

POLICY NUMBER: 1

SUBJECT: **CONSTRUCTION FUND AND SEVERANCE TAX TRUST FUND PERPETUAL BASE ACCOUNT PROJECT TIME LIMITS**

EFFECTIVE DATE: October 1, 1999

POLICY: The Colorado Water Conservation Board (CWCB) shall review the status of all Construction Fund and Severance Tax Trust Fund Perpetual Base Account loan projects that do not have a fully executed CWCB funding contract within three years of the project's legislative authorization. These projects may be recommended for inclusion in the list of *Project Loan De-Authorizations* in the next annual Construction Fund Bill unless the Board specifically approves a time extension.

PURPOSE: To utilize construction funds in a timely manner, to assure availability of construction project funds for other uses, and to discourage Project Sponsors from attempting to "guarantee" loan funds for future long-range projects.

APPLICABILITY: This policy applies to ALL loan and grant projects authorized through the CWCB Construction Fund and the Severance Tax Trust Fund Perpetual Base Account.

PROCEDURE: The CWCB staff will compile and maintain a project authorization/contract list. Those projects without a fully executed CWCB funding contract within three years of their authorizing legislation shall be presented to the Board for review at the September or November Board meeting. Project Sponsors will be notified of the CWCB staff recommendations, and the Board's possible actions, at least one month prior to the Board meeting. Project Sponsors will be given an opportunity to appeal the staff recommendations at that meeting.

1. If the Project Sponsors have not shown diligence toward execution of a funding contract within three years of their authorizing legislation, the staff will recommend to the Board that the project be included in the *Project Loan De-Authorization* recommendation to the Legislature.
2. If the Project Sponsors have progressed towards execution of a project funding contract, but the progress has been delayed due to extenuating circumstances, the staff may recommend that the Board extend the project time limit for one year. The staff will continue to review the project on an annual basis until a CWCB funding contract is fully executed or the Board has recommended de-authorization to the Legislature.

Approved by the CWCB
September 27, 1999 Board Meeting
Agenda Item # 7