



**Colorado
Legislative
Council
Staff**

HB16-1256

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

| | |
|-------------------------------------|--|
| Drafting Number: LLS 16-0630 | Date: February 29, 2016 |
| Prime Sponsor(s): Rep. Brown | Bill Status: House Agriculture |
| Sen. Sonnenberg | Fiscal Analyst: Clare Pramuk (303-866-2677) |

BILL TOPIC: SOUTH PLATTE WATER STORAGE STUDY

| Fiscal Impact Summary | FY 2016-2017 | FY 2017-2018 |
|--|-------------------------|---------------------|
| State Revenue | Possible increase. | |
| <i>State Revenue</i> | | |
| Gifts, Grants, and Donations | Possible increase. | |
| <i>State Transfers</i> | | |
| Severance Tax Perpetual Base Fund | (\$250,000) | |
| CWCB Construction Fund | 250,000 | |
| State Expenditures | <u>\$211,168</u> | |
| Cash Funds | 211,168 | |
| TABOR Impact | Possible increase. | |
| Appropriation Required: \$211,168 - Department of Natural Resources (FY 2016-17). | | |
| Future Year Impacts: None. | | |

Summary of Legislation

The Colorado Water Conservation Board (CWCB), in collaboration with the State Engineer in the Department of Natural Resources (DNR), are required to conduct or commission a hydrology study of the South Platte River Basin to estimate, for each of the previous 20 years, the volume of water that has been delivered to Nebraska in excess of that required in the South Platte River Compact that could have been stored in the basin. The study must also identify possible sites for construction of a new reservoir along the mainstream and tributaries of the South Platte River between Greeley and Julesburg, Colorado. The study must include for each site:

- estimates of the volume of water that could have been stored annually;
- listing of any property purchased for construction of the site by the federal government;
- estimates of the costs to construct a reservoir; and
- a cost-benefit analysis for constructing a reservoir at the site that includes issues identified in the bill.

The study must be completed by November 30, 2016. A report summarizing the study must be provided to the committees of reference for natural resources by January 20, 2017.

The CWCB may accept gifts, grants, and donations for the study. The study requirement is not dependent on the receipt of gifts, grants, and donations. The bill includes a transfer of \$250,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund on July 1, 2016.

State Revenue

This bill may increase state cash fund revenue from gifts, grants, and donations but no source of such funding has been identified.

TABOR Impact

This bill may increase state revenue from grants, which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

State Expenditures

This bill increases state cash fund expenditures by \$211,168 in FY 2016-17 only from the CWCB Construction Fund in the DNR.

Reservoir Feasibility Study. The CWCB will hire a contractor to conduct the reservoir feasibility study required by the bill. The cost components of the study are identified in Table 1 below and are based on similar feasibility studies contracted by the CWCB. DNR staff from the CWCB and the Division of Water Resources will provide data to the contractor and manage the study contract which is estimated to require 100 hours of staff time. This workload increase can be addressed within existing appropriations.

| Table 1. Expenditures Under HB16-1256 for the Reservoir Study | | | |
|--|----------------|--------------|-------------------|
| Cost Components | Rate/hr | Hours | Total Cost |
| Purpose and need | \$150 | 50 | \$7,500 |
| Reservoir site analysis | 150 | 325 | 48,750 |
| Environmental and institutional constraints | 180 | 145 | 26,100 |
| Preliminary engineering and cost analysis | 150 | 500 | 75,000 |
| Project management | 200 | 145 | 29,000 |
| Final report | 200 | 50 | 10,000 |
| SUBTOTAL | | | \$196,350 |
| 5% Contingency | | | 9,818 |
| Administrative Costs | | | 5,000 |
| TOTAL | | | \$211,168 |

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 2016-17, the Department of Natural Resources requires a cash fund appropriation of \$211,168 from the CWCB Construction Fund.

State and Local Government Contacts

Information Technology

Natural Resources

Research Note Available

An LCS Research Note for HB16-1256 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.