

**STATE and LOCAL  
FISCAL IMPACT**

**Drafting Number:** LLS 14-0173  
**Prime Sponsor(s):** Sen. Brophy  
 Rep. Fischer

**Date:** February 4, 2014  
**Bill Status:** Senate Agriculture  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**SHORT TITLE:** TREAT PREFLOOD GROUNDWATER DEPLETIONS AS REPLACED

Fiscal Impact Summary	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Increased workload.	
FTE Position Change		
Appropriation Required: None.		

**Summary of Legislation**

This bill requires that the state engineer and water judges treat all out-of-priority groundwater depletions in Water Division 1 (South Platte River Basin), districts 1 through 7 and 64, that occurred on or before September 12, 2013, as having been fully replaced.

**Background**

Augmentation and substitute supply plans enable a junior water user to use water ahead of a senior water user (out-of-priority) by providing a mechanism to replace the water consumed. Replacement water can come from any legally available source.

**State Expenditures**

This bill is expected to increase workload in the Division of Water Resources in the Department of Natural Resources. The division currently receives approximately 280 annual projections for well pumping from water users in the specified water districts. The division will audit the projections and verify that depletions have been recalculated correctly in all affected augmentation plans. This is estimated to require an average of 4 hours per plan for a total of 1,115 hours of staff time, or the equivalent of about 0.5 FTE. Rather than increase staffing, the fiscal note assumes that the division will delay water accounting reviews that are not subject to court-mandated deadlines until the audit is complete. This approach will not require new appropriations.

**Local Government Impact**

Some local governments in Water Division 1 may experience an impact from this bill. A local government that sells replacement water to junior water users may see a reduction in revenue as the demand for its water decreases. To the extent that the 2013 floods did not actually replace

out-of-priority groundwater depletions, a local government that receives water from an augmentation plan could experience a reduction in its water supply. Specific impacts on local governments cannot be estimated for the fiscal note.

**Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

Cities

Counties

Judicial

Natural Resources