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## FISCAL IMPACT REPORT

**SPONSOR** Campos **ORIGINAL DATE** 02/01/16  
**LAST UPDATED** 02/03/16 **HB** \_\_\_\_\_

**SHORT TITLE** Renovate Morphy Lake Dam **SB** 162/aSCONC

**ANALYST** Amacher

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	(\$3,050.00)	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		
	\$3,050.00		Nonrecurring	Office of the State Engineer (See Fiscal Impact)

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		\$20.00		\$20.00	Nonrecurring	General Fund (See Fiscal Impact)

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Office of the State Engineer (OSE)

## SUMMARY

### Synopsis of Senate Conservation Committee Amendment

Senate Bill 162 was amended to include construction in the scope of work to support the renovations of Morphy Lake dam. The appropriation of \$3.05 million from the general fund to the office of the state engineer for expenditure in fiscal year 2017 is for the planning, design, flood hazard studies, and construction to renovate Morphy Lake dam. Any unexpended or unencumbered balance remaining at the end of the fiscal year 2017 shall revert to the general fund.

### Synopsis of Original Bill

Senate Bill 162 appropriates \$3.05 million from the general fund to the office of the state engineer for expenditure in fiscal year 2017 for the planning, design and flood hazard studies required to renovate Morphy Lake dam. Any unexpended or unencumbered balance remaining at the end of fiscal year 2017 shall revert to the general fund.

## FISCAL IMPLICATIONS

Senate Bill 162, as amended, is an appropriation of \$3.05 million from the general fund to the office of the state engineer (OSE) for renovations to Morphy Lake Dam. In addition to this nonrecurring appropriation the OSE has indicated that the agency's budget, as supported from the general fund, effectively diverts budgeted funds that have discrete performance measures to capital projects. The OSE notes that the grant administration will require the OSE to use staff resources that are budgeted for regulation of dams and dam safety activities in the state. Grant administration tasks in 2015 redirected up to 20% of dam safety bureaus' time and diminished the ability of the staff to meet performance goals according to the OSE.

## SIGNIFICANT ISSUES

Senate Bill 162, as amended, is specific for planning, design, flood hazard studies, and construction for \$3.05 million. Through the 2014 General Appropriations Act, \$250 thousand was provided to the OSE for planning, design, and flood hazards of Morphy Lake Dam. The OSE indicates that the owners of this dam require additional funding to finalize design and initiate and complete the rehabilitation construction of the dam. However, exactly how much is needed to complete the planning, design and flood hazard studies was not identified by the OSE. The OSE did express concerns that one year may not be sufficient to complete the studies and the construction outlined in SB 162a.

## OTHER SUBSTANTIVE ISSUES

Morphy Lake dam's current condition is rated Poor based on field inspection by the OSE. In the summer of 2015, the OSE requested that the owners restrict inflows to the lake based upon the concerns of the dam's condition. The project has a high state of readiness to continue with design work as noted by the OSE.