



COLORADO RIVER DISTRICT

PROTECTING WESTERN COLORADO WATER SINCE 1937

Summary of Colorado River District Proposed Mill Levy Increase 2020

WHAT:

Ballot Question in November of 2020 requesting authority to increase the Colorado River District mill levy by .248 mills, increasing the total mill levy from .252 to .5 mills.

WHY: The Colorado River District is being hit with the combined effects of decreasing fossil fuel related (i.e. oil, gas, coal and coal fired electricity) tax revenues, the Gallagher Amendment and the spending/revenue TABOR cap and has had flat and declining revenues. The Colorado River District has cut 15% of its staff and implemented across the board cutbacks. Further cutbacks will damage the District's ability to protect develop and conserve the waters of the Colorado River and its tributaries and to protect Colorado's entitlement to the Colorado River. The District and the West Slope need a fund to drive western Colorado's water priorities. Currently the District and the West Slope are dependent upon the State and Federal government to fund projects within the District making the District and our citizens subject to the priorities of and conditions imposed by the State and Federal governments. There are a wide variety of high priority projects which been identified throughout our District that currently have no funding.

HOW MUCH:

Projected to raise \$4.9 million per year in additional annual tax revenue for the District. The tax increase is \$1.90 per \$100,000 in residential value which means that the median home in the District will pay \$6.34 per year in additional taxes.

TABOR:

The ballot question if approved by the voters, will eliminate the Spending/Revenue TABOR limitations on the District but not the tax rate cap. Meaning that the District will be able to keep and spend state and local grant funds and additional revenue generated by increased valuations greater than the TABOR revenue cap which is limited to inflation plus local growth.

HOW THE MONEY WILL BE EXPENDED:¹

The Colorado River District will utilize the entirety of the \$4.9 million in additional revenue for the following purposes:

¹ The expenditures discussed in this section of the plan are stated in the affirmative "will". The District's ability to allocate and expend these funds is contingent upon a ballot question being placed on the ballot and voters approving the question, and is subject to constitutional limits on multi-year fiscal obligations and future governance determinations that are consistent with the authorizations provided by an approved ballot question.



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- Fighting to keep water on the West Slope;
- Protecting adequate water supplies for West Slope farmers and ranchers;
- Protecting sustainable drinking water supplies for West Slope communities; and
- Protecting fish, wildlife, and recreation by maintaining river levels and water quality.

More specifically, the Colorado River District will allocate approximately \$4.2 million annually or approximately 86% of the amount raised, for partnerships with water users and communities within the District on projects identified as priorities by local communities and Basin Roundtables. The Board and staff of the Colorado River District will prioritize multi-purpose projects that meet needs in one or more of the following five categories: **productive agriculture, infrastructure, healthy rivers, watershed health and water quality, conservation and efficiency** (further detailed description available in the District's Fiscal Implementation Plan).²

The remaining approximately 14% of the funds will be utilized by the District to fix the District's internal financial structural deficit caused by the cumulative impact of the Gallagher Amendment, the decline of tax revenue from the fossil fuel industry, and the Taxpayers' Bill of Rights revenue limitations. **The District will not utilize the new revenue to hire create or fund additional staff positions.** The District will allocate the money to fund existing staff positions and business-related expenses. This allocation will help to ensure the financial integrity of the important work of the River District's enterprise fund by preserving enterprise reserves for anticipated capital expenses and critical maintenance and repair work on water supply assets owned by the District.

² The District is committed to expending funds in an equitable manner which, over time, disperses the benefits of the program geographically within the District boundaries and between the identified categories. The District is also committed to utilizing these funds to drive the initiation and completion of projects that are priorities for residents of the District by utilizing District funds as a catalyst for matching funds from state, federal and private foundation sources. Bringing these funds to the table will allow the West Slope to strongly influence the type, scope and timing of important water supply projects within our District. The money raised by these taxes will be spent in the District and will be utilized to leverage and attract outside money an investment in the District.