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FISCAL NOTE

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Prime Sponsors: Sen. Coram Bill Status: Senate Agriculture
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Bill Topic: CO WATER CONSERVATION BD CONSTRUCTION FUND PROJECT

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill appropriates funds from the Colorado Water Conservation Board Construction Fund in the Department of Natural Resources for specific water-related projects in FY 2018-19 and makes several cash fund transfers. Appropriations are for FY 2018-19 only, but funds for most projects are available until fully expended.

Appropriation Summary: For FY 2018-19, the bill requires an appropriation of \$24,716,894 to the Department of Natural Resources.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 18-218

Table with 4 columns: Category, FY 2017-18 (current year), FY 2018-19, FY 2019-20. Rows include Revenue, Expenditures (Cash Funds), Transfers (Cash Funds), and Total.

## **Summary of Legislation**

The bill appropriates funds from the Colorado Water Conservation Board (CWCB) Construction Fund in the Department of Natural Resources (DNR) to the CWCB or the Division of Water Resources for specific water-related projects in FY 2018-19 and makes several cash fund transfers in FY 2017-18 and FY 2018-19. The bill also:

- authorizes the CWCB to make loans of up to \$17,170,000 to repair levees within the City of Pueblo from the Severance Tax Perpetual Base Fund;
- increases the loan authorization for the Chatfield Reservoir Reallocation Project by \$11,913,960;
- increases the maximum transfer amount from the CWCB Construction Fund to the Emergency Dam Repair Cash Fund from \$50,000 to \$500,000, and allows continuous appropriation of the funds to the Division of Water Resources;
- extends the repeal date of the Natural Hazard Mapping Fund to July 1, 2019; and
- allows money transferred to the CWCB from the Colorado Healthy Rivers Fund to be continuously appropriated.

## **Background**

The CWCB Construction Fund was created in 1971 to provide low-interest loans for water projects. Revenue for this revolving loan fund comes from interest earned on outstanding loans and the fund's cash balance and distribution of royalties from federal mineral leases.

## **State Revenue**

Because this bill authorizes new loan amounts, revenue from the interest generated on water project loans will increase, but that amount will depend on the terms of the loans and cannot be determined at this time.

### **State transfers.**

The bill makes the following transfers in FY 2017-18:

- \$30,000,000 from the Loan Guarantee Fund to the Severance Tax Perpetual Base Fund;
- \$4,000,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund; and
- \$2,000,000 from the CWCB Construction Fund to the Water Supply Reserve Fund;

In FY 2018-19, the bill transfers up to \$3,000,000 from the CWCB Construction Fund as follows:

- up to \$500,000 to the Flood and Drought Response Fund to restore a \$500,000 fund balance;
- up to \$2,000,000 to the Litigation Fund; and
- \$500,000 to the Feasibility Study Small Grant Fund.

**State Expenditures**

The bill increases expenditures by \$24,716,894 in FY 2018-19 from the CWCB Construction Fund. The projects for which funds are appropriated in the bill are shown in Table 2. Funds for most projects remain available for the designated purposes until fully expended.

**Table 2  
 FY 2018-19 Appropriations for Water-Related Projects in SB18-218**

<b>Cost Components</b>	<b>FY 2018-19</b>
<b>Satellite Monitoring System Maintenance</b> – to renovate existing gauging stations; replace outdated collection platforms; upgrade transmission components of the satellite monitoring system; fund stream gauge flood hardening projects, and data collection efforts related to flood forecasting and warning.	\$380,000
<b>Colorado Floodplain Map Modernization Program</b> – to continue assistance to communities to revise and improve floodplain studies and maps.	\$100,000
<b>Arkansas River Decision Support System</b> - to continue implementation efforts identified in the Arkansas River Basin Decision Support System feasibility study.	\$500,000
<b>Weather Modification Program</b> - to continue to provide assistance to water conservation and conservancy districts and water providers with the development of cloud seeding programs to provide benefits to recreation, streams, and reservoirs through snowpack enhancement.	\$175,000
<b>Colorado Mesonet Project</b> - to support the project at the Colorado Climate Center at Colorado State University.	\$150,000
<b>Water Forecasting Partnership Project</b> - to support the development of new ground and areal remote sensing data and equipment and hydrologic modeling, to provide reliable volumetric water supply forecasting.	\$800,000
<b>Acquisition of Lidar Data</b> - to acquire light detection and ranging data to develop accurate flood hazard, debris flow, and fluvial hazard mapping.	\$200,000
<b>Technical Assistance for the Federal Irrigation Improvement Cost-sharing Program</b> - to continue to provide technical assistance and leverage funds to increase the success rate of applicants for competitive federal grant funds for the improvement of irrigation infrastructure.	\$200,000
<b>Continuation of the Chatfield Reservoir Channel Improvements</b> - to fulfill contractual obligations with the U.S. Army Corps of Engineers for the South Platte River downstream from Chatfield Reservoir.	\$200,000
<b>South Platte River Basin Groundwater Level Data Collection, Analysis, and Remediation</b> - to implement the South Platte Roundtable groundwater technical committee's recommendations.	\$500,000
<b>Chatfield Reservoir Reallocation Project</b> - to assist the Central Colorado Water Conservancy District with the project's cost increase.	\$511,894
<b>Chatfield Reallocation Ownership Cost Increase</b> - to fund the increased cost of CWCB ownership in the project. This increase will pay the CWCB's proportionate project cost increase and its assessments for the next 10 years.	\$4,000,000
<b>Colorado Water Plan</b> - to fund studies, grant-making, programs, or projects that assist in implementing the state water plan.	\$7,000,000

**Table 2**  
**FY 2018-19 Appropriations for Water-Related Projects in SB18-218 (Cont.)**

<b>Cost Components</b>	<b>FY 2018-19</b>
<b>Watershed Restoration Program</b> – to provide planning and engineering studies, including implementation measures, to address technical needs for watershed restoration and flood mitigation projects throughout the state. (part of Colorado Water Plan implementation)	\$2,000,000
<b>Republican River Matters</b> - to fund the state's participation in Republican River matters.	\$8,000,000
<b>TOTAL</b>	<b>\$24,716,894</b>

**Local Government**

The majority of projects funded under this bill will benefit local water districts or water providers.

**Effective Date**

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

**State Appropriations**

For FY 2018-19, the bill requires an appropriation of \$24,716,894 to the Department of Natural Resources from the CWCB Construction Fund.

**State and Local Government Contacts**

Natural Resources                  Revenue