



*Colorado Legislative Council Staff Fiscal Note*  
**STATE and LOCAL  
 FISCAL IMPACT**

**Drafting Number:** LLS 07-0220  
**Prime Sponsor(s):** Sen. Penry  
 Rep. Pommer

**Date:** January 31, 2007  
**Bill Status:** Senate Agriculture  
**Fiscal Analyst:** Bill Goosmann (303-866-3561)

**TITLE:** CONCERNING CLARIFICATION OF STATUTES GOVERNING THE ADMINISTRATION OF WATER COURT-APPROVED PLANS FOR AUGMENTATION.

<b>Fiscal Impact Summary</b>	<b>FY 2007-2008</b>	<b>FY 2008-2009</b>
<b>State Revenue</b>	\$0	\$0
<b>State Expenditures</b>		
General Fund	\$115,209	\$115,209
<b>FTE Position Change</b>	1.0 FTE	1.0 FTE
<b>Effective Date:</b> Upon signature of the Governor.		
<b>Appropriation Summary for FY 2007-2008:</b> See the State Appropriations section in the fiscal note.		
<b>Local Government Impact:</b> Potential increase the burden on smaller utilities related to the requirements of augmentation plans.		

**Summary of Legislation**

This bill clarifies existing water law by: (1) requiring that water court decrees contain sufficient terms and conditions to prevent injury to vested water rights; and (2) prohibiting the state engineer from limiting out-of-priority diversion made in compliance with decreed augmentation plans.

**State Expenditures**

For FY 2007-08 and 2008-09, expenditures by the Division of Water Resources in the Department of Natural Resources will increase \$115,209 for additional legal services. This impact arises from a review of augmentation plans as detailed in the table below.

<b>Expenditure Detail Review of Augmentation Plans</b>	
Number of augmentation plans each year	170
Percent of augmentation plans subject to litigation	25%
Number of augmentation plans subject to litigation	42.5
Number of AG hours per litigated augmentation plan	40
Total number of hours for AG review	1,700
AG hourly rate	\$67.77
Total legal bill	\$115,209

### **Local Government Impact**

Some smaller utilities currently rely on the authority of the Division of Water Resources to address injuries related to augmentation plans. A change in that authority may increase the burden on these smaller utilities and individuals relative to the administration of augmentation plans.

### **State Appropriations**

For FY 2007-08, the fiscal note indicates that the Department of Natural Resources will require a General Fund appropriation of \$115,209. The Department of Law will require a cash fund exempt transfer of \$115,209, plus authority for 1.0 FTE to accommodate the additional workload.

### **Departments Contacted**

Natural Resources	Law
Local Affairs	Judicial
Special Districts	