



**Colorado  
Legislative  
Council  
Staff**

**BILL 2**

**FISCAL NOTE**

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

**Drafting Number:** LLS 17-0119  
**Prime Sponsor(s):**

**Date:** September 15, 2016  
**Bill Status:** Water Resources Review  
Committee Bill Request  
**Fiscal Analyst:** Matt Becker (303-866-4785)

**BILL TOPIC:** CWCB GRANTS LOANS DREDGE S PLATTE BASIN RESERVOIRS

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b>	Potential increase from loan interest.	
<b>State Expenditures</b>	<u>up to \$5.0 million</u>	
Cash Funds	up to \$5.0 million	
<b>Appropriation Required:</b> \$5.0 million - Department of Natural Resources (FY 2017-18).		
<b>Future Year Impacts:</b> Potential state revenue increase.		

**Summary of Legislation**

For FY 2017-18, this bill appropriates \$5.0 million from the Colorado Water Conservation Board Construction Fund to the Colorado Water Conservation Board (CWCB) in the Department of Natural Resources (DNR) for loans and grants to be used for dredging Jackson and Prewitt Reservoirs, located in the South Platte River basin, in order to restore their full decreed storage capacity.

**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 from the distribution of royalties from federal mineral leases.

Jackson Reservoir is owned by the Jackson Ditch and Reservoir Company. Dredging Jackson Reservoir is estimated to cost \$3.0 million. This project will allow access to a 2,000 acre-feet (AF) dead storage pool and provide an estimated 620 AF of additional storage.

Prewitt Reservoir is owned by the North Sterling Irrigation District. Dredging Prewitt Reservoir is estimated to cost \$2.0 million. This project will remove an estimated 675,000 cubic yards of material and produce an estimated 4,300 AF of additional storage.

## State Revenue

The bill allows the CWCB to make loans from the CWCB Construction Fund. State revenue will increase if and when interest is earned on the loans; however the terms of the loans have not yet been determined. The loans are contingent upon the CWCB application process and borrower requirements. Therefore, the change in state revenue cannot be estimated.

## State Expenditures

The bill authorizes expenditures of up to \$5.0 million for the projects listed in Table 1. The funds appropriated are available in FY 2017-18, and remain available for the designated purposes until the projects are completed.

<b>Table 1. FY 2017-18 Appropriations in Bill 2</b>	
<b>Cost Components</b>	<b>FY 2017-18</b>
Jackson Reservoir Dredging - Grants	\$1,500,000
Jackson Reservoir Dredging - Loans	1,500,000
Prewitt Reservoir Dredging - Grants	1,000,000
Prewitt Reservoir Dredging - Loans	1,000,000
<b>TOTAL</b>	<b>\$5,000,000</b>

## Statutory Public Entity Impact

The Prewitt Reservoir project funded under this bill will benefit a local irrigation district, which is a statutory public entity.

## 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 bill appropriates \$5.0 million from the CWCB Construction Fund to the CWCB.

**State and Local Government Contacts**

Natural Resources

Information Technology