



**Colorado
Legislative
Council
Staff**

HB16-1256

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-0630

Date: August 25, 2016

Prime Sponsor(s): Rep. Brown
Sen. Sonnenberg

Bill Status: Signed into Law

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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>		
Water Supply Reserve Fund	(\$211,168)	
CWCB Construction Fund	211,168	
State Expenditures	<u>\$211,168</u>	Increased workload.
Cash Funds	211,168	
Appropriation Required: \$211,168 - Department of Natural Resources (FY 2016-17).		
Future Year Impacts: None.		

Summary of Legislation

The bill specifies the components of a study of water storage in the South Platte River Basin. To go forward, the study requires approval by the South Platte Basin and Metro Roundtables and must meet the guidelines for a grant from the Water Supply Reserve Fund. The Colorado Water Conservation Board (CWCB), in collaboration with the State Engineer in the Department of Natural Resources (DNR), and the roundtables, are required to develop the scope of work to conduct or commission a storage study of the South Platte River Basin that:

- estimates, 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;
- evaluates the amount of water that could have been stored in the basin; and
- reviews and evaluates existing storage studies.

The study must also develop a list of possible sites along the mainstream and tributaries of the South Platte River between Greeley and Julesburg, Colorado:

- for construction of a new reservoir;
- existing reservoir sites that can be enlarged; and
- for implementing an alternative storage mechanism.

The study must be completed by October 31, 2017. A report summarizing the study must be provided to the committees of reference for natural resources by December 31, 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. Conditional upon approval of the study, the bill includes a transfer of \$211,168 from the Water Supply Reserve Fund to the CWCB Construction Fund on October 15, 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.

State transfers. If the study is approved by the South Platte Basin and Metro Roundtables \$211,168 will be transferred from the Water Supply Reserve Fund to the CWCB Construction Fund on October 15, 2016.

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. This increase is conditional upon approval of the study by the South Platte Basin and Metro Roundtables.

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 through FY 2017-18. This workload increase can be accomplished 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 accomplished within existing appropriations.

Statutory Public Entity Impact

This bill will increase workload for the South Platte Basin and Metro Roundtables to consider approval of the storage study. If the study is approved, the roundtables will have an increase in workload to work with the CWCB and the State Engineer to develop the scope of the study. This workload falls under the decision making facilitated by the basin roundtable process and is expected to be accomplished within existing resources.

Effective Date

The bill was signed into law by the Governor and took effect on June 9, 2016.

State Appropriations

Consistent with the fiscal note, for FY 2016-17, the Department of Natural Resources is appropriated \$211,168 from the CWCB Construction Fund.

State and Local Government Contacts

Natural Resources