

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0867	Date: April 15, 2015
Prime Sponsor(s): Sen. Sonnenberg Rep. Vigil	Bill Status: Senate Agriculture Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: CO WATER CONSERVATION BD CONSTRUCTION FUND PROJECT

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Transfers	\$0	
Cash Funds	up to (3,400,000)	
Cash Funds	up to 3,400,000	
State Expenditures	<u>\$5,580,000</u>	
Cash Funds	5,580,000	
FTE Position Change		
Appropriation Required: \$5,580,000 - Department of Natural Resources (FY 2015-16)		

* This summary shows changes from current law under the bill for each fiscal year. Transfers and diversions result in no net change to state revenue. Parentheses indicate a decrease in funds.

Summary of Legislation

The bill appropriates \$5,580,000 from the Colorado Water Conservation Board (CWCB) Construction Fund for specific water-related projects in FY 2015-16. The bill also authorizes:

- five cash fund transfers totaling up to \$3,400,000 in FY 2015-16;
- extending the Stream Restoration Grant Account until July 1, 2017; and
- accounting for variation in the amount of money loaned for the Chatfield Reallocation Project.

Background

The CWCB Construction Fund was created in 1971 to provide low-interest loans for water projects. Revenue for this revolving loan fund comes from interest earned on outstanding loans and the fund's cash balance and royalty distributions from federal mineral leases.

Based on the March 2015 Legislative Council Staff economic forecast, and including the three severance tax transfers from this bill, proportional reductions to Tier II programs are not anticipated in either FY 2015-16 or FY 2016-17.

State Revenue

State transfers. This bill transfers up to \$3,400,000 as follows:

- Up to \$500,000 from the CWCB Construction Fund to restore the unencumbered balance of the Flood and Drought Response Fund for responding to flood and drought events;
- \$200,000 from the CWCB Construction Fund to restore the unencumbered balance to the Litigation Fund to continue litigation support for the CWCB;
- \$1,200,000 from the Severance Tax Operational Fund to the CWCB Construction Fund for the Development of Modern Tools for Determining Large Rain Events for Regulating and Designing Dam Spillways;
- \$1,000,000 from the Severance Tax Operational Fund to the CWCB Construction Fund for the Watershed Restoration Program; and
- \$500,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund to continue the Watershed Restoration Program.

State Expenditures

The bill expends \$5,580,000 in FY 2015-16 from the CWCB Construction Fund. The projects for which moneys are appropriated are shown in Table 1.

Table 1. FY 2015-16 Appropriations for Water-Related Projects in SB15-253	
Cost Components	FY 2015-16
Satellite Monitoring System Maintenance – to renovate existing gauging stations, replace outdated collection platforms; upgrade transmission components of the satellite monitoring system; funding for stream gauge flood hardening projects; and data collection efforts related to flood forecasting and warning.	\$330,000
Colorado Floodplain Map Modernization Program – to continue assistance to communities to revise and improve floodplain studies and maps.	500,000
Watershed Restoration Program – to provide planning and engineering studies, including implementation measures, to address technical needs for watershed restoration and flood mitigation projects throughout the state.	1,500,000
Arkansas River Decision Support System – to continue implementation of the Arkansas River decision support system.	1,000,000
USDA Regional Conservation Partnership Program – to provide technical assistance to applicants and participants in the regional conservation partnership program.	500,000
Water Conservation Planning and Data Tracking Tools – to implement technical activities related to conservation planning and data tracking.	100,000
Colorado Mesonet Project - to support the project at the Colorado Climate Center at Colorado State University.	150,000
Development of Modern Tools for Determining Large Rain Events for Regulating and Designing Dam Spillways – to participate in the development of modern tools and methods for determining large rain events for regulating and designing dam spillways in the state.	1,200,000
Weather Modification Program – to provide 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

Cost Components	FY 2015-16
South Platte River Basin Groundwater Level Data Collection, Analysis, and Remediation – to construct, maintain, and monitor dewatering infrastructure; cover dewatering well pumping costs; evaluate causes of and remediation efforts for high ground water levels; monitor, collect and analyze groundwater data; and perform groundwater modeling.	125,000
TOTAL	\$5,580,000

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 an appropriation of \$5,580,000 from the CWCB Construction Fund.

Local Government Impact

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

State and Local Government Contacts

Natural Resources Law