

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

RESOLUTION B

*Temporary storage location: S:\PUBLIC\LLS\2013A\Bills\Interim\Water Resources Review
Committee\13-0107.wpd*

LLS NO. R13-0107.01 Jennifer Berman x3286

SENATE Joint Resolution

SENATE SPONSORSHIP

Roberts and Hodge, Giron, Schwartz

HOUSE SPONSORSHIP

Sonnenberg, Baumgardner, Fischer, Swerdfeger, Wilson

Senate Committees

House Committees

SENATE JOINT RESOLUTION

101 **CONCERNING THE ADVERSE EFFECTS THAT THE DIVERSION OF**
102 **REVENUES HAS HAD ON WATER INFRASTRUCTURE IN COLORADO.**

1 WHEREAS, Colorado is a semi-arid state, and much of our water
2 supply is located far from where it can be beneficially used; and

3 WHEREAS, Colorado is therefore heavily dependent upon water
4 infrastructure to move water to where it can serve the needs of our
5 agricultural, municipal, and industrial water users; and

6 WHEREAS, Our constitutional prior appropriation doctrine has
7 always promoted and protected the initiative and economic investments
8 of water users in building the water diversion, storage, and conveyance
9 infrastructure needed to put water to beneficial use; and

10 WHEREAS, Federal and state mandates have required the ongoing
11 construction, improvement, and replacement of treatment facilities for
12 drinking water and wastewater; and

*Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 WHEREAS, The approval process for these different types of
2 water facilities and infrastructure has become increasingly expensive,
3 time-consuming, and uncertain; and

4 WHEREAS, Colorado has long supported the private sector's and
5 local governments' initiative in building water infrastructure with state
6 financial incentives, primarily in the form of loans from revolving funds
7 but also with grants to local governments; and

8 WHEREAS, Due to recent difficult economic conditions and
9 consequent state budget shortfalls, the General Assembly has had to make
10 difficult choices in prioritizing its expenditures; and

11 WHEREAS, Since 2009, the General Assembly has authorized the
12 transfer of almost \$449.05 million into the general fund from sources that
13 would otherwise have been available for water infrastructure, including:
14 \$181.1 million from the perpetual base account of the severance tax trust
15 fund and \$10.25 million from the Colorado water conservation board
16 construction fund, all of which would otherwise have been available for
17 raw water infrastructure loans; and \$18.9 million from the operational
18 account of the severance tax trust fund, \$168.8 million from the local
19 government severance tax fund, \$19.1 million from the local government
20 permanent fund, and \$46 million from the local government mineral
21 impact fund, significant portions of which would otherwise have been
22 available for water infrastructure loans and grants; and

23 WHEREAS, In 2011, energy impact assistance grants were
24 suspended; and

25 WHEREAS, The diversion of such significant sums from their
26 originally intended purposes has had a devastating effect on the
27 maintenance and development of water infrastructure in Colorado; and

28 WHEREAS, To the extent that the diversion of sums intended for
29 use on water infrastructure projects has caused existing projects to be
30 delayed, that delay has been costly to Colorado. For example, the
31 Northern Integrated Supply Project has faced a five-year delay. It is
32 estimated that the delay has cost the Northern Colorado Water
33 Conservancy District between \$70 million and \$90 million, based on an
34 estimated 3.5% increase in the annual rate of construction costs, as
35 determined in accordance with the construction cost index published by
36 the *Engineering News-Record*; and

37 WHEREAS, The president and president-elect of the National
38 Conference of State Legislatures sent a letter to congressional leadership
39 that listed infrastructure as the third-highest priority that should be
40 protected during deficit reduction efforts, behind only imposing no new
41 unfunded federal mandates and improving the Medicaid program; and

42 WHEREAS, The Western States Water Council (WSWC), an
43 organization created by resolution of the Western Governors' Association,
44 noted that a recent American Society of Civil Engineers Report Card
45 gives the nation's drinking and wastewater infrastructure a "D-" grade, its

1 dams a "D," and its levees and inland waterways a "D-." The WSWC
2 concludes: "The current deplorable grade for our infrastructure impacts
3 our lives and the economy, raising public health and safety issues, as well
4 as the looming specter of future repair, rehabilitation and replacement
5 costs."; and

6 WHEREAS, Further diversions of revenues to the general fund
7 from water infrastructure will have serious, long-term, adverse effects on
8 Colorado's economic and social well-being; and

9 WHEREAS, The Water Resources Review Committee has
10 reviewed the issues raised by this Joint Resolution and strongly urges the
11 General Assembly to adopt it; now, therefore,

12 *Be It Resolved by the Senate of the Sixty-ninth General Assembly*
13 *of the State of Colorado, the House of Representatives concurring herein:*

14 That the General Assembly should remain cognizant of the
15 important role our water infrastructure plays in Colorado's economic and
16 social well-being when prioritizing its expenditures.