



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

**Drafting Number:** LLS 11-0849  
**Prime Sponsor(s):** Rep. Sonnenberg  
 Sen. Schwartz

**Date:** March 4, 2011  
**Bill Status:** House Agriculture  
**Fiscal Analyst:** Lauren Ris (303-866-3264)

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

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
<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 CWCB Construction Fund the Litigation Fund	up to (\$700,000)	
<b>State Expenditures</b>		
Cash Funds		
CWCB Construction Fund	\$13,975,000	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2011-2012:</b> See State Appropriations section.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

This bill appropriates funds from the Colorado Water Conservation Board (CWCB) Construction Fund for specific water-related projects in FY 2011-12. The bill also transfers funding from the CWCB Construction fund to restore the balance of the state's flood response fund and the water litigation fund.

**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 and royalty distributions from federal mineral leases.

**State Transfers and Diversions**

**Flood Response Fund.** In FY 2011-12, the bill transfers up to \$300,000 from 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.

**Litigation Fund.** In FY 2011-12, the bill transfers up to \$700,000 from unreserved cash in the CWCB Construction Fund to the litigation fund created in Section 37-60-121 (2.5), C.R.S. for litigation involving water users, instream flow rights, Colorado's allocations of water in interstate streams and rivers, and to ensure maximum beneficial use.

**State Expenditures**

This bill spends \$13,975,000 in FY 2011-12 from the CWCB Construction Fund. The projects for which moneys are appropriated are shown in Table 1.

<b>Table 1. Appropriations for Water-Related Projects in HB 11-1274</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.	\$300,000
<b>Water Conservation Data Tracking</b> – to create database tools to track demands, including conservation potential and the costs and benefits of water conservation.	\$250,000
<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>Flood Plain Map Modernization Program</b> – provides assistance to communities to revise and improve flood plain 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>Arkansas River Decision Support System</b> – implementation of the system will include irrigated acreage mapping, parcel delineation, and surface and groundwater data collection.	\$500,000
<b>Animas-La Plata Project</b> – for purchasing all or a portion of Colorado's allotment of Animas-La Plata project water.	\$12,000,000
<b>TOTAL</b>	<b>\$13,975,000</b>

**Local Government Impact**

The majority of projects funded under the bill will benefit local water districts.

**State Appropriations**

For FY 2011-12, the bill appropriates:

- \$300,000 to the Department of Natural Resources, Division of Water Resources, from the CWCB Construction Fund; and
- \$13,675,000 to the Department of Natural Resources, CWCB, from the CWCB Construction Fund.

**Departments Contacted**

Natural Resources