



**Colorado  
Legislative  
Council  
Staff**

**Bill 2**

**FISCAL NOTE**

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

**Drafting Number:** LLS 18-0222  
**Prime Sponsor(s):**

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

**BILL TOPIC:** AUTHORIZE WATER USE INCIDENTAL SAND & GRAVEL MINES

Fiscal Impact Summary	FY 2018-2019	FY 2019-2020
State Revenue		
State Expenditures	Minimal workload increase. See State Expenditures Section	
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> Ongoing workload increase.		

**Summary of Legislation**

Under current law, operators of sand and gravel open mines that expose groundwater to the atmosphere are required to obtain a well permit, and either:

- a replacement plan approved by the Colorado Ground Water;
- a plan for augmentation approved by the water court; or
- a substitute water supply plan approved by the State Engineer for tributary groundwater.

This bill, **requested by the Water Resources Review Committee**, allows the designated groundwater replacement plan, or the substitute water supply plan and the well permit, to authorize uses of water incidental to open mining for sand and gravel, including the mitigation of impacts from mining and dewatering, among other uses.

**Background**

Sand and gravel mines are regulated by the Minerals Program in the Division of Reclamation, Mining, and Safety in the Department of Natural Resources (DNR). The division ensures that operators have the correct permits and authorizations, which are granted by entities outside of the division.

## **State Expenditures**

The bill is anticipated to minimally increase workload for the DNR and Judicial as described below. No additional appropriations are required.

**Department of Natural Resources.** The Division of Water Resources in the DNR approves well permits and reviews water court applications and substitute water supply plans (SWSPs). There are roughly 86 SWSPs for sand/gravel mines reviewed annually and this bill is estimated to affect 10 percent of these applications. The additional application review and expansion of authorized uses will not change the nature of the division's review of these operator permits and authorizations, and is not expected to change the division's workload or require additional appropriations.

**Judicial.** The bill is anticipated to result in a minimal impact on trial courts. The incidental uses of water for gravel mining operations involve a relatively small amount of water, and are short-term in duration since the use only occurs while the mine is operational. As such, the SWSPs will account for the amount of annual water use, and objections to the plans filed in water court are anticipated to be minimal, and can be accomplished within existing appropriations.

## **Local Government**

Counties may experience modified workload efforts to adjust well permitting procedures to align with the bill's expanded flexibility.

## **Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 09, 2018, as scheduled, and no referendum petition is file, and applies to conduct occurring on or after that date.

## **State and Local Government Contacts**

Information Technology

Judicial

Natural Resources