Water Project Loan Program

- Raw water projects
- \$100,000 minimum loan
- Estimated FY2016-17 Rates (30yr)*
 - Agricultural 1.5% - 1.75%
 - Municipal 2.0% - 3.25%
 - Commercial 6.0%



* Reduced if < 20yr

- 1% Loan Service Fee (i.e. \$100K loan = \$1,000 rolled into loan)



Colorado Department of Natural Resources

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COLORADO Water Conservation Board

Department of Natural Resources

Loans & Grants | Environment | Water Management | Legal | Technical Resources | Public Information | About Us

- Water Project Loan Program
- Water Efficiency Grants
- Water Supply Reserve Account Grants
- Colorado Healthy Rivers Fund Grants
- Severance Tax Trust Fund Operational Account Grants
- Colorado Watershed Restoration Grants
- Agricultural Emergency Drought Response Program
- Alternative Agricultural Water Transfer Methods Grants
- Fish and Wildlife Resources Fund Grants
- Weather Modification Grants
- Non-Reimbursable Project Investment Grants
- Phreatophyte Control Grants

Water Project Loan Program

Million is available annually for the CWCB Water Project provides low-interest loans to agricultural, municipal and for the design and construction of raw water projects in a loan request of \$100,000 is recommended.



What are the current interest rates for a loan?

INTEREST RATES			
Agricultural	1.45%		
Municipal	Low Income 2.05%	Middle Income 2.30%	High Income 2.60%
Commercial	6.00%		
Hydroelectric	2.00%		
Restricted Reservoirs	Call for details		

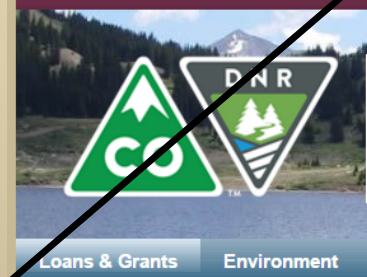
The standard loan term is 30 years. Rates are reduced by 0.25% for 20-year loans, and by 0.80% for 10-year loans. Calculate **annual** payments based on principal, interest and term using the Loan Calculator.

Note: 1.0% will be charged on the loan amount as a loan service fee.

Additional Information

- Loan Program FAQs
- CWCB Board Meeting Dates
- Loan Feasibility Study Examples
-  Schedules/Deadlines
-  Loan Application
-  Loan Program Guidelines
-  CWCB Loan Contract Sample - Private Borrower
-  CWCB Loan Contract Sample - Public Borrower
-  Proof of Insurance

www.cwcb.state.co.us



- Loans & Grants
- Environment
- Water Project Loan Program
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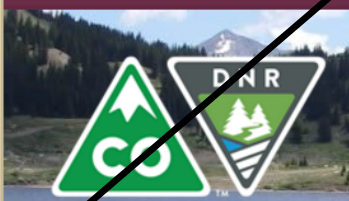
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Note: 1.0% w

Loans & Grants

The CWCB offers numerous loans and grants to water providers and other entities statewide for a variety of water-related projects, studies, planning documents, awareness campaigns and other activities. Click on any of the links below to find out more about the CWCB's funding programs.

- **Water Project Loan Program:** Provides low-interest loans to agricultural, municipal and commercial borrowers for the design and construction of raw water projects in Colorado.
- **Water Efficiency Grants:** Provides financial assistance to communities, water providers and eligible agencies for water conservation-related activities and projects.
- **Water Supply Reserve Account Grants:** Provides grants and loans to assist Colorado water users in addressing their critical water supply issues and interests.
- **Severance Tax Trust Fund Operational Account Grants:** Provides grants for regional water resource planning studies and associated demonstration projects.
- **Colorado Watershed Restoration Grants:** Provides grants for watershed/stream restoration and flood mitigation projects throughout the state.
- **Agricultural Emergency Drought Response Program:** Provides loans or grants for emergency drought-related water augmentation purposes to Colorado's agricultural water users.
- **Alternative Agricultural Water Transfer Methods Grants:** Assists in developing and implementing creative alternatives to the traditional purchase and transfer of agricultural water.
- **Fish and Wildlife Resources Fund Grants:** Provides grant money to existing water supply facilities to help preserve a balance between development of the state's resources and the protection of the state's fish and wildlife resources.
- **Weather Modification Grants:** Provides state grants to water providers and local governments to assist in funding ground-based wintertime operational cloud seeding programs.
- **Non-Reimbursable Project Investment Grants:** Funds water-related projects or studies of statewide impact or importance and Feasibility Studies and projects designed to address statewide, region-wide or basin-wide water issues.
- **Invasive Phreatophyte Control Program:** Provides cost share assistance to eligible entities to control and/or eradicate riparian invasive phreatophytes.



Loans & Grants Environment

- Water Project Loan Program
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Note: 1.0% w/i

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*Technical Assistance for
Federal Irrigation
Improvement Cost-Sharing
Programs*

Technical Assistance Grants

Grants to assist applicants apply for federal programs:

- USDA Regional Conservation Partnership Program (RCPP) - offered statewide
- Colorado River Basin Salinity Control Program - offered throughout Western CO
- Gunnison Selenium Management Program - offered in the Gunnison basin below the Aspinall Unit

Available July 1, 2017

Water Supply Reserve Fund

Water Supply Reserve Fund

Grants to address water supply issues

Must meet a need identified in Colorado's Water Plan or Basin Implementation Plan

Projects can include:

- Technical assistance with permitting or feasibility studies
- Studies or analysis of both structural projects or non-structural water needs
- Construction of structural water projects

Match of 25% to 50% required

Colorado Watershed Restoration Grants

Alternative to Agricultural Water Transfer Methods Grants

ATM Grants

Program is intended to develop & implement creative alternatives to the traditional purchase and transfer of agricultural water.

These alternative methods could include:

- Interruptible supply agreements
- Long-term rotational fallowing
- Water banks
- Deficit/partial irrigation practices
- Alternate cropping types

ATM Grants

Examples of activities that would qualify for funding from this program include:

- Technical analysis of transferable consumptive use
- Examination of administrative and legal considerations or issues related to ATM transfers
- Technical, logistical or legal analysis of water supply delivery options. This may include conceptual solutions and the feasibility of implementing the delivery of water to the new use.

Invasive Phreatophyte Control Program

Phreatophyte Control Grants

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RICHARD & MARILYN L CURRY LIVING TRUST AFTER REMOVAL – EAST BANK OF N.F. OF GUNNISON RIVER

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nues.

Dredging Grant Program

Dredging Grants

- New program for state fiscal year 2016-2017
- Projects, plans, and feasibility studies to develop or restore reservoir storage capacity
- Match of 50% is required
- Applications will be available by December 1, 2016