



Funding Colorado's Water Plan

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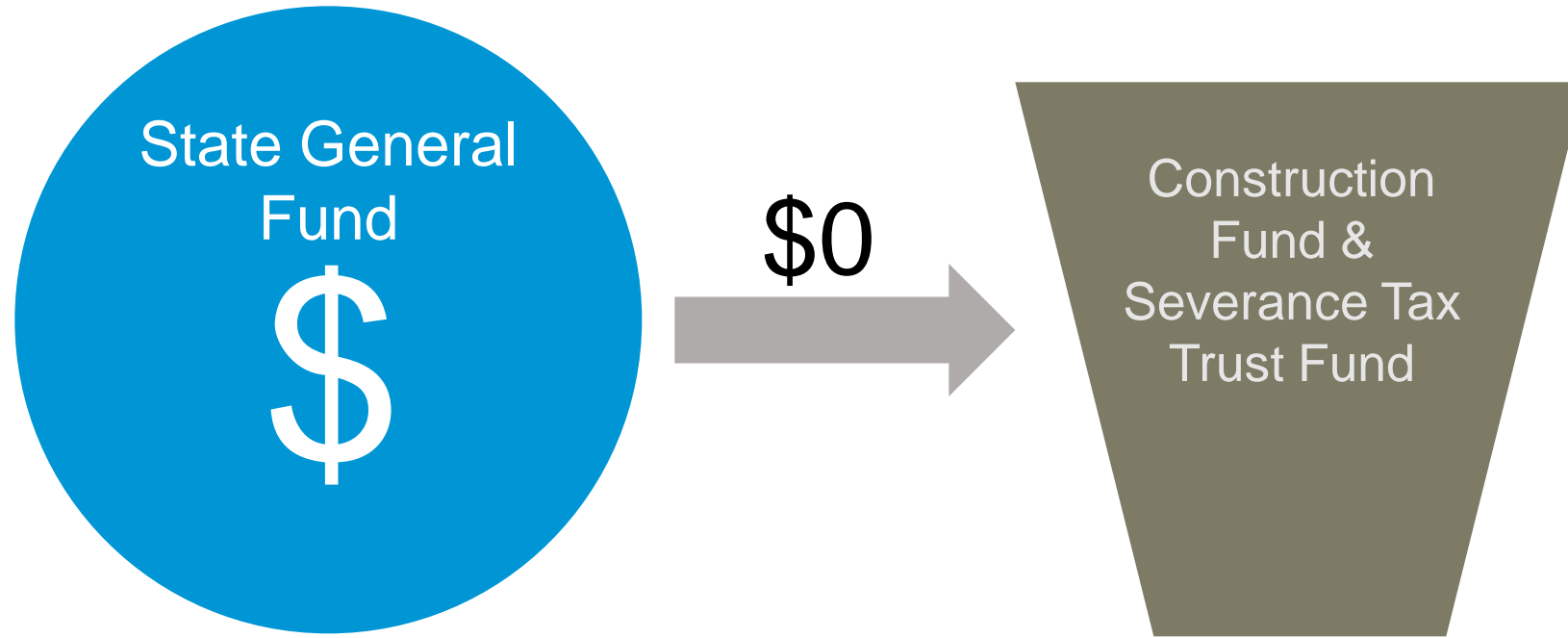
Colorado's Water Plan

“Collaborative, balanced water solutions to Colorado’s water challenges.”

Elements to implement:

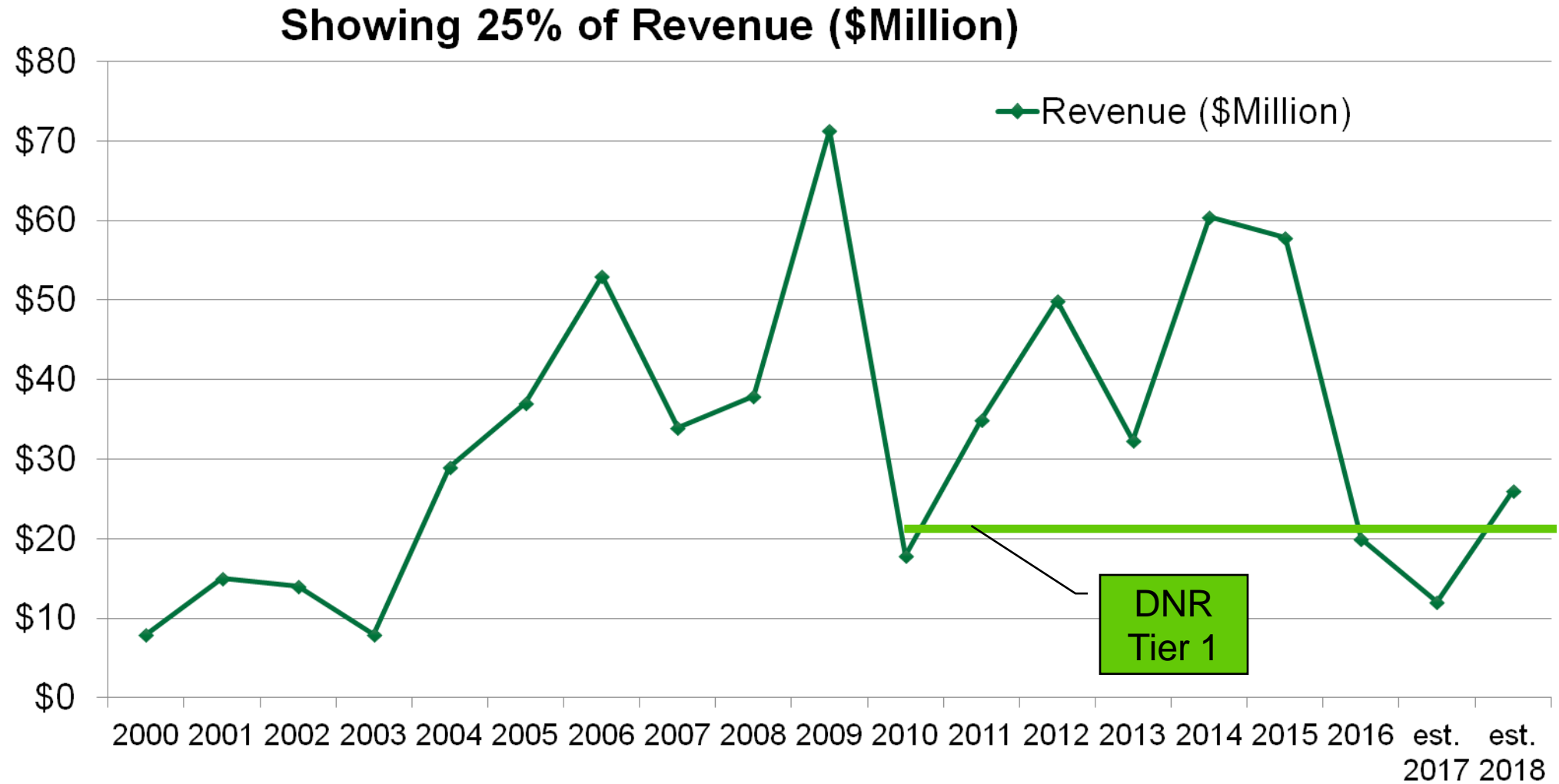
- Fill the water supply gap
- Expand conservation
- Integrate land and water use planning
- Maintain agricultural productivity
- Address storage needs
- Improve and protect the natural environment

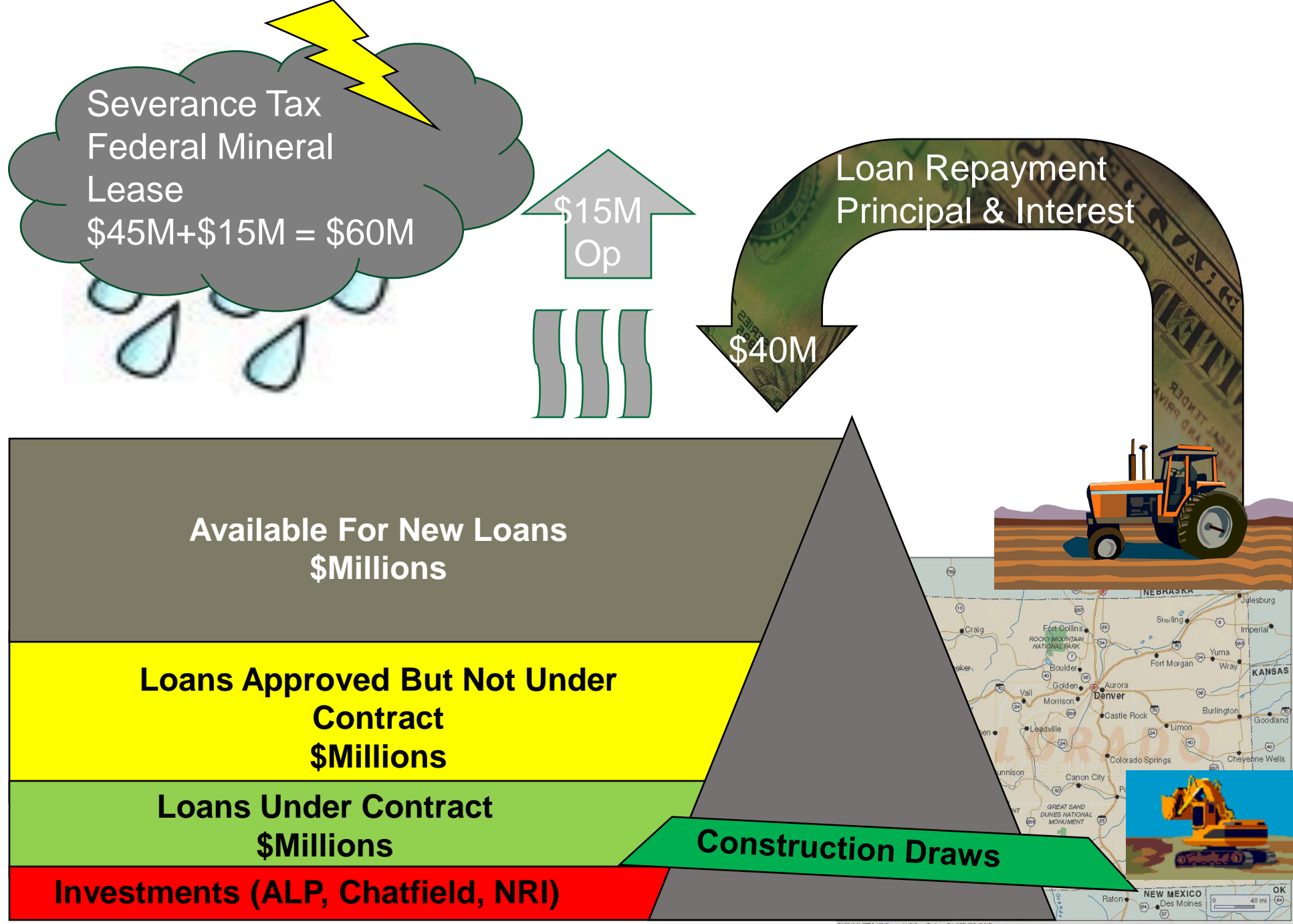
CWCB's Funds



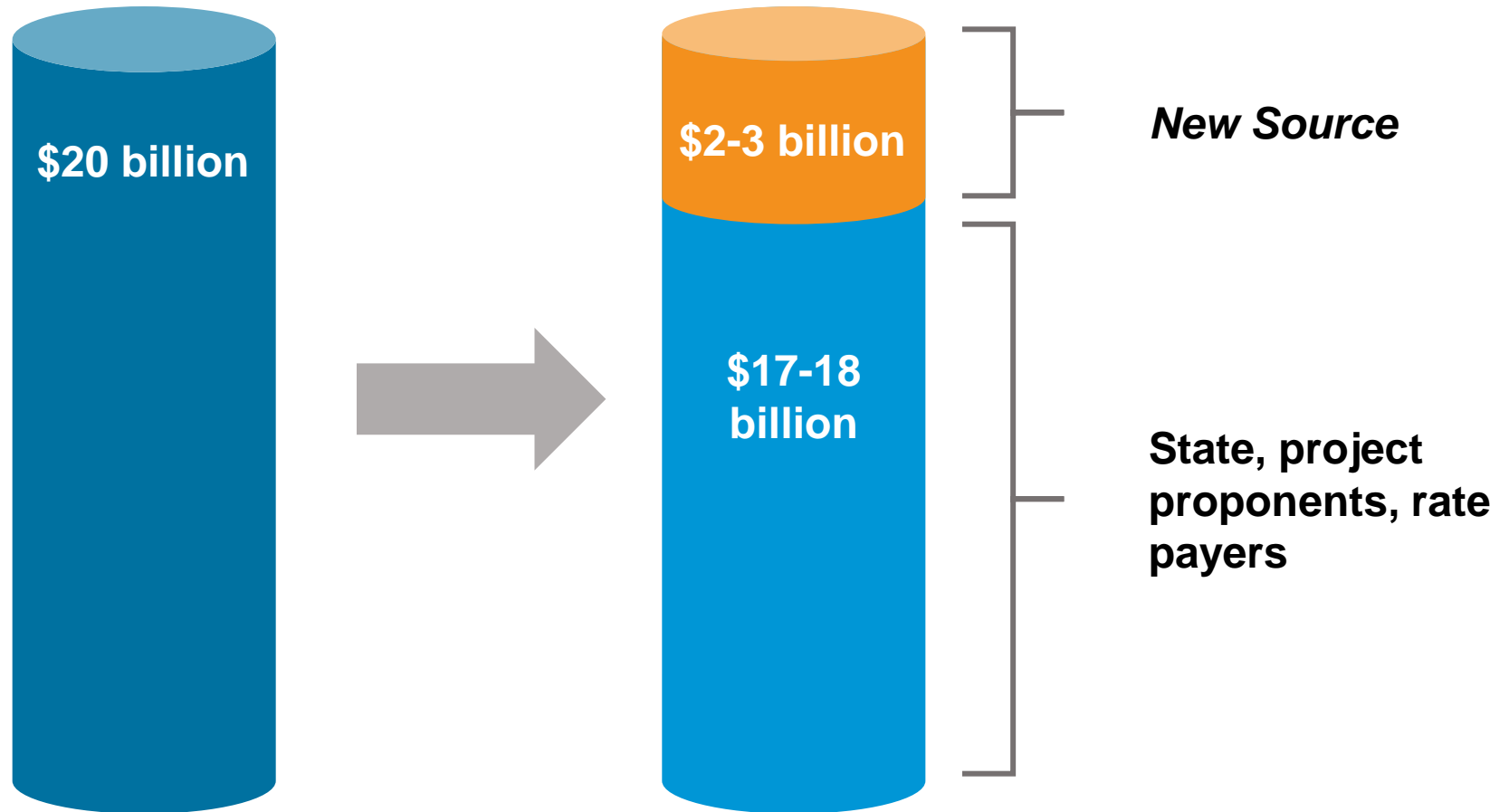
CWCB is self-supporting

Severance Tax Volatility





Colorado Water Plan Implementation



Identifying Funding Options

- Research what Colorado and other states and groups are doing, have tried to do, or are proposing doing.
- Generate additional ideas through brainstorming sessions with TNC and Summit Team.
- Generate additional ideas by inviting input and ideas from other funding and water experts.

111 funding ideas generated



The Process

- From 111, the number was reduced to 76 by applying a set of pre-established constraints.
- From 76, the options were further reduced to the 20 top options, then to the top 10.
- This process involved the TNC and Summit Team, as well as an array of water and finance professionals, reviewing each option and ranking based upon:
 - Funding potential
 - Political viability
 - Economic fairness
 - Rational nexus
 - Ease of administration
 - Stability of funding



Potential Revenue & Fiscal and Economic Impact

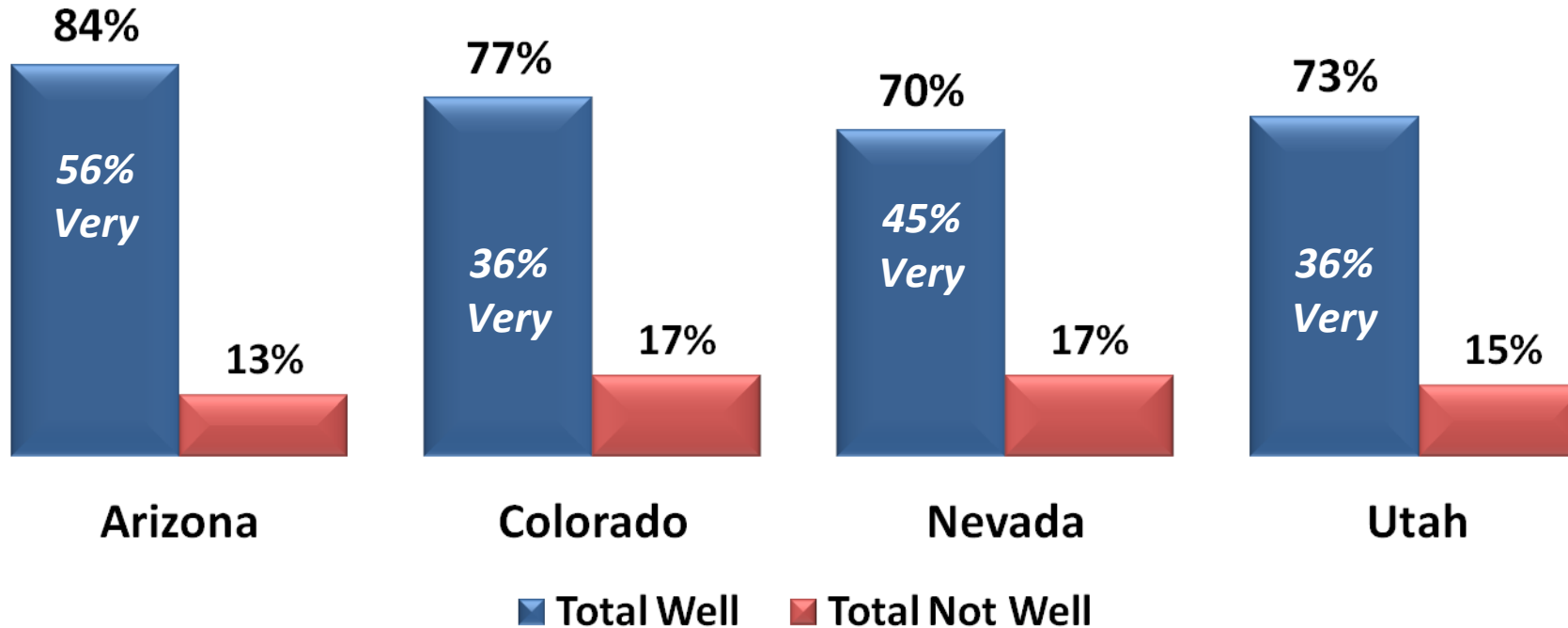
- Estimate the annual revenue potential associated with selected alternatives
- Model the statewide economic impact of each on jobs and earnings.
- Identify net fiscal impact upon state and local tax revenue bases.



Illustrative Economic Impact from Potential Tax or Fee Revenue		
Potential Tax or Fee Mechanism (1)	Potential Total Tax or Fee Revenue	Basis of Tax or Fee
Water Tax/Fee: Paid by Households <i>(plus)</i>	\$68,250,000	at \$2.50 per month per household (and/or industry, business, etc.)
Water Fee: Paid by Households, Industry, Business and Agriculture	\$ 68,250,000	at \$1.25 per month per household and balance from others
Bottle Tax/Fee: Paid by Households	\$70,000,000	at \$0.01 per container, paid by retail customers
Bottle Fee: Paid by Households and Bottling Industry	\$ 70,000,000	at \$0.01 per container, partially paid by consumers, partially paid by industry
Tourism Tax/Fee: Paid by Out-of-State Tourists, Recreation & Tourism Industry & Households	\$86,000,000	at 0.5% on accommodation & recreation activities
Tourism Fee: Paid by Out-of-State Tourists, Recreation and Tourism Industry and Households	\$ 86,000,000	at 0.5% on accomodation and recreation activities
Oil & Gas Fee: Paid based on Production Value	\$ 8,000,000	at 2% on total oil & gas output value
Marijuana Grow Operations Fee: Paid by Consumers	\$ 34,950,000	at 5% tax of sales value, all on retail purchases
Marijuana Grow Operations Fee: Paid by Consumers and Mariiuaana Industrv	\$ 34,950,000	at 5% tax of sales value - 1/2 on industry, 1/2 on retail
New Water Tap Tax/Fee: Paid by Households & Construction Industry	\$27,637,000	\$500 fee per new connection on Residential, Comm. & Industry
Peak Water Demand Fee: Paid by Households	\$ 61,425,000	the summer on the 45% of water that is used for irrigation
(1) Each mechanism can be configured in numerous ways with varying results. Results vary due to different multipliers for each NAICS code selected and differing allocations between paying entities.		
Source: Summit Economics		

Voters in states along the Colorado River view it as "at risk."

Thinking specifically about the Colorado River and the rivers and streams which flow into it in (STATE) – I'm going to read you a list of words and phrases, and please tell me whether you think each one describes the Colorado River very well, somewhat well, not very well, or not at all? - AT RISK



But they view it as a national treasure and critical to their economy and recreation.

Thinking specifically about the Colorado River and the rivers and streams which flow into it in (STATE) – I'm going to read you a list of words and phrases, and please tell me whether you think each one describes the Colorado River very well, somewhat well, not very well, or not at all?

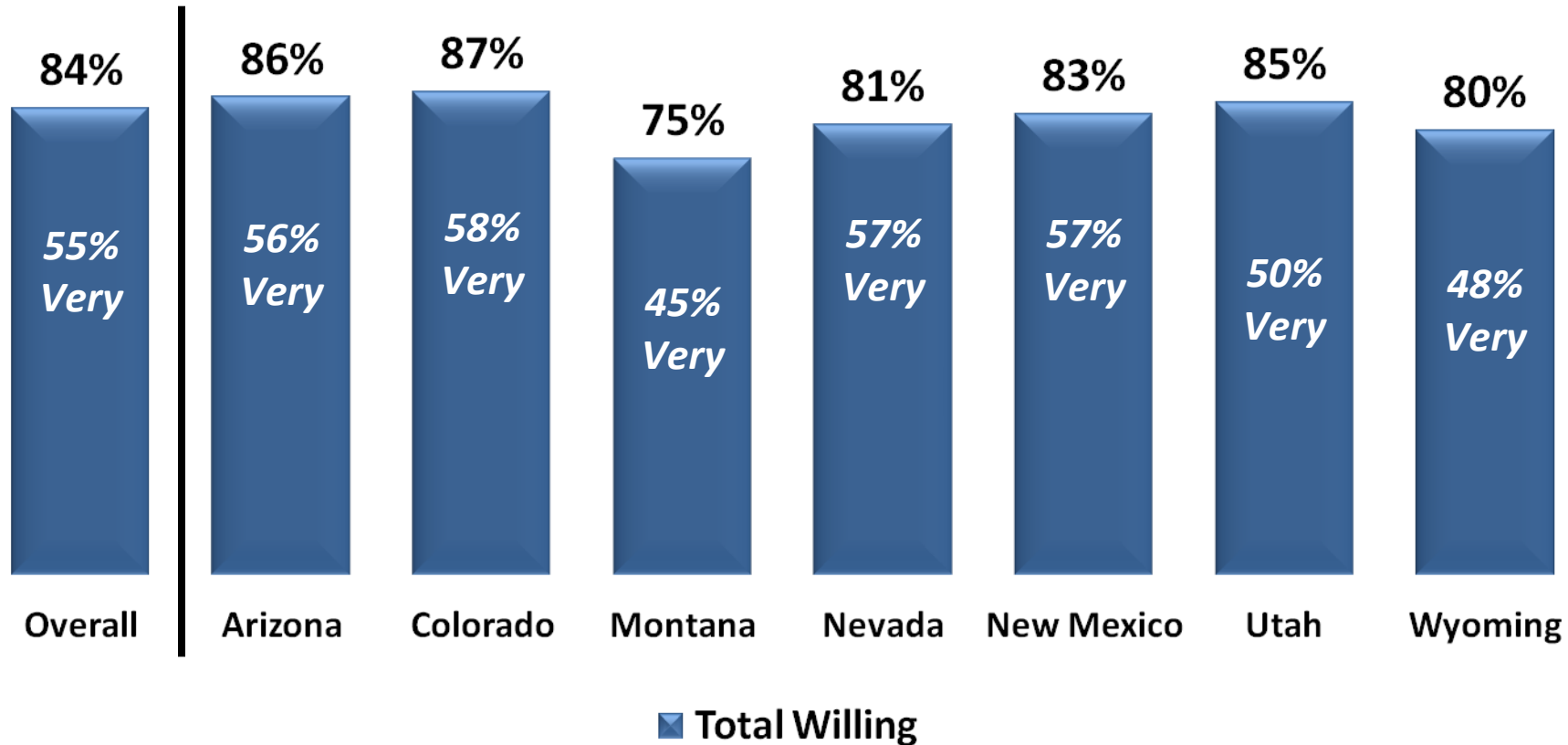
<i>Describes Colorado River Well Ranked by Average</i>	<i>Arizona</i>	<i>Colorado</i>	<i>Nevada</i>	<i>Utah</i>	<i>Average</i>
A National Treasure that Should Be Protected	93%	93%	87%	87%	90%
An Attraction for Tourism and Recreation	88%	90%	82%	92%	88%
Critical to State's Economy	89%	89%	78%	85%	85%

The vast majority of Coloradans said they are willing or are already taking actions to conserve water.

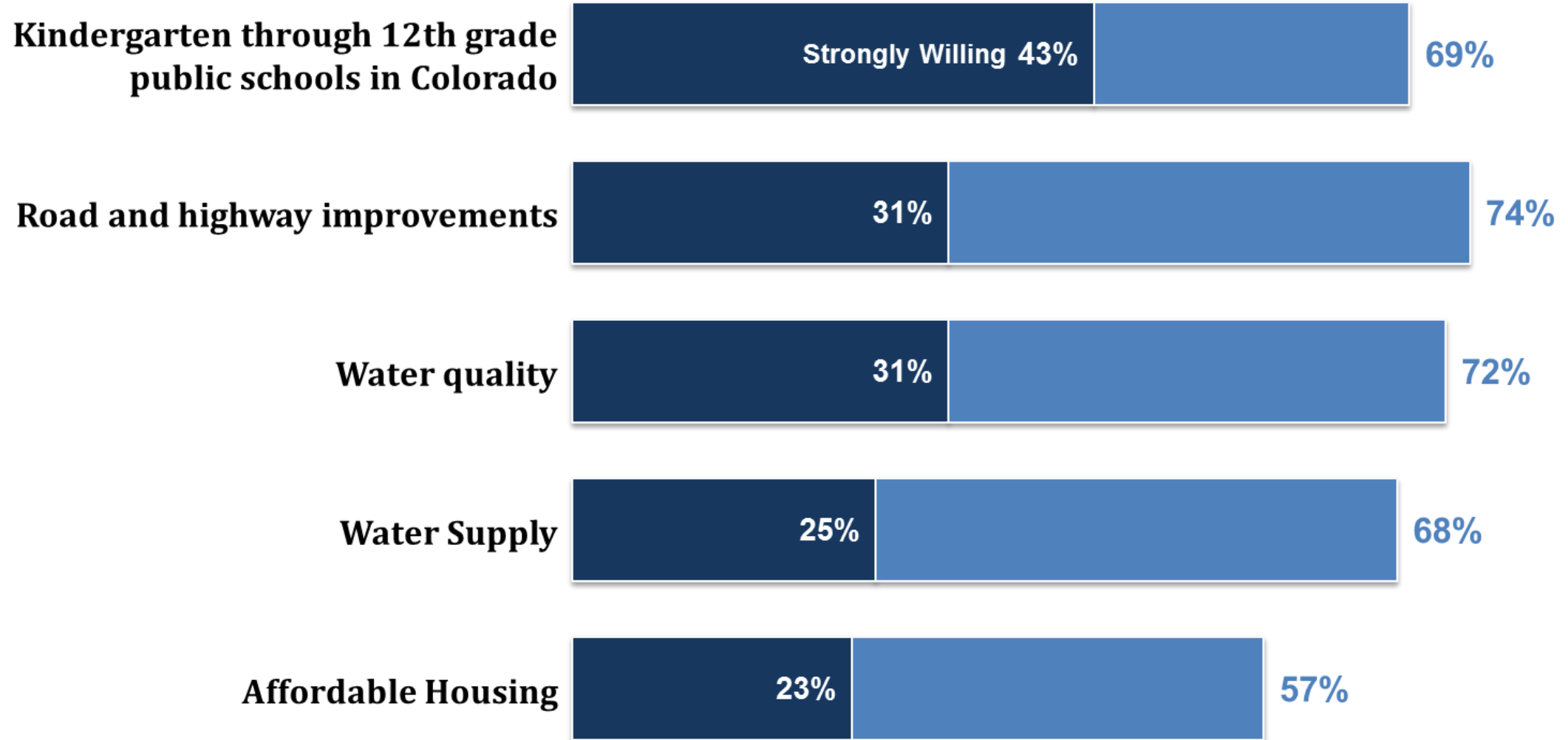
<i>Actions Ranked By Very Willing (Statewide)</i>	Very Willing	Total Willing	Already Do
Having a water audit to identify leaks and other ways to reduce water waste	50%	76%	9%
Installing rain sensors which automatically shut off sprinkler systems after adequate rainfall	46%	54%	13%
Making sure that any new appliances you purchase are water efficient	45%	52%	41%
Using more native, drought-tolerant plants or other water wise landscaping in your yard or garden	34%	52%	31%
Installing more efficient toilets	33%	45%	46%
Reducing the amount you water your lawn or garden	29%	46%	37%
Installing low-flow equipment on showers and faucets	27%	45%	43%
Watering your lawn or garden early or late in the day	27%	27%	57%
Going to a car wash instead of washing your car in your driveway	26%	35%	54%

There is also strong support for helping farmers to modernize and be more efficient.

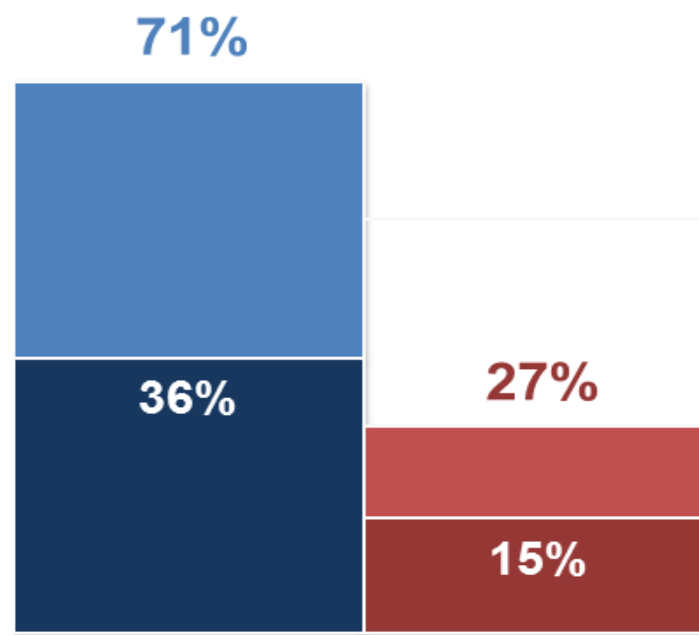
“Provide funding for low cost loans or other programs to help modernize irrigation used for farms and ranches to make more efficient use of existing water supplies”



Willing To Pay More in Taxes to Increase Funding For...



Support for Tax Increase for Water Plan



■ Strongly Support	■ Total Support
■ Strongly Oppose	■ Total Oppose



Who manages the fund? How can we protect the fund?

- *CWCB?*
- *New entity?*
- *Enterprise?*



How is funding allocated and prioritized?

- *BIPs – projects list.*
- *Water Plan criteria rankings.*
- *Allocation by region, industry, interest, other.*
- *Distinguish from CWCB construction fund?*

An aerial photograph of a deep, rugged canyon. A river winds through the center of the canyon, flanked by steep, layered rock walls. A multi-lane highway follows the river's path. In the distance, a small town is visible on a flat area. The landscape is arid with sparse vegetation. The text "Next Steps & Questions" is overlaid in white serif font on the right side of the image.

Next Steps & Questions