

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 19, 2010)

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

Date: April 22, 2010
Bill Status: Senate Appropriations
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
State Revenue			
State Transfers or Diversions			
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)
State Expenditures			
Cash Funds			
CWCB Construction Fund	\$1,225,000		\$36,000,000
FTE Position Change			
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.			
Appropriation Summary for FY 2010-2011: See State Appropriations section.			
Local Government Impact: See Local Government Impact section.			

Summary of Legislation

This bill, *as amended by the Senate Agriculture and Natural Resources Committee*, 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.

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

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