



By March 1, 2007, the board is required to submit a report of its findings to the General Assembly. The section is repealed July 1, 2008.

### **State Revenues**

The reallocation of staff from fee generating activities will result in a revenue reduction of \$21,000 for the CGS in FY 2006-07.

### **State Expenditures**

Total state expenditures under SB06-193 are anticipated to be at least \$146,000 in FY 2006-07. The study is conducted by the CWCB with assistance from both the Division of Water Resources (DWR) and the Colorado Geological Survey (CGS). The DWR assistance will be in a support roll not requiring any additional expenditures. The CGS' involvement will be more significant and requires Severance Tax Trust Fund expenditures of \$21,000. Cost estimates assume that there will be no well drilling. Additionally, initial findings of this study may indicate the need for additional research activities and costs in later years.

***Colorado Water Conservation Board.*** The CWCB estimates costs of \$125,000 in FY 2006-07. The CWCB is charged with the oversight of this project. This bill's broad language will require the board to clarify the scope of the study. Currently, it is expected that the study will involve definition of the characteristics of a suitable underground storage site, identification of sites that have water available for recharge, and an investigation of legal issues with the proposed method of water storage. Conducting the study will involve the following steps:

- further examination of the study scope and determination of project deliverables;
- bidding out of study components to contract consultants;
- project management; and
- report generation.

CWCB costs for the study are as follows:

- \$25,000 - Project management; and
- \$100,000 - Consultant costs.

***Colorado Geological Survey.*** The CGS estimates costs of at least \$21,000 in FY 2006-07. The CGS was responsible for the initial underground water storage report that is indicated within the bill and it has unique experience in understanding the geological components of underground water storage. Its participation in the project is expected to be significant enough to require the following cost:

- \$21,000 - Three months of physical science researcher time will be required to assist in determining project scope and analyzing geological components of the study.

The CGS costs will come from the Severance Tax Trust Fund. Additionally, in FY 2006-07 the CGS will experience a \$21,000 expenditure reduction due to the reallocation of staff from fee generating activities. This impact mirrors the revenue impact noted above.

### **State Appropriations**

For FY 2006-07, the fiscal note indicates an appropriation of \$125,000 to the Department of Natural Resources. Of the total amount, \$125,000 is cash funds from the Colorado Water Conservation Board Construction Cash Fund, \$21,000 is cash funds from the Operational Account of the Severance Tax Trust Fund, and \$21,000 is a reduction in cash funds from fees.

### **Departments Contacted**

Natural Resources