



**Legislative
Council Staff**

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FISCAL NOTE

Drafting Number: LLS 20-0327
Prime Sponsors:

Date: October 21, 2019
Bill Status: Bill Request
Fiscal Analyst: Max Nardo | 303-866-4776
Max.Nardo@state.co.us

Bill Topic: **STUDY EMERGING TECHNOLOGIES FOR WATER MANAGEMENT**

**Summary of
Fiscal Impact:**

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill directs the Colorado Water Conservation Board in the Department of Natural Resources, in collaboration with other state agencies, to conduct studies and pilot deployments of new and emerging technologies that have the potential to improve water management. The bill increases state cash fund expenditures in FY 2020-21 only.

**Appropriation
Summary:**

For FY 2020-21, the bill requires an appropriation of \$270,000 to the Department of Natural Resources.

**Fiscal Note
Status:**

The fiscal note reflects the bill draft requested by the Water Resources Review Committee.

**Table 1
State Fiscal Impacts Under Bill 3**

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	Cash Funds	\$270,000	\$270,000
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill authorizes and directs the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources, in collaboration with the Colorado Water Resources and Power Development Authority; the University of Colorado; the Colorado Water Institute; and the Office of Information Technology to conduct feasibility studies and pilot deployments of new and emerging technologies that have the potential to improve water management. The CWCB must report to the Water Resources Review Committee on the progress of the studies and provide any recommendations to promote their use by July 15, 2021, and upon the request of the committee thereafter.

The technologies to be studied or piloted must have the potential to improve monitoring, management, conservation, and trading of surface and groundwater, and to reduce inefficiency and waste in recycling, reclaiming, or disposing of produced water or wastewater. The technologies to be investigated may include:

- in-situ sensors to monitor water use;
- sensors to monitor water quality;
- cellular and satellite telemetry systems allowing remote access to sensor data;
- aerial observation platforms, including high-altitude balloons and unmanned vehicles;
- satellite-based remote sensing and water resource forecasting technologies; and
- blockchain-based documentation; communication, and authentication of data regarding water use, trading, and conservation.

Assumptions

The fiscal note makes the following assumptions:

- the CWCB will finance the studies from the CWCB Construction Fund using existing fund balance and revenue;
- the studies and pilot deployments will be completed within eleven months of the effective date of the bill, with all costs being incurred in FY 2020-21;
- six projects will be completed, including one from each category listed in the bill.

State Revenue

No specific revenue impact is identified by the fiscal note; however, in the event that the University of Colorado or the Colorado Water Institute are contracted to conduct any of the studies or pilot deployments, they may receive payment from the CWCB.

State Expenditures

For FY 2020-21 only, the bill increases state cash fund expenditures by \$270,000 from the CWCB Construction Fund in the Department of Natural Resources. Other state agencies may experience an increase in workload to collaborate in any study or pilot project.

Natural Resources. The fiscal note assumes that the CWCB will engage third parties to conduct six studies or pilot deployments at an estimated cost of \$45,000 per project (\$270,000 total). Expenditures will be from the CWCB Construction Fund.

Higher Education. The University of Colorado and the Water Institute may also experience an increase in workload to collaborate with any study or pilot deployment. No increase in appropriations is required.

Information Technology. The Office of Information Technology may experience a workload increase to collaborate with any study or pilot deployment. No increase in appropriations is required.

Statutory Public Entity

Colorado Water Resources and Power Development Authority. The Authority may experience an increase in workload to collaborate with any study or pilot project.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the bill requires an appropriation of \$270,000 from the CWCB Construction Fund.

State and Local Government Contacts

Higher Education

Information Technology

Natural Resources

