

Statement for the Record

June XX, 2020

Committee on Agriculture and Natural Resources

Bill Long, President

Southeastern Colorado Water Conservancy District

Thank you for the opportunity to provide a written statement in support of the Colorado Water Conservation Board's annual projects bill, HB20-1403. The Southeastern Colorado Water Conservancy District respectfully requests your favorable and prompt consideration of this bill.

The legislation before you includes a critical funding package for the Arkansas Valley Conduit, the final element of the Fryingpan-Arkansas Project. We are aware that the combined loan and grant provision included in this bill is a significant investment by the CWCB and the State of Colorado, for the benefit of southeastern Colorado residents who desperately need a safe drinking water supply that complies fully with the federal standards under the Safe Drinking Water Act.

Be very clear, however, that without a funding partnership between the State of Colorado, the Bureau of Reclamation and the Southeastern District, this fundamental need will go unmet.

As you all know, the time when the federal government fully funded water projects in the West, with repayment contracts upon completion, is gone. All federal projects require a non-federal cost-share. The SECWCD successfully fought for Public Law 111-11, which was enacted in 2009 and provided for that cost share through the future use of revenues derived from excess capacity contracts at Pueblo Reservoir.

However, three small phrases changed that funding plan. They are:

Subject to appropriation.

Earmark ban.

Office of Management and Budget.

The 2009 law provided authorization for funding the project, "subject to appropriation." The federal appropriations process begins with the Administration's budget request. Congress once could add dollars to any line item request if sufficient support to do so existed. But then, Congress imposed an "earmark ban" on itself. The result is the Administration's line-item budget requests are the funding level for any given project. The Office of Management and Budget, working with the Bureau of Reclamation, has the final say on line item requests.

The OMB has been diminishing Reclamation's construction budget for many years. In addition to the cost-share requirements, they have come to believe the federal interest in water resource development is questionable. They have demanded through the "power of the purse strings" that cost-sharing be provided **upfront and during project construction**.

This policy direction applies not just to the AVC, but to rural water projects throughout the West, and Western states have invested hundreds of millions of dollars to leverage the needed federal funds for project construction.

In its FY '19 and '20 budget requests, the Administration zeroed out the Arkansas Valley Conduit completely, after several years of insufficient funding to move the project forward. The message was perfectly clear: without non-federal funding, the project will not be built.

We are enormously grateful for the unanimous support of the Colorado Water Conservation Board for our funding application. The Board, which represents every part of our state from very diverse perspectives, understands that **all Coloradans** deserve a clean drinking water supply for the present, and for the future.

CWCB's total funding package of \$100 million for the Arkansas Valley Conduit represents non-federal funding support that seeks to leverage as much as \$500 million in future federal funding for this project. Failure to approve the \$100 million funding package could jeopardize \$36 million in FY '2020-21 federal funding opportunities, as well as an estimated \$464 million in future federal funding over a 15-year period.

In addition, failure to approve the full funding package would further delay the construction of the project, impacting several of the 40 communities under state enforcement orders for radionuclide levels and other water quality issues. Several communities have deadlines for compliance in the next few years.

The funding we request will help to provide the necessary infrastructure to deliver that existing supply, not to create a new supply.

Water infrastructure is critical in Colorado and throughout the semi-arid West. Your partnership with us, and with the Bureau of Reclamation, will deliver our most precious resource to the people of Southeastern Colorado.

Without that partnership, the project will die.

Thank you for your consideration.



Statement for the Record

June 10, 2020

State, Veterans & Military Affairs Committee

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SUBMITTED WRITTEN TESTIMONY

Committee Senate State, Veterans, & Military Affairs
Meeting Date 06/10/2020 Upon Adjournment

Registered	Bill Number	First Name	Last Name	Position on Bill	Representing	Status	Testifying	Text of Testimony
6/10/2020 10:45	HB20-1403	Dianna	Orf	For	Colorado Water Congress	Open	Submitted text	The Colorado Water Congress state Affairs Committee strongly supports HB 20-1403, the CWCB Water Projects Bill as it was passed by the House.