



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

Drafting Number: LLS 12-0849	Date: April 2, 2012
Prime Sponsor(s): Sen. Schwartz Rep. Baumgardner	Bill Status: Senate Agriculture 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 2012-2013	FY 2013-2014
State Revenue		
State Transfers or Diversions Transfer from the Perpetual Base Account of the Severance Tax Trust Fund to the Colorado Water Conservation Board Construction Fund	\$43,00,000	
State Expenditures Cash Funds Colorado Water Conservation Board Construction Fund	\$27,575,000	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: 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 2012-13. The bill also:

- transfers funding from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund to fund two projects;
- clarifies that the State Engineer is authorized to receive and expend contributions from the CWCB;
- changes the Water Supply Reserve Account to the Water Supply Reserve Fund; and
- requires the Interbasin Compact Committee to submit an annual report to the House Committee on Agriculture, Livestock, and Natural Resources, and the Senate Committee on Agriculture, Natural Resources, and Energy on the status of interbasin compact negotiations and how moneys from the Water Supply Reserve Fund were allocated.

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

In FY 2012-13, the bill transfers from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund:

- \$30,000,000 for the Rio Grande cooperative project, including improvements associated with the Beaver Park Reservoir and the Rio Grande Reservoir; and
- \$13,000,000 for the implementation of the Chatfield Reservoir reallocation project.

State Expenditures

This bill spends \$27,575,000 in FY 2012-13 from the CWCB Construction Fund. The projects for which moneys are appropriated are shown in Table 1.

Table 1. Appropriations for Water-Related Projects in HB 12-1278	
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.	\$300,000
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
Flood Plain Map Modernization Program – provides assistance to communities to revise and improve flood plain 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.	500,000
Flood Response Fund – used for flood preparedness and response and recovery activities following flood events and disasters.	300,000
Colorado River Water Availability Study – to continue model development, formulate and evaluate water demand alternatives, and perform a risk management analysis on various Colorado river issues.	2,000,000

Table 1. Appropriations for Water-Related Projects in HB 12-1278 (Cont.)	
Project	Amount
South Platte Groundwater Data Collection and Analysis Project – to collect and analyze groundwater data along the South Platte River, to update and enhance the South Platte decision support system, and construct test projects.	500,000
Alternative Agriculture Water Transfer Sustainability Grant Program – to continue to develop and implement a statewide competitive grant program to advance various agricultural transfer methods.	1,000,000
Rio Grande Cooperative Project – to participate in the planning, design, and rehabilitation of the Rio Grande Reservoir.	5,000,000
Chatfield Reservoir Reallocation Project – to participate in the implementation of the Chatfield Reservoir reallocation project.	5,000,000
Animas-La Plata Project – for purchasing all or a portion of Colorado's allotment of Animas-La Plata project water.	12,000,000
Legal Support for Litigation – to provide legal support and funding for litigation of protests of individual water rights on the State Engineer's abandonment list.	300,000
TOTAL	\$27,575,000

Local Government Impact

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

State Appropriations

For FY 2012-13, the bill appropriates \$27,575,000 to the Department of Natural Resources, from the CWCB Construction Fund.

Departments Contacted

Natural Resources