

  
*Colorado Legislative Council Staff Fiscal Note*  
**FINAL**  
**FISCAL NOTE**

**Drafting Number:** LLS 10-0903  
**Prime Sponsor(s):** Rep. Fischer  
 Sen. Hodge

**Date:** June 14, 2010  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Lauren Ris (303-866-3264)

**TITLE:** CONCERNING THE FUNDING OF COLORADO WATER CONSERVATION BOARD PROJECTS, AND MAKING APPROPRIATIONS IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012	FY 2012-2013
<b>State Revenue</b>			
<b>State Transfers or Diversions</b>			
Transfer from the CWCB Construction Fund to the Flood Response Fund	up to (\$300,000)		
Transfer from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund	(\$12,000,000)	(\$12,000,000)	(\$12,000,000)
<b>State Expenditures</b>			
Cash Funds			
CWCB Construction Fund	\$1,225,000		\$36,000,000
<b>FTE Position Change</b>			
<b>Effective Date:</b> The bill was signed by the Governor and became law on June 7, 2010.			
<b>Appropriation Summary for FY 2010-2011:</b> See State Appropriations section.			
<b>Local Government Impact:</b> See Local Government Impact section.			

**Summary of Legislation**

This bill appropriates and transfers funds from the Colorado Water Conservation Board (CWCB) for FY 2010-11 for certain water-related projects, restores funding to the Flood Response Fund. It also transfers \$12 million per year to the CWCB from the Perpetual Base Account of the Severance Tax Trust Fund for the purchase of water from the Animas-La Plata Project.

**Background**

The CWCB construction fund was created in 1971 to provide low-interest loans for water projects. Revenues for this revolving loan fund come from interest earned on outstanding loans and the fund's cash balance in the state treasury, and royalty distributions from federal mineral leases.

**State Transfers and Diversions**

**Flood Response Fund.** In FY 2010-11, HB 10-1250 transfers up to \$300,000 from the unreserved cash in the CWCB Construction Fund to the Flood Response Fund to restore the unencumbered balance to \$300,000. The flood response fund is used for flood preparedness and response and recovery activities following flood events and disasters.

**CWCB Construction Fund.** This bill transfers \$36 million from the Perpetual Base Account to the CWCB for the purchase of all or a portion of Colorado's allotment of water from the Animas-La Plata Project. Although not specified in the bill, the fiscal note assumes the funds will be transferred to the construction fund. The transfer will occur in three consecutive \$12 million annual installments on June 30 of each year, beginning June 30, 2011.

**State Expenditures**

This bill spends \$1,225,000 for FY 2010-11 from the CWCB Construction Fund. In FY 2012-13, the fiscal note assumes that the CWCB will pay \$36 million for the purchase of up to 10,460 acre feet of water from the Animas-La Plata Project. The projects for which moneys are appropriated are shown in Table 1.

<b>Table 1. Appropriations for Water-Related Projects in HB 10-1250</b>	
<b>Project</b>	<b>Amount</b>
<b>Satellite Monitoring System Maintenance</b> – for Division of Water Resources activities related to installing, maintaining, and operating satellite monitored stream gauges for water rights administration.	\$250,000
<b>Instream Flow Engineering and Technical Support Services</b> – provides engineering support to assist CWCB staff in technical analysis and expert testimony needed to resolve instream water right acquisitions and appropriations.	\$50,000
<b>Weather Modification Program</b> – provides assistance to water conservation and conservancy districts with the development of cloud seeding programs to provide benefits to recreation, streams, and reservoirs through snowpack enhancement.	\$175,000
<b>Floodplain Map Modernization Program</b> – provides assistance to communities to revise and improve floodplain studies and maps.	\$500,000
<b>Watershed Restoration Program</b> – provides planning and engineering studies, including implementation measures, to address technical needs for watershed restoration and flood mitigation projects throughout the state.	\$250,000
<b>TOTAL</b>	<b>\$1,225,000</b>

**Local Government Impact**

The majority of projects funded under HB 10-1250 will benefit local water districts.

**State Appropriations**

For FY 2010-11, the bill appropriates:

- \$975,000 to the Department of Natural Resources, CWCB, from the CWCB Construction Fund; and
- \$250,000 to the Department of Natural Resources, Division of Water Resources from the CWCB Construction Fund.

**Departments Contacted**

Natural Resources