



ALL CHAIRS **WEBINAR**

MAY, 13 2019

AGENDA

- **Funding** / WSRF / Projects Bill / Sports Betting
- **Working Group** / Outputs / Next Steps
- **Technical Update** / BIP Updates / Timeline / Events

SPORTS BETTING

- Referred measure to go to ballot (Nov)
- Funding specifics for Water Plan TBD
- Could yield \$2 - \$20M (per year)

**All those in
favor of saving
our dwindling
water resources,
raise your dry,
cracked hands.**

*It's crazy to think about
Colorado without enough water.*

ForTheLoveOfColorado.org





Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 19-1327

REVISED FISCAL NOTE

(replaces fiscal note dated April 22, 2019)

Drafting Number: LLS 19-0030
Prime Sponsors: Rep. Garnett; Neville
Sen. Donovan; Cooke

Date: April 25, 2019
Bill Status: Senate Finance
Fiscal Analyst: Meredith Moon | 303-866-2633
Meredith.Moon@state.co.us

Bill Topic: AUTHORIZE & TAX SPORTS BETTING

Summary of Fiscal Impact:

- ☒ State Revenue
- ☒ State Expenditure
- ☒ State Transfer
- ☐ TABOR Refund
- ☐ Local Government
- ☐ Statutory Public Entity

This bill decriminalizes sports betting and, conditional upon voter approval, levies a tax on net sports betting revenue. This bill conditionally increases state revenue and expenditures on an ongoing basis.

Appropriation Summary: Conditional upon voter approval, for FY 2019-20, this bill requires a General Fund appropriation of \$1,858,534 to the Department of Revenue.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under HB 19-1327

		FY 2019-20	FY 2020-21
Revenue	Sports Betting Fund	\$6.3 million - \$6.5 million	\$9.7 million - \$11.2 million
	Total	\$6.3 million - \$6.5 million	\$9.7 million - \$11.2 million
Expenditures	General Fund	\$1,858,534	-
	Sports Betting Fund	-	\$2,247,717
	Other Cash Funds	-	\$130,000
	Centrally Approp.	\$190,111	\$379,344
	Total	\$2,048,645	\$2,757,061
Total FTE	12.6 FTE	24.3 FTE	
Transfers	Sports Betting Fund	(\$6,300,000)	(\$7,072,939)
	General Fund	\$1,858,534	-
	Other Cash Funds	\$4,441,466	\$7,072,939
	Total	\$0	\$0
TABOR Refund	-	-	

Master License

Master Licenses will be issued to the owners of casino license holders in Black Hawk, Central City, and Cripple Creek. A **Master License** is required to conduct sports betting business. With a **Master License**, each casino can contract with one **Brick and Mortar Sports Betting Operator** and/or one **Internet Sports Betting Operator**.

Brick and Mortar Sports Betting Operator

Each Master Licensee can contract with one sports betting operator in a historic gaming town (Blackhawk, Central City, or Cripple Creek). This could be a brick-and-mortar location with a counter to place bets in-person.

Internet Sports Betting Operator

Each Master Licensee can contract with one internet sports betting operator (DraftKings, FanDuel, etc) to run a mobile betting app.

and/or

Where does the money go?

A 10% tax on the Net Sports Betting Proceeds (the revenue that the license holder makes after paying out winnings) will be placed into a Sports Betting Fund.

10%

VOTER APPROVAL

If this bill passes, it will need voter approval at the ballot box. Because of TABOR, the new tax on sports gaming needs a majority of the public's votes before anyone can cast their bets.

Sports Betting Fund

Tier 1

The money reimburses the General Fund for the start-up cost of the new Sports Gaming Commission.

Tier 2

The fund will pay for the operation of sports betting within the Division of Gaming.

Tier 3

The fund will "hold harmless" the beneficiaries of other gaming taxes, including Community Colleges and the State Historical Fund, backfilling any potential lost revenue from gaming.

Tier 4

Additional funds to the Office of Behavioral Health in the Department of Human Services towards to address gambling addiction.

Tier 5

Finally, the majority of the money goes to the Water Plan Implementation Cash Fund. This fund pays for water projects in the Colorado Water Plan that keep our rivers clean, our drinking water pure, and our farmers' produce the best in the Rockies.

SPORTS BETTING

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GOVERNOR'S BUDGET

- ~~• \$30 Million in Hickenlooper's Budget (retained by Polis)~~
- \$10 Million approved by Legislators
 - \$8.3M to backfill Water Plan Grants (over 3 years)
 - \$1.7M to explore DM discussions across the state
- Allocated July 1, 2019

WATER PLAN GRANT FUNDS

- \$7M approved
- Proposal to bump to \$10M (with Governor's Budget funds)
- Under CWCB Board consideration

WSRF FUNDS

- Estimated \$7.5M from Severance Tax
 - Backfill of \$2.5 from the Construction Fund
 - \$10M total
- Available July 1, 2019 (40%, 30%, 30%)

REQUESTED PROJECTS

BILL FUNDING APPROVED

- \$5.5M to fund BIP, Water Plan Updates, etc.
 - About \$3M to BIPs & Project Lists
 - About \$1M to Water Plan Update
 - Remainder to IPP and HB-1051 database, education, etc.

WHY FUND MORE PLANNING?

WHAT IS THE UPDATE TIMELINE?

HOW WILL BRTS BE INVOLVED?

im·ple·men·ta·tion

/,ɪmpləmən'tāSH(ə)n/

noun

1.the process of putting a decision or plan into effect; execution.

"she was responsible for the implementation of the plan"

synonyms: execution, application, carrying out, carrying through, performance, enactment, administration; [More](#)

WATER PLAN IMPLEMENTATION

Is equal parts:

- Planning
- Project

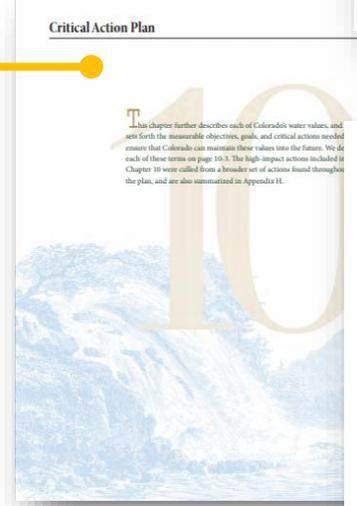


TABLE 11-1 CYCLICAL PLANNING PROCESS PROPOSED BY THE CWCB

Product	Year Initiated
Basin Implementation Plans	2013
Colorado's Water Plan	2013
Statewide Water Supply Initiative	2016
Basin Implementation Plans	2018
Colorado's Water Plan	2020
Statewide Water Supply Initiative	2022

ACTIONS

1. The CWCB will work with other state agencies, the basin roundtables, and the people of Colorado to update Colorado's Water Plan, beginning no later than 2020.
2. The CWCB will develop guidelines for Basin Roundtable WSRA grants to help facilitate the implementation of the BIPs.



C. Land Use

Integrate Land Use and Water Planning: Integrate the use of local land use tools, where appropriate, to reduce water demands for municipalities, and the need to urbanize agricultural lands.

CRITICAL LAND USE ACTION	SECTION	PARTNERS	TYPE
1. Integrate land use planning to local governments, including the incorporation of water conservation and water management, water efficiency, and water conservation.	6.2.1	CWCB, DCA, municipalities	Programmatic

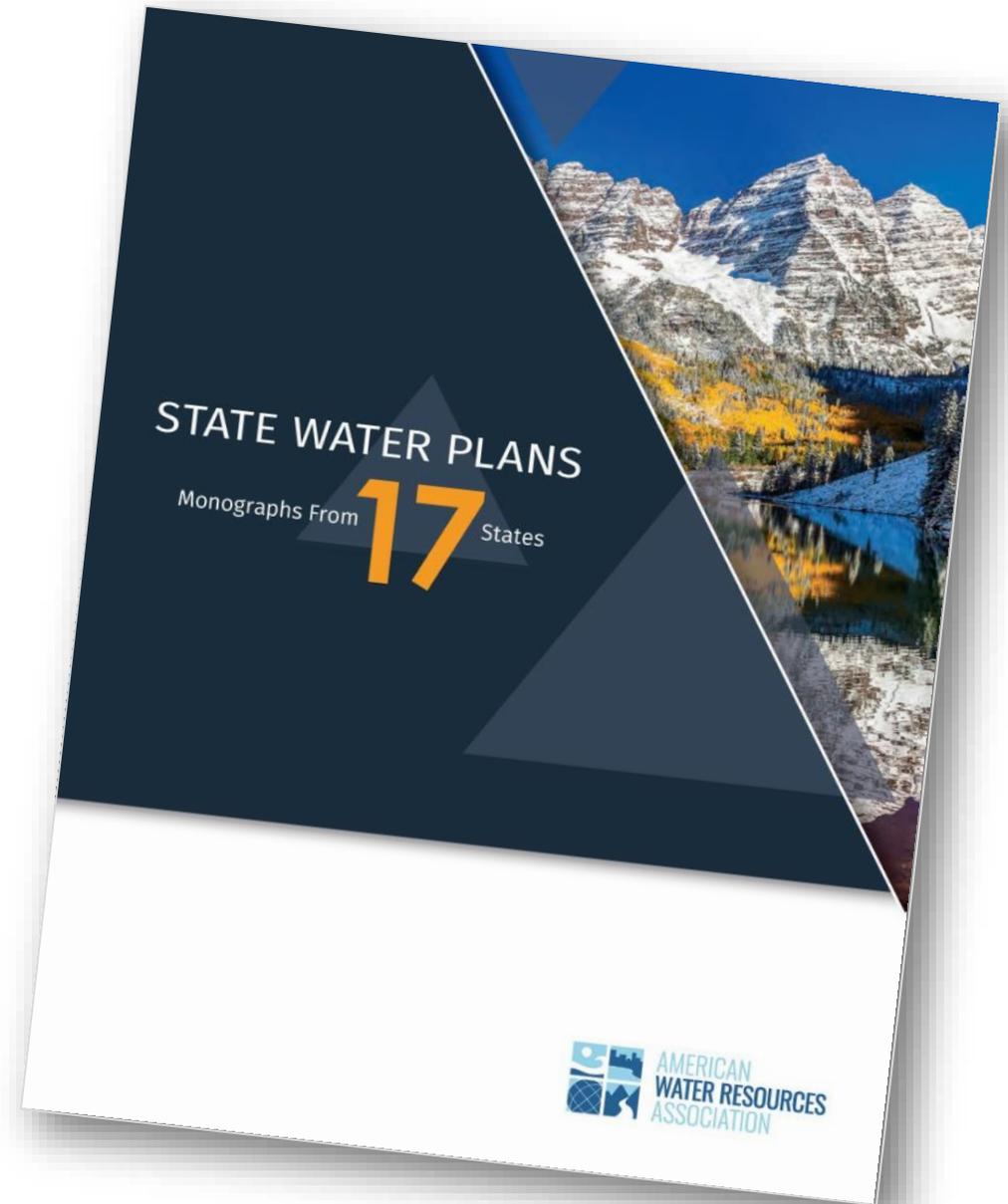
D. Agriculture

- Maintain Agricultural Viability: Maintain Colorado's agricultural productivity, support of rural economies, and food security (through meaningful incentives and grassroots efforts).
- Facilitate Alternative Transfer Methods: Respect property rights and contributions of the agricultural industry by establishing alternative options that compete with, if not outperform, traditional "buy and dry" transactions in the water market.
- Support Agricultural Conservation and Efficiency: Support Colorado's agricultural industry to make it more efficient, resilient, and able to reduce water consumption without impacting agricultural productivity.

CRITICAL AGRICULTURE ACTIONS	SECTION	PARTNERS	TYPE
1. Establish an education and outreach program to farmers and ranchers to help reduce their water consumption through the adoption of conservation practices, and enable Colorado to enter the agricultural market.	6.3, 6.4, 6.2.4	CWCB, DCA	Programmatic
2. Encourage state-wide and regional planning to improve water use efficiency and reduce water consumption in agriculture, the agricultural sector, and other water-intensive sectors.	6.3, 6.2.1	CWCB, agricultural partners, WRI	Programmatic
3. Provide grants, loans, and technical support to urban and regional conservation planning and water conservation.	6.3, 6.2.1	CWCB, WRI, agricultural partners, other stakeholders	Programmatic
4. Develop model contracts for water management, including and technical support to encourage the use of these agreements when paired with regional efficiency programs.	6.2.2	CWCB, WRI, agricultural partners, governmental agencies, public agencies, public agencies, agricultural partners, governmental agencies	Programmatic, CWCB agency public, CWCB agency public
5. Explore the development of administrative water to track and address agricultural conservation needs for the purpose of meeting these water.	6.2, 6.2.4	WRI, CWCB	Process
6. Make regional grant funding for water conservation of the program, research and outreach to entities that would help facilitate alternative transfer methods.	6.2	CWCB, WRI, DCA, municipalities	Process

COMPARATIVE ANALYSIS

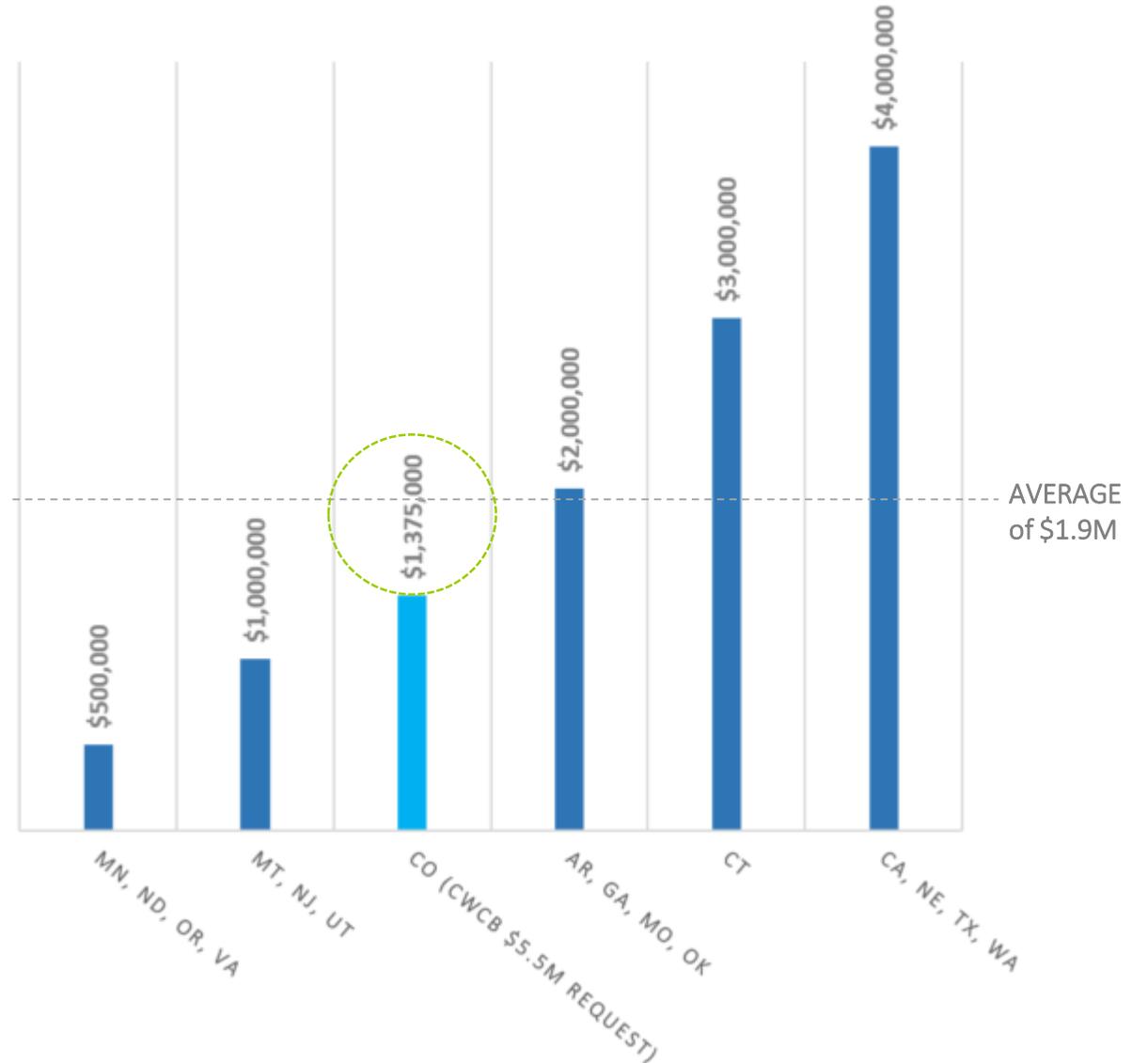
- 17 states with water plans were analyzed by the American Water Resources Association in 2018.
- CWCB participated in this survey; provided information on it's Water Plan efforts.



HOW WATER PLAN FUNDING COMPARES

- States spend between \$500K and \$4M each year on water plan efforts.
- That's just under \$2M/yr on average.
- The CWCB requested \$5.5M ask is for four years (2019-2022) which is about \$1.4M per year.

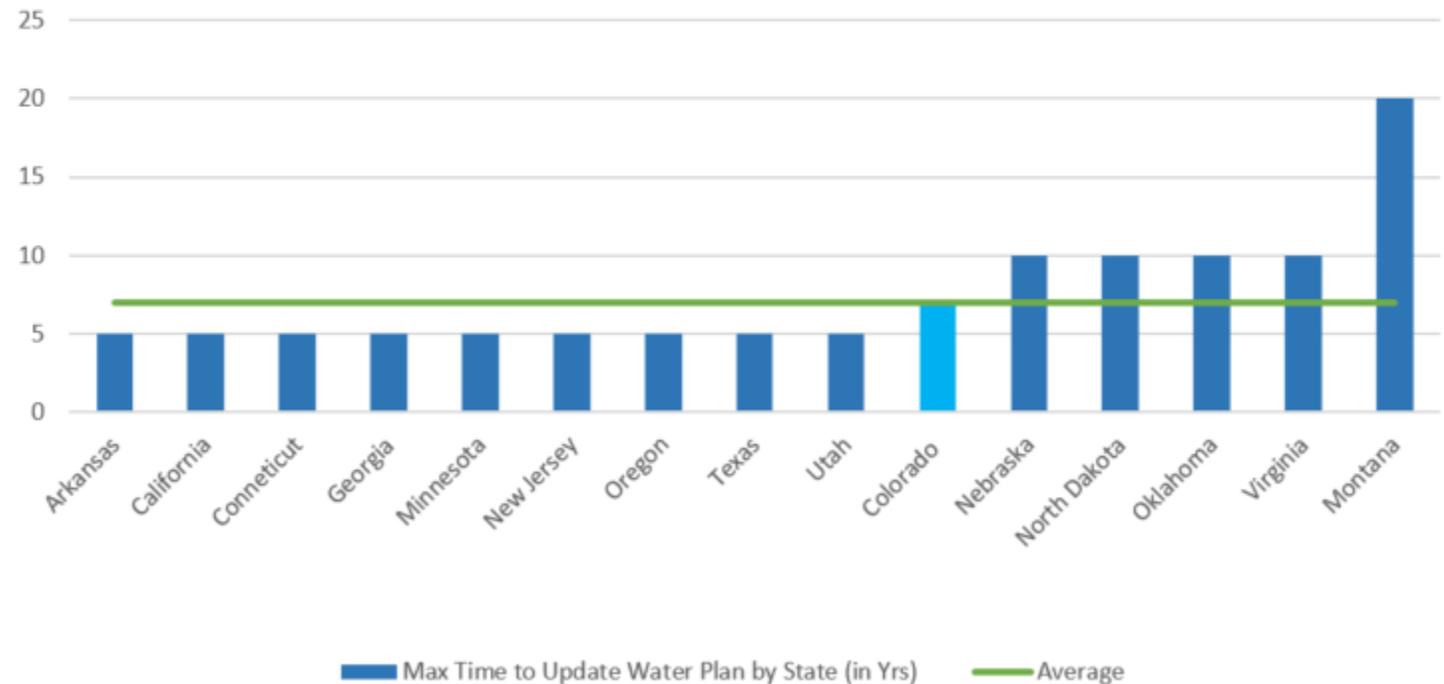
ANNUAL WATER PLAN BUDGET VS. CWCB 4-YEAR FUNDING REQUEST



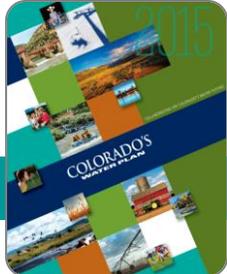
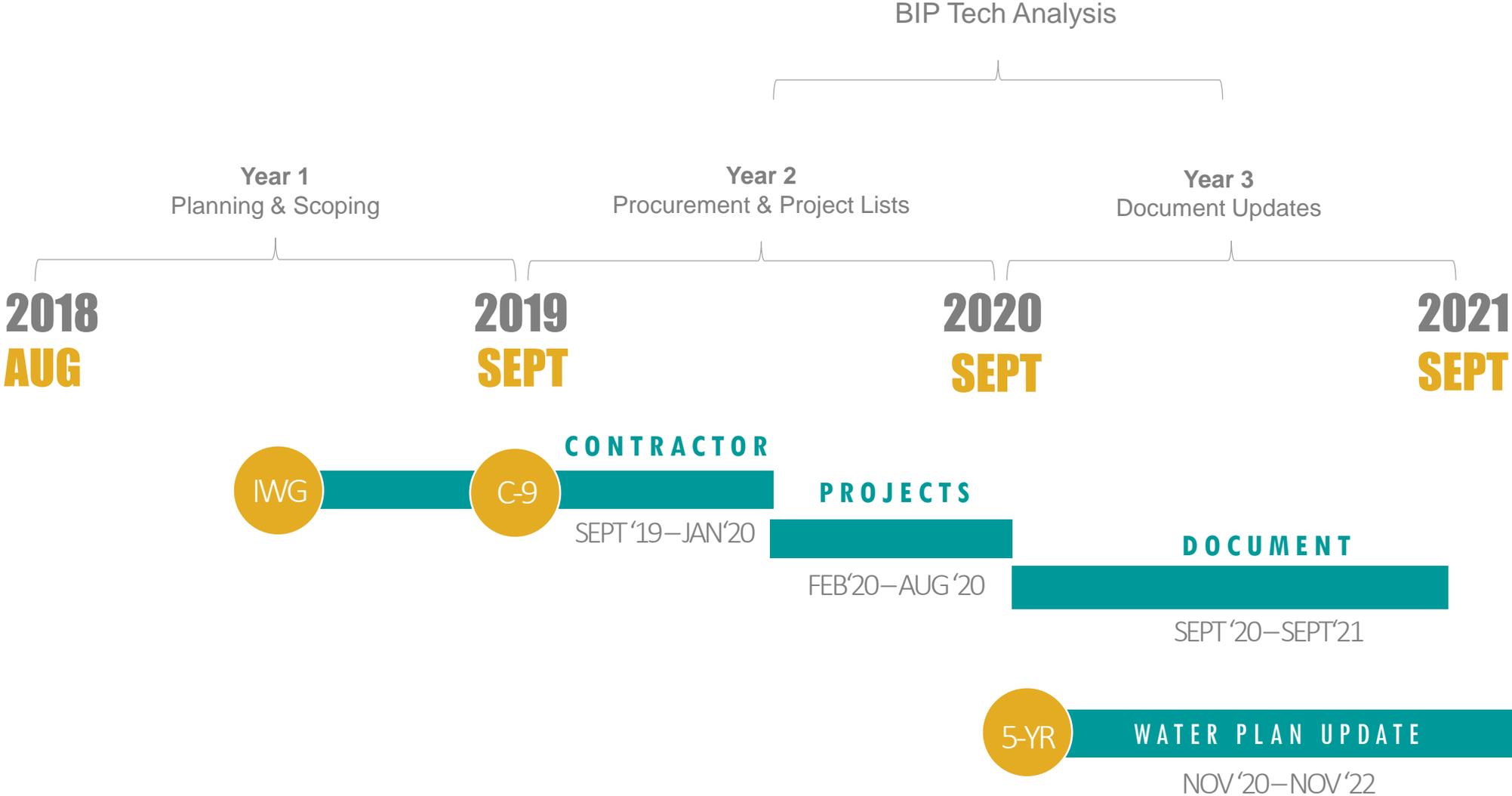
HOW WATER PLAN UPDATES COMPARE

- Colorado's Water Plan updated started with initiating SWSI in 2015.
- Chapter 11 mandates the Water Plan update to be initiated in 2020.
- Staff plan to complete the update in 2022 (putting CO on track with the 7 year update average).

Maximum Water Plan Update Time by State in Years



TIME LINE



GENERAL CONTRACTOR **RFP PROCESS**

- Working to have the RFP out soon (will be public).
- Inviting chairs to be on the selection committee.
- GC will hire local “experts”:
 - Local experts on the basin who are chief integrators
 - May need other local advisors/may not.
 - Local expert may be the GC.
- Hope to have hired by the C-9 Summit.

IMPLEMENTATION WORKING **GROUP INPUT**

- Roadmap for BIP Updates
- Technical Update Recommendations
- Missing Project Data & Tiered Matrix

Basin	Percent of IPPs with Cost Data
Arkansas	4%
Colorado	2%
Gunnison	28%
North Platte	0%
Rio Grande	50%
South Platte / Metro	22%
Southwest	0%
Yampa / White	0%

“It must be emphasized that costs were not associated with the vast majority of projects identified.”

-COLORADO'S WATER PLAN / CHAPTER 9-10

9.2 ECONOMICS AND FUNDING

GOAL

Colorado's Water Plan coordinates existing funding sources and explores additional funding opportunities.

Introduction

Investing in the long-term sustainable supply and delivery of water is critical to Colorado's future. Even in robust economic times, the difficulties inherent in financing large, long-term, sustainable water projects can create community apprehension and political controversy.

At the same time, the State of Colorado does not invest significant funds in water resources compared to other state priorities.⁹ Figure 9.2-1 shows the State's overall natural resources budget compared to other state priorities.

Financing long-term, sustainable water supplies and infrastructure projects requires a collaborative effort involving water users and providers, as well as federal, state, and local entities. Over the years, the CWCB has partnered with various water providers throughout Colorado to conserve, develop, and protect Colorado's water for future generations. The CWCB has provided funding through grants and loans for

FIGURE 9.2-1 2015 COLORADO STATE BUDGET

Water gets a portion of state money in loans

critical multipurpose and multipartner projects, which have included the Chatfield Reallocation Project, the Animas-La Plata Project, the Rio Grande Cooperative Project, and the Elkhead Reservoir Enlargement Project. For these projects alone, the CWCB contributed over \$200 million. These projects supplied over 100,000 acre-feet of water to help water providers meet their water supply and storage needs, while also improving stream health, promoting shared uses, sustaining agriculture, and providing long-term recreational benefits.⁸

To meet long-term water demands, Colorado will need to secure funding through a combination of legislation, partnerships, and state and federal grant and loan programs. It is the CWCB's intent to promote, and potentially financially and politically support, projects that evaluate water supply, storage, and conservation efforts on a regional, multipurpose, multi-partner, multi-benefit basis, and projects that evaluate the consolidation of services where practical, feasible, and acceptable. This section provides: 1) A description of existing financial need; 2) an overview of financial assistance programs; and 3) recommendations and suggested approaches for developing an integrated water infrastructure financing model that could assist in addressing Colorado's short- and long-term water needs.

⁸ Chatfield Reallocation Project (\$62 million CWCB investment, \$90 million loan), Animas-La Plata Project (\$37 million water purchase), Rio Grande Cooperative Project (\$1 million grant, \$13 million loan/grant), and Elkhead Enlargement Project (\$11 million).

⁹ Chapter 9: Alignment of State Resources and Policies - 9.2 Economics and Funding

PROJECT COSTS IDENTIFIED IN THE BASIN IMPLEMENTATION PLANS*

SINGLE-PURPOSE PROJECTS AND METHODS			MULTI-PURPOSE PROJECTS	TOTAL
ENVIRONMENTAL, RECREATIONAL, OR WATER QUALITY	MUNICIPAL AND INDUSTRIAL	AGRICULTURAL		
\$345,000,000	\$270,000,000	\$10,000,000	\$792,000,000	\$1,417,000,000
\$1,500,000	\$4,000,000	Forthcoming	\$132,000,000	\$137,500,000
\$8,000,000	\$46,000,000	\$9,000,000	\$423,000,000	\$486,000,000
Forthcoming	Forthcoming	Forthcoming	Forthcoming	Forthcoming
Forthcoming	Forthcoming	\$80,000	\$130,000,000	\$131,080,000
Forthcoming	Forthcoming	Forthcoming	Forthcoming	Forthcoming
\$60,000,000	Forthcoming	Forthcoming	Forthcoming	\$60,000,000
\$5,000,000	Forthcoming	Forthcoming	Forthcoming	\$5,000,000
\$419,500,000	\$320,000,000	\$19,080,000	\$1,477,000,000	\$2,235,580,000

* Costs were estimated to three significant figures. Most identified projects did not have associated costs. Therefore, additional cost estimating and refinement of existing project costs will be forthcoming to develop an overall statewide summary of water project funding needs.

Statewide Water Infrastructure Financing Need

The BIPs for Colorado's major river basins are a critical component of Colorado's Water Plan. In general, each BIP looked at balancing long-term municipal, industrial, agricultural, environmental, and recreational needs within and among the respective basins. As part of the BIPs, the basin roundtables identified a list of projects and methods they believe address the long term needs of their basins.

Table 9.2-1 features an initial summary of the costs the BIPs identified. It must be emphasized that costs were not associated with the vast majority of projects identified. In addition to these projects, the BIPs included other activities that require financial support, including education, outreach, conservation programs, flow agreements, alternative agricultural transfer methods, important legal investigations, and programs that manage various risks and vulnerabilities throughout the state.

The SWSI estimated that by 2050, municipal and industrial water infrastructure improvements will require between \$17 billion and \$19 billion in funding.¹⁰ In addition, approximately \$150,000 is needed per mile of stream for smaller-scale river restoration work, but substantial structural changes or channel reconfiguration could cost \$240,000 or even \$500,000 per mile.¹¹ Up to 90 watershed or stream management plans, at an estimated cost of \$18 million statewide, will be necessary to help CWCB and stakeholders better determine the amount of river restoration work and other similar types of work that may be required.¹²

As basins and stakeholders identify their environmental and recreational needs, the basins will need to develop and fund further projects and methods to meet those needs. For planning purposes, however, one could estimate a \$2 billion to \$3 billion environmental and recreational statewide need, equivalent to approximately 10 to 15 percent of the municipal and industrial water infrastructure cost

¹⁰ This number is based on an estimated \$14 billion to \$16 billion of identified M&I needs calculated in the Fortitude and Trade-off tool (CWCB, 2011), plus an additional \$3 billion estimated need for maintaining existing M&I infrastructure. The numbers, however, are being refined in accordance with the BIPs.

Chapter 9: Alignment of State Resources and Policies - 9.2 Economics and Funding 9-10

Projects

A lookback to step forward

In 2015, each Basin Roundtable developed data sets of Identified Projects and Processes (IPPs) in accordance with CWCB guidance. Due to the complexity of studies, variation by basin, and number of entities involved, IPP data across and within basins remain inconsistent in content and format. The Technical Update to the Water Plan is reviewing the handling and formatting of IPP data to ensure useful data products can be created and future analyses can be performed consistently. The following table shows a summary of statewide IPP data, organized by a draft recommendation of minimum supplied data attributes.

Data Attribute	Arkansas	Colorado	Gunnison	North Platte	Rio Grande	S. Platte / Metro	Southwest	Yampa / White
IPP ID Number	X		X	X	X	X	X	X
IPP Name	X	X	X	X	X	X	X	X
IPP Description	X	X	X	X			X	X
Basin						X		
Municipal & Industrial Need	X	X	X		X		X	
Agricultural Need	X	X	X		X		X	
Environmental & Rec Need	X	X	X	X	X		X	X
Admin Need					X			
Multiple Needs	X	X	X		X		X	
Water Source GNIS Name								
Water Source GNIS ID								
Water Destination								
Latitude & Longitude	X		X	X			X	X
Phase	X	X	X				X	
Yield	X	X	X			X		
Yield Units	X	X	X			X		
Estimated Cost	X	X	X		X	X		
Contact	X		X			X	X	
Proponents	X	X	X		X	X	X	X

Rio Grande Basin Implementation Plan

A lookback to step forward

The first Basin Implementation Plans (BIPs) were initiated in 2013 by the Governor's Executive Order and completed by 2015 to form the backbone of the Colorado Water Plan. Built on the synthesis of SWSI 2010 data, BIPs identified basin-focused goals, consumptive and non-consumptive needs, and portfolios of solutions to projected supply gaps (e.g. identified projects and processes known as 'IPPs'). Updating these plans and projects will help:

- ❖ Support funding for basin projects through improved costing data
- ❖ Incorporate most up-to-date future supply analyses
- ❖ Allow basins to revisit goals and incorporate recent local planning

Do basin goals remain the same? Have any emerged as priorities?

Goal Summary
Focus on watershed health
Uphold Colorado water law
Sustain the aquifers
Implement infrastructure to meet long-term water needs
Sustain optimal agricultural economy
Support multipurpose projects & methods
Meet all demands for water
Establish education and outreach efforts for water use and needs
Meet applicable water quality standards
Be adaptive, flexible, and responsive
Preserve wildlife habitats
Conserve wetlands and riparian areas
Sustain active river flows
Maintain water-dependent recreational activities

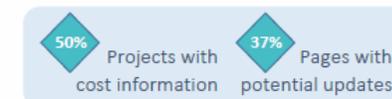
How many current members were involved in BIP development?



Do IPPs align with basin goals?

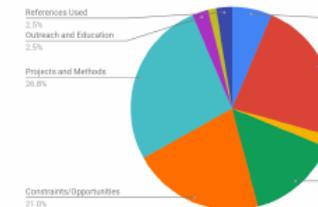


What's the anticipated level of effort?

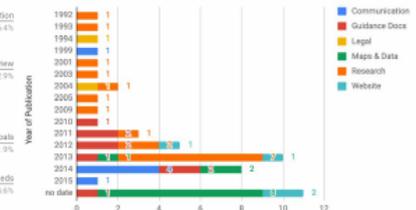


What are the essential content updates?

BIP Report by Section



References



[Implementation](#) ▸ 2019 Implementation Working Group

2019 Implementation Working Group

IMPLEMENTATION WORKING GROUP

An Implementation Working Group has been organized to help CWCB staff fine tune practical guidance following the Statewide Water Supply Initiative (SWSI) findings and Basin Implementation Plan updates. The group participants include representatives from each basin and some IBCC members. Group outputs will be updated under this page as they are developed. Roundtables will be updated by working group representatives according to their normal meeting schedule.

CHECK-IN ON WORKING GROUP EFFORTS

OUTPUTS

TECHNICAL WEBINARS

- **February 19** SWSI Methodologies Overview and Population Data
- **March 19** Municipal and Industrial Data & Methodologies
- **April 23** Agricultural Data & Methodologies
- **May 21** Environmental Data & Methodologies
- **June 25** SWSI Tools & Next Steps

SIGN-UP FOR WEBINARS

WEBINARS

BASIN ROUNDTABLE
SUMMIT

SAVE THE DATE



SEPTEMBER 25 + 26 2019

SUMMIT

SUMMIT UPDATES

- \$18k across the basins divided by distance to BRT meeting.
- Chairs/Roundtables can ask for reimbursements up to their amount.
- Roundtables should divide up across attendees as they see fit.
- Two students per BRT can have registration waived.

THOUGHTS, COMMENTS OR
QUESTIONS?

