



**Colorado
Legislative
Council
Staff**

Bill 10

FISCAL NOTE

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

Drafting Number: LLS 18-0219
Prime Sponsor(s):

Date: October 26, 2017
Bill Status: Water Resources Review
Committee Bill Request
Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: STUDY MITIGATE HIGH WATER TABLE NEAR GILCREST

Fiscal Impact Summary	FY 2017-18 <i>(current fiscal year)</i>	FY 2018-19	FY 2019-20
State Revenue			
Cash Funds	Potential gifts, grants, and private donations.		
State Expenditures	\$86,400	\$1.8 million	
General Fund			
Cash Funds	86,400	1.8 million	
Appropriation Required: \$86,400 - Department of Natural Resources (FY 2017-18) \$1,820,875 - Department of Natural Resources (FY 2018-19)			
Future Year Impacts: Ongoing expenditure impact through FY 2023-24			

Summary of Legislation

Pursuant to House Bill 12-1278, the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR) contracted with Colorado State University to prepare an evaluation of the causes of high groundwater levels in certain areas near Gilcrest, Colorado, and to provide information for use in mitigating adverse impacts in areas experiencing high groundwater levels.

This bill, **requested by the Water Resources Review Committee**, requires that the CWCB enter into a new contract with a qualified engineering consultant to:

- analyze existing hydrological data for a pilot project in the area surrounding Gilcrest;
- determine the current causes of rising groundwater levels in that area;
- propose management details of a five-year pilot project; and
- once implemented, document the success or failure of the pilot project to stop or reduce the rising groundwater levels.

A report summarizing the engineering study must be presented to the CWCB no later than August 31, 2018, and result in specific proposed action items to stop or reduce rising groundwater levels. The report must also contain a time-line and the expected costs to implement those action items. Following submission of this report, the CWCB is required to provide for the management

of the five-year project, which must begin no later than April 1, 2019, and terminate by June 30, 2024. The costs of the study are to be paid from private gifts, grants, or donations, and from the CWCB Construction Fund. The act is repealed September 1, 2025.

State Revenue

The bill authorizes the CWCB to seek, accept, and spend gifts, grants, or donations from private or public sources to pay for the engineering study and the pilot project. As of this date, no source of private funding has been identified.

State Expenditures

For FY 2017-18 only (the current fiscal year), the bill increases state expenditures by \$86,400 to conduct an engineering study.

For FY 2018-19, a preliminary estimate of the cost to implement a five-year pilot project is \$1.8 million from the CWCB Construction Fund, based on initial analysis and estimates prepared by the CWCB. The estimated cost for the pilot project is preliminary; the actual cost of conducting the pilot project, including any action items, time-lines, and measure of effectiveness, will be determined by the contracted engineering study.

Contracted engineering consultant. Based on similar studies conducted for the CWCB in the past, an engineering study to specify a five-year groundwater mitigation plan and pilot project is anticipated to cost \$86,400. The contracted study will require approximately 120 hours of review and analysis of existing hydrologic data, and an estimated 360 hours of modeling and simulations, plan development, and preparation of a final report, at a blended rate of \$180 per hour for contracted project engineers.

Technical Note

The bill requires that a report summarizing the engineering study be completed by August 31, 2018, one month into the upcoming fiscal year, and that the recommended five-year pilot project commence no later than April 1, 2019, which is the last quarter of the upcoming fiscal year (FY 2018-19). This fiscal note has estimated the cost to contract for an engineering study in the current fiscal year (FY 2017-18), which must be made available to the DNR as a supplemental appropriation unless the bill is amended to adjust the existing due date. In order for the DNR to have sufficient resources to implement the pilot project beginning April 1, 2019, the department will require an appropriation of approximately \$1.8 million; however, the actual amount of funding for the pilot project will be determined by the contracted engineering study.

Effective Date

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

State Appropriations

For FY 2017-18, the Department of Natural Resources requires a supplemental appropriation of \$86,400 from the Colorado Water Conservation Board Construction Fund.

For FY 2018-19, the bill requires an appropriation of \$1,820,875 to the DNR from the CWCB Construction Fund.

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