


Colorado Legislative Council Staff Fiscal Note
STATE and LOCAL
REVISED FISCAL IMPACT
(replaces fiscal note dated April 9, 2012)

Drafting Number: LLS 12-0849	Date: April 13, 2012
Prime Sponsor(s): Sen. Schwartz	Bill Status: Senate Appropriations
Rep. Baumgardner	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 2012-13	FY 2013-14	FY 2014-15
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	\$20,000,000	\$15,000,000	\$8,000,000
State Expenditures Cash Funds Colorado Water Conservation Board Construction Fund	\$28,650,857		
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, *as amended by the Senate Agriculture, Natural Resources and Energy Committee*, 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, FY 2013-14, and FY 2014-15, the bill transfers funding from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund for the Rio Grande cooperative project and the Chatfield Reservoir reallocation project. Each project will receive transfers in two installments.

Rio Grande cooperative project transfers:

- \$15,000,000 will be transferred on July 1, 2012 (FY 2012-13), and
- \$15,000,000 will be transferred on July 1, 2013 (FY 2013-14);

Chatfield Reservoir reallocation project:

- \$5,000,000 will be transferred on January 1, 2013 (FY 2012-13), and
- \$8,000,000 will be transferred on July 1, 2014 (FY 2014-15).

State Expenditures

This bill spends \$28,650,857 in FY 2012-13 from the CWCB Construction Fund. The projects for which moneys are appropriated are shown in Table 1.

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

Table 1. Appropriations for Water-Related Projects in HB 12-1278 (Cont.)	
Project	Amount
Phreatophyte Control Cost-Sharing Program – for efforts to control the growth of Tamarisk and other invasive phreatophyte ("water loving") vegetation.	1,000,000
Continuation of the Colorado River Water Availability Study – to determine how much water from the Colorado River Basin System is available to meet Colorado’s future water needs under alternate hydrologies.	2,000,000
South Platte Groundwater Level Data Collection and Analysis – to compile and evaluate available relevant data and create a groundwater database for the South Platte River watershed.	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
National Hydrography Dataset – for the State Engineer's Office to provide geographic information system analysis support related to consumptive use, water rights, dam break inundation, and interstate compacts.	75,857
TOTAL	\$28,650,857

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 \$28,650,857 to the Department of Natural Resources, from the CWCB Construction Fund.

Departments Contacted

Natural Resources