



COLORADO  
WATER CONGRESS  
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## **SB21-034**

**SHORT TITLE:** Water Resource Financing Enterprise

**LONG TITLE:** concerning the creation of an enterprise that is exempt from the requirements of section 20 article X of the state constitution to administer a fee-based water resources financing program.

**COMMITTEES:** Senate Agriculture & Natural Resources Committee

**SPONSORS:** Sen. Coram

**PURPOSE OF THE BILL:** To establish a fee-based funding enterprise to provide financing to "water providers", defined to include drinking water suppliers, wastewater treatment suppliers, and raw water suppliers. Raw water suppliers are limited to those that provide raw water for treatment and use as drinking water administered by a board of directors.

**PROPONENTS OF THE BILL:** The bill sponsor

**POTENTIAL STAKEHOLDERS:** Water providers and users, water treatment facilities, local governments including special districts, water customers, environmental organizations, large water users

**BACKGROUND:** Funding for water projects is always less than needed to meet the needs of a growing state, particularly in drought conditions. Infrastructure is failing in some cases, and may be unable to meet federal and state health guidelines. Although some general fund money has been allocated, severance tax which has provided funding in the past is dwindling as natural resources extraction has been curtailed by regulation and by market conditions. Proposition DD authorized money from sports betting for water projects, however we are only one year into that program and although \$3.4 million in taxes have been received, many other programs must be paid before money spills over to water. As reported in the media recently, the state Department of Revenue hadn't [expected that revenues would be enough](#) to put any money into the state's water plan in the first fiscal year.

**Is this bill necessary this year?** There is no deadline to be met.

**How does the bill change current law?** This adds to the list of government activities funded under the enterprise model to exempt revenues and spending from TABOR restrictions.

**Does the bill affect the prior appropriations system?** No.

**How is the bill implemented?** Customers of a drinking water supplier will pay a fee to the supplier, who will transmit it to the enterprise to be used for the financing. The fee for each individual metered connection in a drinking water supplier's public water system is 25 cents per 1,000 gallons of drinking water delivered per month in excess of the first 4,000 gallons of drinking water delivered in that month to the individual metered connection. The board may adjust the fee based on inflation and equity concerns for large nonresidential customers and customers who pay tiered rates that start higher than

4,000 gallons per month. IF adopted by the legislature, the matter must be placed before the voters at the general election in November 2022.

**Practical considerations:** How would the enterprise interface with the Colorado Water and Power Authority (since the boards are one and the same)? Would there be two sets of projects for financing? How would customers react to a fee (surcharge) on their water bills? Would this create a burden for institutional users such as hospitals or other public institutions?

**Fiscal Impact:** There is no fiscal note. The enterprise is authorized to collect \$184,500,000 over the first five years of existence.

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