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FISCAL IMPACT REPORT

SPONSOR	Campos	LAST UPDATED		нв	
SHORT TITLE Renovate Morphy Lake Dam				SB	340/aSCONC
			ANAL	YST	Armstrong

APPROPRIATION (dollars in thousands)

Appropr	iation	Recurring	Fund Affected	
FY15	FY16	or Nonrecurring		
	\$2,770.0	Non-recurring	General Fund	

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Office of the State Engineer (OSE)

SUMMARY

Synopsis of SCONC Amendment

The Senate Conservation Committee amendment to Senate Bill 340 expands the purpose of the bill's appropriation to include construction and equipment. This addresses one of the concerns raised below, specifically that the original language, which was limited to planning and design activities, did not match the current project status. Design efforts are currently underway for the rehabilitation of the dam and funding is needed to construct and purchase a right-of-way.

Synopsis of Original Bill

Senate Bill 340 appropriates nearly \$2.8 million from the general fund to the Office of the State Engineer (OSE) for expenditure in FY16 for planning, design, and flood hazard studies required to renovate Morphy Lake dam.

FISCAL IMPLICATIONS

The appropriation contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 would revert to the general fund.

Senate Bill 340 – Page 2

SIGNIFICANT ISSUES

OSE analysis notes that Morphy Lake Dam is owned by Acequia de La Isla and Acequia de San Jose, and that the agency supports rehabilitation of Morphy Lake Dam as it is on the Dam Safety Bureau's priority list of dams in need of major rehabilitation.

A number of dam safety deficiencies have been identified at Morphy Lake Dam. Its current condition rating is "Poor" based on field inspection by OSE. Morphy Lake Dam was reclassified to a high hazard potential dam after recent engineering analysis for rehabilitation, meaning there is potential for loss of life if the dam fails. Preliminary design activities carried out by the dam's owners with their consulting engineers have provided concept design alternatives that will be fully developed into plans and specifications for construction. The OSE has been reviewing and commenting on these concepts and has provided guidance through the permitting process for rehabilitation. The project has a high state of readiness to continue and be completed.

SB 340 supplements FY14 and FY15 severance tax bond funding for planning and design of dam rehabilitation. However, the stated purpose of the appropriation in SB 340, which is limited to planning and design activities, does not match the current project status. Design efforts are currently underway for the rehabilitation of the dam and funding is needed to construct and purchase a right-of-way.

Another concern is the time limit SB 340 places on the funds. A general fund appropriation will revert at the end of FY16 and it is unknown if project construction can be completed in that timeframe as a revised schedule is pending from the owners.

JA/je/aml/bb/aml