

**STATE AND LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0855
Prime Sponsor(s): Sen. Schwartz
 Rep. Fischer

Date: February 20, 2013
Bill Status: Senate Agriculture
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TITLE: CONCERNING THE FUNDING OF COLORADO WATER CONSERVATION BOARD PROJECTS, AND MAKING APPROPRIATIONS IN CONNECTION THEREWITH.

Fiscal Impact Summary	FY 2012-13	FY 2013-14	FY 2014-15
State Revenue			
State Transfers or Diversions			
Transfer from the Severance Tax Perpetual Base Fund of the Severance Tax Trust Fund to the Colorado Water Conservation Board Construction Fund		\$2,000,000	\$28,000,000
Transfer from the Colorado Water Conservation Board Construction Fund to the Flood and Drought Response Fund	\$300,000		
State Expenditures			
Cash Funds			
Colorado Water Conservation Board Construction Fund		\$4,340,000	\$28,000,000
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 2013-14. The bill also:

- renames the Perpetual Base Account of the Severance Tax Trust Fund to the Severance Tax Perpetual Base Fund;
- renames the Operational Account of the Severance Tax Trust Fund to the Severance Tax Operational Fund;
- transfers funding from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund to fund two projects;
- transfers funding from the CWCB Construction Fund for one project;

- clarifies that the CWCB may also use instream flow water rights to improve the natural environment, using up to \$1,000,000 of existing continuous spending authority;
- authorizes the CWCB to loan an additional \$4,040,000 to the Tri-County Water Conservancy District for the Ridgway Dam Hydropower project, for a new approved total loan amount of \$13,130,000; and
- authorizes the CWCB to loan \$18,538,550 from the CWCB Construction Fund to enable the purchase of water rights for the Roxborough Water and Sanitation District water activity enterprise.

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 2013-14, FY 2014-15, and FY 2015-16, the bill transfers funding from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for the Chatfield Reservoir reallocation project and the Windy Gap Reservoir bypass channel project, as shown below.

Chatfield Reservoir reallocation project transfers:

- \$28,000,000 will be transferred on July 1, 2014 (FY 2014-15); and
- \$29,000,000 will be transferred on July 1, 2015 (FY 2015-16).

Windy Gap Reservoir bypass channel project:

- \$2,000,000 will be transferred on July 1, 2013.

The bill also transfers \$300,000 from the CWCB Construction Fund to the Flood and Drought Response Fund. The fiscal note assumes that this transfer will occur upon the bill's effective date. Moneys in the fund are used for flood preparedness and response and recovery activities following flood and drought events and disasters.

State Expenditures

This bill spends \$4,340,000 in FY 2013-14 from the CWCB Construction Fund. The projects for which moneys are appropriated are shown in Table 1.

Table 1. FY 2013-14 Appropriations for Water-Related Projects in SB 13-181	
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.	250,000
Rio Grande Forecasting Development – to improve forecasting of water supplies in the basin.	215,000
Colorado's Decision Support Systems – to fund the operations and maintenance of water management systems being developed for each major water basin.	100,000
Continuation of the Colorado River Basin Study – to support stakeholder participation, negotiations, and other work required for study implementation.	75,000
Arkansas River Decision Support System – to begin implementing Arkansas River decision support efforts, including data collection and compilation.	250,000
Statewide Water Supply Initiative – to begin work on the study's 2016 update, including reexamination of methodologies used to analyze nonconsumptive water demands, hydrologic analyses, climate change, and drought planning.	225,000
South Platte River Basin Groundwater Level Data Collection and Analysis – to compile and evaluate available relevant data and create a groundwater database for the South Platte River watershed.	250,000
Windy Gap Reservoir Bypass Channel Project – to participate in the project's planning, design, and construction.	2,000,000
TOTAL	\$4,340,000

Local Government Impact

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

State Appropriations

For FY 2013-14, the bill appropriates \$4,340,000 to the Department of Natural Resources, from the CWCB Construction Fund.

Departments Contacted

Natural Resources