



March 18, 2019

To the Members of the General Assembly-

I write to you today on behalf of the State Affairs Committee of the Colorado Water Congress. The Colorado Water Congress is a membership organization consisting of over 400 members, serving as the principal voice of Colorado's water community. CWC members represent municipal, agricultural, industrial, commercial, recreation, and environmental sectors. We are farmers, municipal water providers, environmentalists, ditch companies and conservation districts. We are a headwaters state, which means that we have significant obligation to make sure that our water infrastructure is as sound as possible.

SB19-181: Protect Public Welfare Oil and Gas Operations, is currently making its way through the legislative process. This bill is focused on updating Colorado's oil & gas laws but will also impact severance tax revenues, which is one of the key sources of funding for critical water projects, programs, and water-related infrastructure across the state.

This letter does not address all of the many policy issues surrounding this legislative proposal; rather, we simply want to provide information about the importance of severance tax revenue collected by the state. This revenue is used, in part, to finance loans for state water projects administered by the Colorado Water Conservation Board (CWCB) that construct or improve flood control, water supply, hydroelectric energy, and recreational facilities, excluding domestic water treatment and distribution systems. These revenues are also employed, through CWCB's Operational Account, to fund various CWCB programs that support the Board's mission to protect and develop Colorado's water resources. Severance tax revenues are also used by the Department of Local Affairs to award grants to small communities who use the funds to upgrade aging septic and sewer systems to meet federal waste water standards.

We have attached a document providing details about severance taxes for your information. We ask that you take into consideration the consequences SB19-181 will have on the severance tax revenues collected by the state and the impact it has on Colorado's water programs.

The Colorado Water Congress looks forward to working with you to protect Colorado's most precious natural resource.

Sincerely,

A handwritten signature in blue ink, appearing to read "Douglas Kemper", written over a horizontal line.

Douglas Kemper
Executive Director