

**STATE
FISCAL IMPACT**

Note: This fiscal note is provided pursuant to Joint Rule 22 (b) (2) and reflects strike-below Amendment L.001.

| | |
|-------------------------------------|--|
| Drafting Number: LLS 15-0741 | Date: February 17, 2015 |
| Prime Sponsor(s): Rep. Brown | Bill Status: House Agriculture |
| Sen. Sonnenberg | Fiscal Analyst: Clare Pramuk (303-866-2677) |

BILL TOPIC: SOUTH PLATTE RIVER MAINSTEM STORAGE STUDY

| Fiscal Impact Summary* | FY 2015-2016 | FY 2016-2017 |
|---|-------------------------|--------------|
| State Revenue | | |
| State Expenditures | <u>\$937,959</u> | |
| General Fund | 937,959 | |
| FTE Position Change | | |
| Appropriation Required: \$937,959 - Department of Natural Resources (FY 2015-16) | | |

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

With amendment L.001, this bill requires the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR) to study the feasibility of supplementing water supplies in the South Platte River basin through the construction of one or more reservoirs in the basin and the importation of water into Colorado from the Missouri River basin. The goals of the study are to:

- assess the suitability of storage sites in the South Platte River basin including Tamarack Ranch State Wildlife Area and the Narrows Project near Fort Morgan;
- estimate the volume of water delivered to Nebraska in excess of the amounts required under the South Platte River compact for each of the previous 20 years;
- assess the feasibility of constructing new reservoirs at one or more storage sites; and
- using existing data and research, assess the feasibility of constructing a pipeline to import water into Colorado from the Missouri River basin.

The CWCB will provide an update on the study to the Water Resources Review Committee, the Governor's Office, the Executive Director of the DNR, and the General Assembly's applicable committees of reference by October 31, 2015, and complete the study no later than December 31, 2015. The CWCB will provide a report summarizing the study to the Governor's Office and the committees of reference by February 15, 2016. The CWCB will also include the findings from the study in the Colorado Water Plan.

State Expenditures

This bill will increase expenditures in the CWCB in the DNR by \$937,959 in FY 2015-16 only. Because no source of funding is identified, General Fund is assumed. The costs are associated with hiring contractors to conduct two feasibility studies. These costs are based on similar feasibility studies contracted by the CWCB.

Reservoir Feasibility Study. Table 1 shows the detailed costs for a feasibility study to construct one or more reservoirs in the South Platte Basin.

| Table 1. Expenditures Under HB15-1167 for the Reservoir Study | | | |
|--|----------------|--------------|-------------------|
| Cost Components | Rate/hr | Hours | Total Cost |
| Purpose and need | \$150 | 40 | \$6,000 |
| Reservoir site analysis | 150 | 258 | 38,700 |
| Environmental and institutional constraints | 180 | 120 | 21,600 |
| Preliminary engineering and cost analysis | 150 | 344 | 51,600 |
| Project management | 200 | 120 | 24,000 |
| SUBTOTAL | | | \$141,900 |
| 5% Contingency | | | \$7,095 |
| TOTAL STUDY COST | | | \$148,995 |

Pipeline Feasibility Study. Although existing data will be used, there is still a considerable amount of analysis to conduct a pipeline feasibility study. Table 2 shows these costs.

| Table 2. Expenditures Under HB15-1167 for the Pipeline Study | | | |
|---|----------------|--------------|-------------------|
| Cost Components | Rate/hr | Hours | Total Cost |
| Purpose and need | \$150 | 172 | \$25,800 |
| Water supply and demand | 150 | 344 | 51,600 |
| Environmental and institutional constraints/enhancements | 180 | 688 | 123,840 |
| Alignment alternatives | 150 | 688 | 103,200 |
| Infrastructure analysis and engineering | 150 | 1,032 | 154,800 |
| Water law analysis | 250 | 344 | 86,000 |
| Project quality and control plan | 200 | 344 | 68,800 |
| Project management | 200 | 516 | 103,200 |
| SUBTOTAL | | | \$717,240 |
| 10% Contingency | | | \$71,724 |
| TOTAL STUDY COST | | | \$788,964 |

Excess water to Nebraska estimate. CWCB staff will use existing data to estimate the volume of water delivered to Nebraska in excess of the amounts required under the South Platte River compact for each of the previous 20 years. This additional workload can be addressed within existing appropriations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2015-16, the Department of Natural Resources requires a General Fund appropriation of \$937,959.

State and Local Government Contacts

Natural Resources

Counties

Municipalities