



**United States Senate  
Committee on Energy and Natural Resources  
Full Committee Hearing to Examine the Impacts of the COVID-19 Pandemic on Users of Public Lands,  
Forests, and National Parks  
July 23, 2020**

**Water-Related COVID-19 Impacts  
Written Testimony of Douglas Kemper, Colorado Water Congress**

**Guide to Written Testimony**

These documents were developed as an ongoing collaboration among national and western professional organizations and inquiry of their individual members. Collectively, our organizations represent the vast majority of water use in the Western United States. Public lands, forests, and national parks are the principal water source satisfying the diverse needs of Western society and the ecosystem. Water is Life.

**Western Water Issues Driven by COVID**

Prepared by: National Water Resources Association and Colorado Water Congress

*Results of April NWRA survey of Western water members*

*Specific comments from around the West*

*Colorado – Denver Water, Colorado Water Conservation Board, Colorado Water Resources and Power Development Authority, Colorado Department of Parks and Wildlife*

*Idaho*

*Nevada*

*New Mexico*

*Washington*

**The Time is Now to Invest in Western Water Infrastructure – Let's Do It**

Prepared by: National Water Resources Association and Family Farm Alliance

*Op Ed – An investment in water infrastructure is a powerful investment in our economy, our communities, and our health.*

**Colorado Water Community COVID Survey Responses**

Prepared by: Colorado Water Congress

*Direct comments (minimally edited) from Colorado's water community regarding their COVID-related concerns and possible mitigations.*

**Colorado Water Conservation Board Budget Update**

Prepared by: Colorado Water Conservation Board

*Estimated 81% decline in severance tax collections. \$45.5 million directed from water project funding (Perpetual Base Account) to backfill State budget. Numerous important activities receiving State support will either be indefinitely delayed or have annual funding slowed to a 3-year allocation.*

### **Forests, Watershed Health, and Water Supply**

#### **Letter to Senators Murkowski and Udall**

Prepared by: Colorado Forest and Water Alliance

*Request to fully fund U.S. Forest Service Collaborative Forest Landscape Restoration Program*

#### **Letter to Hon. Jim Hubbard**

Prepared by: Colorado Forest and Water Alliance

*Express concerns about the impact of COVID-19 impacts on available Federal funding for programs that create resilient forests and watersheds.*

### **Forest and Watershed Health in Post-COVID-19 Stimulus Planning**

Prepared by: Colorado Forest and Water Alliance

*COFWA strongly urges all funding entities, when appropriating stimulus and/or infrastructure dollars, to increase financial support for utility and water supply infrastructure projects that protect, repair, and improve water supply resilience.*

### **COVID-19 Impacts on the Ground**

Prepared by: Family Farm Alliance

*Keys to success – willingness of state and federal authorities to provide flexibility while ensuring food safety and minimizing waste will be crucial in the future. Coordination among all will be vital.*

### **What Are Special Districts?**

Prepared by: National Special Districts Coalition

*Visual summary of the function of the 30,000 special districts in the United States. Provided as a prelude to survey results that will soon be provided to the Senate Committee on Energy and Natural Resources by the National Special Districts Coalition. Survey will be completed on July 24. The purpose of the survey is to gather information on the revenue, expense, and operational impacts of COVID-19 on special districts.*

## **Western Water Issues Driven by COVID**

Prepared by the National Water Resources Association and the Colorado Water Congress

### **National Water Resources Association Member Survey Responses**

**What are your sectors top three risks? For the water supply sector the top three risks are:**

**Protecting staff:**

Both municipal and agricultural water providers have staff that need to perform critical daily operational and maintenance functions. Many of these functions cannot be done remotely. A shortage of workers due to localized outbreak could have major impacts. Licensed water treatment operators are scarce. If we lose them to COVID-19 and our other regional partners are impacted as well, we would find ourselves at great risk.

**Supply Chain:**

Supply chain, for both PPE (masks and cleaning solutions) as well as for chemical supplies for treating water. PPE are needed not just to protect staff from the virus, but also their daily work that requires specific PPE. (i.e., employees who work with chemicals, oils, fluids, etc.) We have water districts that are constructing their own masks and making their own sanitizer. Another supply chain risk that does not have a workaround is supply chain disruptions for water treatment chemicals. If the chemical companies were not able to make and deliver chemicals to water managers major problems would occur.

**Revenue:**

Water managers are sensitive to financial hardship caused by COVID-19. Many have voluntarily suspended water shutoffs and some states have issued orders prohibiting shutoffs for nonpayment. However there is a growing concern about long term loss of revenue and how this will affect water operations. Water providers are using any and all reserves to keep everything running when costs to respond and protect and pay for inactive staff is mounting. This is going to have a major fiscal impact to all water purveyors.

**What would help mitigate risks?**

**Protecting Staff:** Assure Mutual Aid is ready and in-place between water agencies, particularly in the water treatment and laboratory staff. If we lose too many of them, we are at potential risk. We need to conduct emergency training between sister agencies of water treatment operators in case they need to be mobilized quickly due to infection.

**Revenue:** Provide stimulus funding for key lifelines like water agencies as future federal funding becomes available. We need to make sure we're ready for the future as well. Provision of bridge funding, possibly in form of no interest loans, to drinking water systems and wastewater systems with reduced revenue due to the temporary suspensions of shutoffs for nonpayment. This would help systems cover costs until customers make their payments.

**Help inform the public:**

Keep the messaging going to the public that our water supply and quality is good. Also emphasize the problems created by flushing sanitary wipes.

## Comments from Around the West

### Colorado

#### Denver Water

**Capital Projects/Budget** - To date, we have not experienced revenue declines from water sales, primarily due to the hot summer and increased residential water use. We have seen a decline in System Development Charges, which began in February before the COVID hit. We are on track with all capital projects and are actually planning to exceed capital budget for 2020 with some retiming of projects. We are teleworking and working virtually, but design, bidding and construction are all on track, even with COVID protocols in place in the field.

As far as capital markets, we did a \$500M bond issue/refinance in March, and received AAA ratings from all three rating agencies and historically low interest rates.

**Recreation** - Denver Water properties and facilities have seen heavy recreation pressure. We've closed Waterton Canyon, and recently reopened it only on weekdays.

**Forest Restoration/Watershed Health** - We are looking for cuts to our operating budget to create room in the event revenues decline as COVID continues on. Part of those cuts include certain watershed projects. We are planning on continuing our partnership with USFS on Forests to Faucets.

**Shut offs** - We terminated shutoffs due to inability to pay in March, and that policy continues. We have not seen a large spike in delinquencies or aging accounts and to date have not seen a decline in revenues. However, we are watching closely as federal assistance and the moratorium on enforcement for rent and mortgage payments ends, and if Congress cannot come to agreement on the next stimulus/relief package. We may see a sudden spike in delinquencies if no relief package is forthcoming.

#### Colorado Water Conservation Board

Budget considerations for the Colorado Water Conservation Board are in the companion document.

As to CWCB loan program:

"Borrowers" are about 30% Muni and 70% Private.

The "dollars" are about the opposite. (70% Muni and 30% Private)

Now of the Private, most of them are Mutual Dich Cos that have shares that are Muni.

We have not had any indication of trouble with repayment due to COVID Economy or continuing with a project "under construction" that we are financing.

We did have a Muni borrower indicate a "pay in full" due to better interest rates with a new Private Bond take out.

Aging infrastructure is a big issue for the agricultural community. This is compounded by the stress of urban growth and extreme climate variations. Dams and diversions and ditches are 120 years old and have long been in need of financial assistance. I assume as in previous downturns in the economy, the uncertainty will have an impact on ag folks willingness to replace failing infrastructure but instead use temporary repairs.

### **Colorado Water Resources and Power Development Authority**

We are starting to see some requests (3 or 4 currently) for loan restructures. This is rare for us. With that said, we have not had any entities not make or fall behind in payments.

Entities more dependent on sales tax (resort communities for example) are showing more distress, as anticipated. We have talked to several (5 to 10) municipalities that are pushing off all non-critical projects due to budget issues/concerns.

### **Colorado Department of Parks and Wildlife**

CPW reports their latest Aquatic Nuisance Species boat inspection numbers 2020 to date as compared to this time of year in 2019 are as follows:

299,667 Boat Inspections as of July 6, 2020 (192,113 in 2019)

8,962 Boat Decontaminations as of July 6, 2020 (5,243 in 2019)

## **Idaho**

For Idaho, the first issue regarding infrastructure is a big one. With commodity prices tanking and other impacts to economies, the local share of infrastructure needs are going to be more difficult. At the same time, our experience is that the cost of construction/repairs continues to rise. Entities are struggling to see how they will be able to cover the immediate cost of infrastructure repairs. It is anticipated that many of these economic impacts will extend into future years.

Currently, Reclamation is developing a feasibility study and NEPA analysis for a proposed raise to Anderson Ranch Dam, in southern Idaho. We expect the draft feasibility and NEPA analysis by the end of this month, with final documents out early 2021. Given falling revenues, I am concerned about the ability of the State and other local entities to cover the non-federal share of the costs. The state did set aside \$20 million for the project, but I anticipate the non-federal share to be much higher than that. Idaho is forecasting at least 3-years of economic impacts to revenues from COVID-19.

## **New Mexico**

I see drought as the new and rapidly growing Weatherdemic plaguing the southwest and the Western States, in general. Certainly, trying to deliver 14 inches out of normal 3 ac/ft allotment to farmers in southern NM is a challenge or running out of water completely in the middle Rio Grande valley is becoming the new normal. I see the 2021 snow season approaching with not much hope for any relief in New Mexico.

New Infrastructure is needed to address more efficient ways to move water and conserve this precious resource with new innovative techniques and methods before the drilldown of this drought becomes catastrophic. Now is the time to push Congress to release the funding to improve the means in which we provide our water to our farmers.

With some relief coming from lessening of NEPA constraints; the time is now to try to get the necessary funding released that has been bottled up. Farmers need to rely on the life blood of surface and ground water to circulate through the old blocked and clogged arteries referred to as aging irrigation infrastructure to grow our agricultural commodities.

We need the efforts of our President and Congress to help sustain the resilient nature of farmers to continue to provide food and fiber during these uncertain times and find the means to improve this aging water infrastructure across the western States.

### **Nevada**

My comments pattern those made for Idaho. We expect a Record of Decision relating to extraordinary maintenance (XM) on the Truckee Canal in Western Nevada sometime soon. The preferred alternative in the Environmental Impact Statement is a concrete lining and replacement of check structures at a total cost of as much as \$138M –an amount as much as twenty times our annual budget! COVID has served only to amplify our distress when considering the scope of any such a project amidst the economic uncertainties now plaguing us all! And beyond our concerns relating to the economy generally, we are also beginning to think 2021 will be dry!

### **Washington**

Infrastructure funding for Greater Wenatchee Irrigation District has fallen behind due to covid. Between staff working outside the office and financial institutions not working or working outside it has made it almost impossible to keep moving forward with a bond process. We are about 6 months behind on our bond and we already applied for and received a grant for part of our project.



## **The Time is Now to Invest in Western Water Infrastructure – Let's Do It.**

By Christine Arbogast and Patrick O'Toole

The coronavirus crisis reminds those of us in the water world of the importance of the systems which sustain us.

Our water systems are among the very most important. The need for effective planning, preparation and implementation of water policy and infrastructure is critical, as we manage the engines which drive our economy, our health and our safety. It is most certainly a primary focus of the Western water community, which develops and manages the water infrastructure so critical to every individual and every economic sector.

Our organizations and other industry leaders have long anticipated the potential crisis if we fail to invest soon in the aging systems which store and deliver water for safe drinking, for agriculture production and for industry. We will face another crisis if we fail to invest in new water storage infrastructure to save water for use in dry years. Years of recurring drought conditions in Western states, and the economic and human impacts of drought, require us to look ahead.

But as we have seen in the health crisis of the spring of 2020, anticipation on paper isn't enough. We must prepare, and we must invest.

An investment in water infrastructure is a powerful investment in our economy, our communities and our health. Since 1902, the investment in Bureau of Reclamation infrastructure has been about \$20 billion. Annually, this infrastructure spurs \$62 billion in direct and associated economic activity. Between 2010 and 2013, every dollar invested in Army Corps of Engineers civil works generated sixteen dollars in economic benefits. Every year, our economy recoups its investment in water infrastructure multiple times over.

For the 17 Western states studied in a 2015 Family Farm Alliance economic report, the total household income impacts from irrigated agriculture, associated service industries, and food processing sectors was \$172 billion annually. Irrigated farming and ranching is a huge economic driver in the West, particularly in rural communities. However, this economic force would virtually disappear, along with the rural American communities dependent on farming and ranching, if the water infrastructure that supports it crumbles.

Infrastructure needs offer an immediate and long-lasting way to stimulate our deeply troubled economy. We saw the positive impact of such investment after the recession of 2008.

Across the West, there are hundreds of small non-federal dams which store water for domestic and irrigation purposes in rural areas. Many are under state restrictions and cannot store water to capacity because they are not safe. In Colorado, for instance, the cost of many of these dam repairs is \$1-3 million each. That infrastructure investment is one-time and would not require ongoing federal cost.

Let's do it.

Many existing storage facilities, federally owned and provider owned, could easily be expanded to store more water when the semi-arid West is blessed with good precipitation. Enlarging existing facilities has a more immediate impact on supplies, is an affordable way to expand supplies, and enjoys significant public support.

Let's do it.

We've seen technologies develop which increase the efficiency of water delivery for both domestic and irrigation purposes. Increasing the manufacture of these technologies and providing incentive for applying them to municipal water systems and agricultural production can conserve finite water resources. In this way, they can be made available in drought periods and can be used for economic development across the board.

Let's do it.

And we know that, while we are unlikely to building another Hoover or Grand Coulee Dam, the long term value of developing more storage is certain. It must be done in an environmentally sensitive and strategic way. And it must be done cooperatively between the federal, state and local water agencies which ensure the water supply which absolutely is our lifeblood.

Crisis—be it a health crisis, a drought crisis, a flood crisis—compels us to work together.

Partnerships are a critical piece of infrastructure investment, and can reach beyond the three levels of government to private sector involvement as well. Policies on infrastructure investment would be most effective if a cooperative development and management structure were a requirement.

The infrastructure investment conversation has been loud and clear in recent years. But the actual infrastructure investment has not been made.

The time is now. Let's do it.

We understand the fiscal difficulty of a large infrastructure stimulus package. But we also understand the historical proof of its effectiveness

If indeed our leaders are unable to reach consensus on a large-scale infrastructure investment plan, we have other specific opportunities for the Administration and Congress to invest in Western water infrastructure. Bills like S. 1932 the *Drought Resiliency and Water Supply Infrastructure Act*, and S. 2044 the *Water Supply Infrastructure Rehabilitation and Utilization Act* address needs long anticipated by Western water resource managers. The biannual Water Resources Development Act, currently teed up in the House and the Senate, affords the opportunity to anticipate and act on Western water needs if it includes a title for Bureau of Reclamation programs and projects, as it has in recent years.

The importance of anticipating a potential crisis, and effectively preparing for it with solid planning and investment, can mitigate or even avert the crisis. We in Western water have done that. The federal government needs to be our partner.

Let's do it.



*Christine Arbogast is President of the National Water Resources Association, which represents state water associations, irrigation districts, municipal water providers, end water users and their collective interests in the management of irrigation and municipal water supplies throughout the Western U.S. and portions of the South.*

*Patrick O'Toole, a cattle and sheep rancher from Wyoming, is President of the Family Farm Alliance, which advocates for family farmers, ranchers, irrigation districts, and allied industries in sixteen Western states. The Alliance is focused on one mission – to ensure the availability of reliable, affordable irrigation water supplies to Western farmers and ranchers.*

*The NWRA and the Alliance are organizations that represent the water users that are the cornerstone of western communities and their economies.*



**Water Issues Driven by COVID**  
**Colorado Water Congress Member Responses**  
**April 2020 Survey**

1. **Infrastructure Funding**
2. **Financial Impact on Water Utilities**
3. **Utility Operations Impacts**
4. **Wastewater Collection and Treatment**
5. **Cyber Security Risks**
6. **Management/Staffing**
7. **Employee Health & Safety**
8. **Customers Paying Water Bills**
9. **Communications**
10. **Rural/Agriculture**

**Infrastructure Funding**

**Concerns**

Water Infrastructure Deficiencies – American Society of Civil Engineers identified:

- a \$84 Billion gap between what is needed and what is spent on water supply and wastewater treatment facilities,
- a \$45 Billion repair need for aging high hazard dams,
- a \$80 Billion need for maintaining and improving the nations levee systems.

Additionally, according to the National Academy of Sciences, the Association of State Floodplain Managers, and several universities, aging and inadequate stormwater infrastructure is contributing to a growing urban flood risk.

These infrastructure deficiencies cost the nation hundreds of billions every year and present social, environmental, and economic risks that can be mitigated with new ways of ensuring adequate resources are available to catch up and not fall behind again.

Flooding – According to FEMA this is the #1 natural hazard. According to NOAA, in the decade from 2009 to 2019 flooding caused over \$393 Billion in damage.

Deterioration of watersheds and natural systems due to public inattention and ineffective regulation.

Continuation of larger construction projects.

**Mitigation**

What is needed are improvements to how we (government/tribes, private sector, academia, others) work together to manage this risk in watersheds across jurisdictional boundaries both before and after disasters strike.

Provide reasonable flexibility in achieving regulatory compliance for essential construction projects.

Clear and consistent path to comply with environmental regulations – so that emergency funds can be efficiently applied to shovel ready projects. Look to existing regulations and guidance to provide a road map to quick and certain compliance.

Sufficient public funds to keep projects moving on a speedy, predictable timeline

Regulatory consistency as we prepare to receive infrastructure funds from DC

Regulatory certainty regarding the new navigable waters rule and its status

Support, resources, and reduced red tape from federal agencies to permit large water projects

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### **Financial Impact on Water Utilities**

#### **Concerns**

Financial viability of the utility is at risk – both operations and longer-term capital project needs.

Water utilities are dependent upon customer payments. If customers cannot afford to pay their bills, it sets off a chain of financial constraints. We have learned that the remedy of turning off water service is a non-starter in almost every community in the country. Where the utility operates as a municipal department, the pressure will be on local officials to divert cash out of the water utility to subsidize other municipal services. Diverting revenues will exacerbate the financial stability of the water utility.

How does a utility compassionately and respectfully begin to collect outstanding utility bills?

Water demand (water sales) may decrease due to unemployment, loss of tourism, reduction in lawn watering, decline of commercial/industrial customer base.

Tap fees decline due to economic disruptions/recession.

Declining revenue generation will decrease the ability to implement major capital projects.

Pressure to reduce near-term critical maintenance will cause long-term problems.

Liability from both employees and customers due to alleged safeguards in the work environment.

#### **Mitigation**

Utilities will need a number of financial strategies.

Budget scenario planning focused on scenario planning to understand potential range of disruption to both operations and revenues. Will evaluate potential mitigation strategies over the next 3 to 18 months

Look at the debt of the municipal utilities and consider major refinancing and consolidation of debt in order to lower payments. US Government could buy the debt and place it in retirement portfolios,

package it and sell it to large pension and other funds and so on. These utility debt instruments should be good investments for such purposes.

Lowering debt service would help cash flow.

Additional funding sources may be needed, especially federal funding assistance for delinquent accounts

New safeguards for walk-in customers and upgrade revenue processing systems for online payments.

Look at rate structures – fixed v. variable rates.

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### **Utility Operations Impacts**

#### **Concerns**

Supply costs may rise – for example, if chemical manufacturers go out of business resulting in lower supply

Maintaining system pressure.

Responding and addressing worsening and changing water quality

What happens if there is a natural disaster on top of the COVID situation?

#### **Mitigation**

Federal government ensures we have the infrastructure to respond earlier and more comprehensively so that this doesn't happen again.

Is there a risk of depending too much on the federal government?

Have federal or state response team if insufficient personnel.

Supply chain interruptions of necessary treatment chemicals.

Electrical system interruptions.

Require utilities and water providers to have a crisis response, Emergency Operations Center, or Continuity of Operations Plans that takes into account the loss of personnel.

Build new, robust treatment plants and increase replacement of distribution system pipelines and pump stations.

Operational technologies, enhanced and secure systems that allow remote operation (cyber secure).

Protect and secure watersheds, augment with additional water supplies and interconnections for reliability and redundancy.

Transition Board meetings to Zoom for public meetings.

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## Wastewater Collection and Treatment

### Concerns

Strongly supporting the supply chain is critical. We cannot treat water and wastewater without the proper treatment agents, disinfection chemicals, etc.. We need to make sure those products are both available and also delivered without delay.

Wastewater treatment is at risk due to the increase use of anti-bacterial products and additional cleaners. We have seen our bug population (bacteria used to treat wastewater) die off or become stunted. These bacteria are essential to wastewater treatment. The more people use cleaners and anti-bacterial type products, the more this stuff flows down the sewer and kills the “good” bacteria. both the physical clogging and the toxicity to biologic treatment processes caused by the anti-bacterial fluid they are soaked in.

Clogging Wastewater Pipes from “flushable” wipes.

### Mitigation

Legislation on labeling of wipes ie they are NOT flushable.

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## Cyber Security Risks

### Concerns

IT security risks due to opening up systems so that staff can work remotely.

### Mitigation

Federal assistance with cybersecurity.

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## Management/Staffing

### Concerns

Availability of certified/trained/experienced workforce to substitute for absent personnel.

Employee attrition due to sickness/quarantine - especially water/wastewater treatment operators and field crews. Effectiveness of the remaining crew members.

Ability of field employees to get into the field to do their work.

Ability to respond to emergencies in the distribution or collection systems.

Stability of work schedules.

Organizations are interconnected – if one area is impacted, all areas are impacted.

Transmission of COVID-19 between office personnel who work with customers and the public.

Health care costs are likely to rise, increasing the utility's contribution to this benefit. In addition, expectation that there will be an uptick in FMLA claims for healthy staff struggling with childcare.

Unqualified folks making decisions and taking action that could damage the delivery systems.

Because water is undervalued, we have a hard time recruiting people to work in the industry.

Managing ever sophisticated treatment processes and expanding distribution systems requiring higher skills

### **Mitigation**

Utilities might help each other out regionally with staffing. Regional pool to compensate utilities for helping each other.

Put State resources toward rural economies/workforce development – especially rural economies dependent on tourism and recreation.

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## **Employee Health & Safety**

### **Concerns**

Uncertainty if crews have been exposed to COVID-19.

Keeping key staff healthy – especially water/wastewater treatment operators, field operations staff, and management team.

Emergency staffing protocols to avoid infections - availability of PPE and N95 face masks.

Employee mental health including potential for burnout and stress.

Employees out for sick leave may increase workload or pressure on other employees.

Setting up administrative codes for employee absences – sick, childcare, tending to family to protect Paid Time Off Balances.

### **Mitigation**

Nationwide testing program for return to work and isolation.

Limit the amount of contact with the public and encouraging everyone to stay safe.

Fast-track routine and reliable COVID-19 prophylactic measures and treatment.

Developing staggered shifts to reduce the number of essential staff needed at any given time in the field or at treatment plants.

Develop a strategic stockpile of masks, hand sanitizer, PPE for field and treatment plant personnel.

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## Customers Paying Water Bills

### Concerns

Many customers, especially low income, may accrue significant utility bills and be unable to repay them more people are at home using more water.

Customers are going to need financial support when the stimulus money runs out - that money needs to come directly to the utility to support operational costs. If it is given to the customer, the customer will spend it on what is deemed the highest priority for that customers. That may not be treated water.

### Mitigation

Encouraging customers to pay as much as they can, so they do not fall too far behind.

Financial support for our customers so they can pay their bills.

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## Communications

### Mitigation

We believe the pandemic will change the way we work in the future. We are setting up a national outreach program including free online training to be offered to anyone interested. The purpose is to help communities and the industry stay connected – with no undertone of business development. We all strive for the betterment of mankind so in reality we are one joined to focus on this common vision.

Better public health awareness in the water sector, especially public water utilities.

Making the connection between long-term water security and long-term food security

Improve public understanding of water and wastewater treatment processes and how they protect public health.

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## Rural/Agriculture

### Concerns

Forest/watershed health is one of the top risks to water security.

One of the greatest risks for ag water users and uses will be lack of funding sources to maintain infrastructure. With Colorado Water Conservation Board's budget likely being revised, some sources of funding will have be suspended. The problem I see is that if we cannot improve efficiencies with our water we will struggle to remain creative in how we address upcoming issues.

Currently J Bar M controls and has influence over the Cow Creek drainages and its flows into the Uncompahgre, our main issue at moment which is caused by COVID-19 is that we don't want to use too many subs to get things operational and running due to lack of information available regarding how to stay safe in terms of the viruses life span on differing things (ie: steel, plastic , cardboard etc.). So to avoid crossing any of those things, it's easier to just allow ourselves to handle head gates and equipment required to get streams and ditches up and running which is concurrently being hindered by the current

stance of telling those not working to be outside in open spaces to get fresh air. At the moment, my crew is only able to operate at half or one third efficiency as we have to spend a great deal of time watching for or dealing with people trespassing and playing with things like head gates. By encouraging open spaces as a place to get fresh air and exercise, but shutting down parks and local places that local people normally go they are forced to venture into ranching and agricultural areas that they don't really know which is slowing our production. Things may be marked but more often than not people tend to assume if they don't see a person, there is no harm in crossing a fence or opening a gate to stretch their legs, and are often aggressive when confronted and told not to be where they are. Sadly our State, like most, don't have enough law enforcement to handle trespassing calls on the scale we are beginning to deal with, but need to find a solution as too many agriculture places are spending more time looking over their shoulders and less time getting ditches open, fields irrigated and cows tended. I know this isn't likely what you were looking for, but it is the only effect I'm seeing so far from COVID-19 and would be much easier to just be able to focus on our normal work and get supplies going rather than having to have routinely check or confront people that are far out of their element.





**COLORADO**

**Colorado Water  
Conservation Board**

Department of Natural Resources

1313 Sherman Street, Room 718  
Denver, CO 80203

P (303) 866-3441  
F (303) 866-4474

Jared Polis, Governor

Dan Gibbs, DNR Executive Director

Rebecca Mitchell, CWCB Director

**TO:** Colorado Water Conservation Board Members

**FROM:** Lauren Ris, CWCB Deputy Director  
Anna Mauss, CWCB Chief Operating Officer

**DATE:** July 15-16, 2020

**AGENDA ITEM:** 10. Budget Update

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### Introduction:

This informational agenda item will describe the CWCB budget impacts as a result of the economic consequences associated with COVID-19. These impacts will likely span three fiscal years: fiscal year 2019-20 (ended on June 30, 2020), the current fiscal year 2020-21, and the next fiscal year 2021-22.

Discussion:

### Fiscal Year 2019-20

General Fund revenue declined dramatically in the last quarter of FY 2019-20 due to the economic impacts of COVID-19. In response, Governor Polis issued a sequestration plan through Executive Order D 2020 050, in addition to other statewide fiscal conservation guidance from the Governor's Office of State Planning and Budgeting. The order implemented a targeted state-wide spending reduction of \$228.7 million General Fund to maintain minimum statutory reserve requirements. As part of this sequestration plan, approximately \$866,000 of the \$1.7 million General Fund appropriation for CWCB's demand management feasibility study (authorized by Senate Bill 19-212) was redirected to help address this general fund shortfall. Due to the COVID-19 related travel and meeting restrictions that impacted the demand management work groups, and being able to do more work in house than previously anticipated, CWCB does not expect any significant impacts to the effort.

In this fiscal year, the CWCB's Perpetual Base Fund and Construction Fund each contributed \$33 million to the TABOR emergency reserve (\$66 million total). While these funds were not ultimately drawn on for this purpose, this fact contributed to the overall uncertainty of the status of these funds and their availability for new expenditures.

Due to the significant revenue shortfalls projected, and the role that CWCB's cash funds would play in backfilling these shortfalls either through the TABOR emergency reserve or through any budget balancing actions by the General Assembly, CWCB staff postponed bringing Water Plan Grant recommendations scheduled for the May Board meeting to this July meeting (Agenda Item 21).



## Fiscal Year 2020-21

As part of the budget balancing package to backfill the \$3.3 billion General Fund revenue shortfall for FY 2020-21, the Long Bill package redirected \$45.5 million from the Perpetual Base Fund to the General Fund. In taking this action, the Joint Budget Committee considered the needs of CWCB's Loan Program allowing staff to bring new loan recommendations for this year. Additionally, the Long Bill included only \$33 million from the Construction Fund for the TABOR Emergency Reserve for this fiscal year (as compared to the previous year's inclusion of an additional \$33 million from the Perpetual Base Fund).

The June 2020 Legislative Council Staff Revenue Forecast projects an 81% decline in statewide severance tax revenue compared to Fiscal Year 2019-20 resulting from the historic collapse in oil prices that occurred in mid-March 2020. Based on this forecast, both DNR severance tax cash funds--the Perpetual Base Fund and the Operational Fund--are projected to receive only \$5 million each in FY 2020-21. In order to ensure that there is sufficient revenue in the Operational Fund to support the staff salaries and ongoing operations in DNR Core Programs, DNR is restricting spending of the August disbursement of funding to the DNR Grant Programs (including the Water Supply Reserve Fund, the Water Efficiency Grant Program, and IBCC) until the fund has stabilized. In addition, the CWCB receives up to 5% of the Core Program funding for Operational Fund Grants on an annual basis. These grants were approved by the Board in March, however in order to support the other Core Programs, these grants will not receive funding and the grant program will be suspended pending future revenue projections. DNR is monitoring the status of Operational Fund on a continuous basis and will revisit restrictions after every quarterly revenue forecast.

Additionally, the 2020 Projects Bill (HB 20-1403) passed which included appropriations from the Construction Fund to a variety of programs, including additional funding for the Water Plan Grant Program, the Watershed Restoration Program, and the Alternative Transfer Methods (ATM) Program. However, due to the continued economic uncertainty, CWCB staff anticipates needing to budget conservatively and stretch available grant program funding over the next three fiscal years. Additional information as it relates to this spending plan will be discussed during the September Finance Committee meeting. Table 1. Summarizes the various impacts to CWCB programs.



**Table 1. Budget Impacts to CWCB Programs.**

SEVERANCE TAX SUPPORTED PROGRAMS	IMPACT
<b>Severance Tax Operational Fund Grants</b>	Grants approved by the board in March 2020 that were expected to begin in July 2020 will not proceed with contracting. Funding for this grant program is suspended until further notice.
<b>Water Supply Reserve Fund Grants</b>	No new funding in FY21. Roundtables can still award grants from the current basin account fund balances. Grants that were approved by the CWCB in FY 19/20 are still moving forward. The current balance for the statewide account will be stretched over the next three fiscal years.
<b>Water Efficiency Grant Program</b>	The program will not receive additional funding in FY21. Limited grants can be awarded based on the fund balance. The current balance will be stretched over the next three fiscal years.
<b>Species Conservation Trust Fund</b>	The program will not receive additional severance tax funding in FY21. Limited projects will continue based on the fund balance. This does not affect funding that was authorized in this year's SCTF legislation (SB20-201).
<b>Interbasin Compact Committee</b>	This program will not receive additional funding in FY21. Funding can be spent from the existing balances. However, funds for meeting space, food, travel will be limited (and may not be permitted at all depending on public health orders in place at the time of the meeting).
<b>Loan Program</b>	No impacts expected this Fiscal Year. Loan applications are being accepted.
CONSTRUCTION FUND SUPPORTED PROGRAMS	IMPACT
<b>Water Plan Grant Program</b>	The Projects Bill passed including funding for new grants. The board will consider applications postponed in May at its July 2020 meeting (stemming from the February 1, 2020 application round). The Board will consider staff's recommendation for Future application deadlines in Agenda Item 20.
<b>CO Watershed Restoration Grant Program</b>	The Projects Bill passed including funding for grants. The current balance will be stretched over the next three fiscal years.
<b>ATM Grant Program</b>	The Projects Bill passed including funding for grants. The current balance will be stretched over the next three fiscal years.



## Fiscal Year 2021-22

While state revenue is projected to rebound, revenue collections for FY 2021-22 are expected to remain below FY 2018-19 levels. The State and Legislative economists caution that the economic outlook is especially uncertain in light of the evolving COVID-19 crisis and depends on the trajectory of the pandemic, the pace of the recovery, and the availability of federal aid. Even with a strong rebound in economic activity, the state budget situation is still expected to be very challenging in FY 2021-22 with a significant General Fund revenue shortfall to account for.

In spite of this uncertainty, the budget planning cycle for Fiscal Year 2021-22 has already begun. Agencies are currently in the process of preparing budget scenarios for the Office of State Planning and Budgeting and DNR anticipates responding to future budget reduction targets.

After the passage of Proposition DD during the November 2019 election, sports betting launched on May 1; however, revenues face an uncertain near-term future with all professional sports indefinitely suspended in the U.S. A forecast of sports betting revenue will be available in future forecasts, once tax collections data for several months become available.

### **Background:**

#### Severance Tax Perpetual Base Fund

Revenue into the Perpetual Base Fund comes from interest on loans, treasury interest, and 25% of statewide Severance Tax Revenue. The CWCB is authorized to use the fund to make low-interest loans. Interest generated from these loans goes back into the fund.

#### DNR Severance Tax Operational Fund

The DNR Operational Fund receives 25% of severance tax revenue to support two tiers of programs: Core Programs and Grants. Core Programs provide funding for staff salaries and operations in several DNR agencies including the Oil and Gas Conservation Commission, Division of Reclamation Mining and Safety, Avalanche Information Center, and Colorado Parks and Wildlife. CWCB also receives up to 5% of this Core Program funding, however, unlike the other DNR agencies, CWCB uses that funding for Severance Tax Operational Fund Grants (typically about \$1.3 million). See Figure 1.

When the annual revenue into the Operational Fund exceeds \$17 million satisfying the funding needs of the Core Programs plus the 100% Core Program reserve requirement is met, any additional revenue is distributed proportionally to DNR Grant Programs. See Figure 2. The CWCB Grant Programs include:

- Water Supply Reserve Fund (up to \$10 million)
- Species Conservation Trust Fund (up to \$5 million)
- Water Efficiency Grant Program (up to \$550K)
- Interbasin Compact Committee Operations Fund (up to \$745K)



Figure 1. Distribution of severance tax revenue.

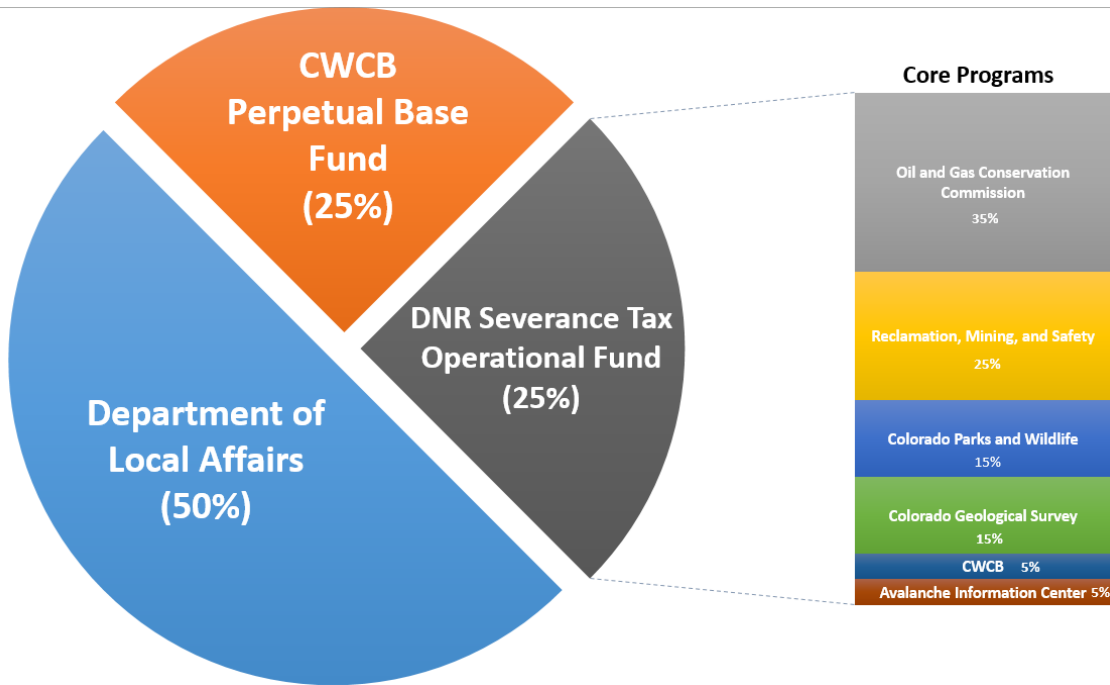
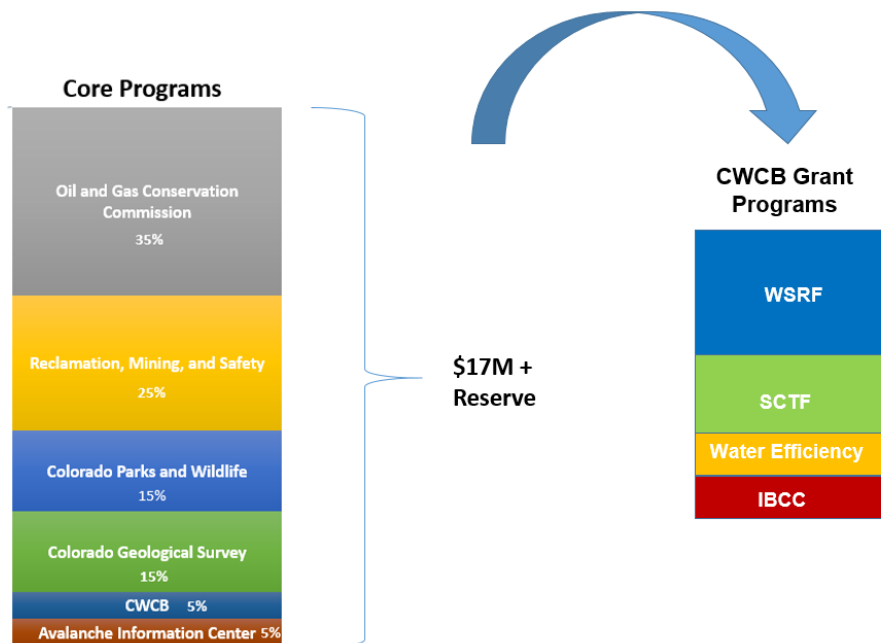


Figure 2. Distribution of of severance tax revenue once the Core Programs funding obligation has been met to Grant Programs.



**COLORADO FOREST AND WATER ALLIANCE**  
**Members: Colorado Water Congress, Colorado Timber Industry, The Nature Conservancy, Club 20, and Watershed Health Investment Partners**

April 30, 2019

Senator Lisa Murkowski, Chair  
Senator Tom Udall, Ranking Member  
U.S. Senate Appropriations Subcommittee on Interior,  
Environment and Related Agencies  
131 Dirksen Senate Office Building  
Washington, D.C. 20515

Dear Senator Murkowski and Senator Udall,

As you consider the Fiscal Year 2020 Interior, Environment, and Related Agencies Appropriations bill, we write to urge you to provide full funding in line with the 2018 Farm Bill for the Collaborative Forest Landscape Restoration Program (CFLRP). As communities across the country struggle with the impact of severe fire seasons, now is the time to expand this vital forest program.

Since its enactment in 2009, CFLRP has had a proven track record of success in bringing collaboration to our forests to increase forest health, mitigate wildfires, and support rural economies and local voices. CFLRP requires various local stakeholders to collaborate, resulting in stronger relationships on the ground, better projects, and a decreased risk of conflict and litigation.

To date, 23 CFLRP projects in 14 states have sold more than 2.5 billion board feet of timber; created \$1.4 billion in local labor income; and improved 760 miles of trails for sports enthusiasts and recreation. On average, CFLRP creates or maintains 5,400 jobs each year at current funding levels - a number that would likely increase if funding is expanded. In addition, CFLRP has reduced the risk of megafires on more than 2.9 million acres.

Because of this bipartisan program's successful track record, the 2018 Farm Bill (Public Law 115-334) doubled the size of its funding authorization. There is interest across the country in establishing new collaborative projects as well as sustaining current projects. As the national conservation on forest management continues, it is imperative that we invest in programs that reduce conflict in our forests and increase the number of logs sent to mills.

As you draft the FY2020 Interior, Environment, and Related Agencies Appropriations bill, we respectfully request that you fully fund CFLRP. Thank you for considering this request.

Respectfully,

Travis Smith for  
**Colorado Water Congress**

Molly Pitts for  
**Colorado Timber Industry Association**

Aaron Citron for  
**The Nature Conservancy**

Cindy Dozier for  
**Club 20**

Mark Shea for  
**Watershed Health Investment Partners**

c. Senator Cory Gardner  
Senator Michael Bennet

**COLORADO FOREST AND WATER ALLIANCE**  
Box 165, Florissant, CO 80816

July 1, 2020

The Honorable James Hubbard, Undersecretary of Agriculture  
United States Department of Agriculture  
1400 Independence Ave, SW  
Washington, DC 20250

Dear Undersecretary Hubbard:

Our organization, the Colorado Forest and Water Alliance (COFWA), was formed to advocate for policies and actions that create resilient forests and watersheds here in Colorado. But we know our efforts in Colorado reach far beyond our borders: Colorado's major rivers provide life sustaining water to numerous downstream states, not only benefitting millions of people, but also their agriculture, outdoor recreation economies, and fish and wildlife populations.

Over two decades ago, forestry and water leaders in Colorado recognized that restoring forests and watersheds helps to protect water supplies and water quality. We believe our track record of success in Forest-Water leadership and innovation is a compelling example for other states to follow. COFWA celebrates success stories from across the state, which this short list exemplifies:

- Creation of over 70 forest and watershed collaboratives across Colorado, beginning as early as 1987;
- Implementation of Collaborative Forest Landscape Restoration Program (CFLRP) projects on the Front Range and the Uncompahgre Plateau, which have implemented forest-restoration projects on over 48,000 acres, and 41,000 acres of prescribed fire, since 2009;
- Creation of state and local tax and financing options, such as development of the state's Wildfire Risk Reduction Grant program, which has allocated over \$14 million dollars to a matching-grant program since 2013, and Summit County's Wildfire Prevention tax, a voter-approved property tax that provides \$1 million per year toward wildfire prevention initiatives;
- Implementation of the Forests to Faucets program of work, through which municipal water providers invest millions of dollars each year in partnership with federal land managers to mitigate wildfire risks around critical source water supply areas;

*The members of the Colorado Forest & Water Alliance (COFWA) have joined together for mutual assistance in advocating at state and federal levels about policies, funding, and programs that support meaningful and measurable improvements in forest health and watershed resiliency benefiting Colorado.*

**Colorado Forest & Water Alliance Members: Colorado Water Congress, Colorado Timber Industry, Club 20, and the Watershed Health Investment Partners**

- Creation of Good Neighbor Authority—in which cross-boundary work can be completed on both federal and adjacent non-federal lands. This program was piloted in Colorado in 2000, and expanded in the 2018 Farm Bill to cover the entire country;
- Implementation of Colorado’s Water Plan, which includes a strong focus on the nexus of water and forests, and emphasizes watershed health as a critical strategy for protecting Colorado’s water supply future.

Recognizing water as a principle value to be protected is one of the unique features of the Colorado/USDA Shared Stewardship agreement that you and Governor Polis signed late last year. We recognize that the traditional USFS line item funding, and funding Region by Region, was never envisioned to address specifically the forest challenges that affect our headwater basins. Thus, we write today to request your continued support for funding programs that create the means for Colorado to continue our legacy of leadership in collaborative restoration efforts. Proven programs such as the Collaborative Forest Landscape Restoration Program have helped incentivize highly successful partnerships with multiple stakeholders. The first-of-its-kind Forests to Faucets program needs continued federal funding to maintain a direct match from water providers – thereby doubling the funding and capacity to treat critical acres. There is also a new program, part of the 2018 Farm Bill titled the Water Source Protection Program (WSPP), that is tailor-made for Colorado given our role as the pre-eminent headwaters state in the western United States. A recent letter from Senators Bennet and Wyden supporting appropriations for this program demonstrates Congressional intent to accelerate watershed restoration efforts in Colorado and across the West to protect our valuable water supplies.

We know these are very challenging times. COVID-19 will certainly continue to affect available Federal funds and programs. We also know that the wildfire threat to our forests, watersheds, and water supply infrastructure is only increasing – and time is not our friend. We respectfully urge you to consider Colorado’s proven track record with collaboration, substantial matching funds from water providers, cross-boundary projects, and the full support of our political leadership, when you make decisions on where best to invest the limited federal funds available to improve forest conditions. COFWA believes Colorado has proven to be one of the best investments for USDA/USFS funds and programs anywhere in the country.

Thank you for your consideration and we are available to answer any questions either via letter or preferably via video conferencing. Finally, we appreciate all that you are doing promoting collaborative approaches to address the forest and watershed challenges we face today and in the future.

Respectfully,

/s/

Colorado Forest and Water Alliance:

Colorado Water Congress (Representative, Travis Smith, Doug Kemper)

Colorado Timber Industry Association (Representative, Molly Pitts)

Club 20 (Representatives Nancy Fishering, Cindy Dozier, Chris Treese)

Watershed Health Investment Partners (Representatives Mark Shea, Mike McHugh)

Cc: Chief Vicki Christiansen

Cc: Deputy Chief Chris French

Cc: Acting Regional Forester Jennifer Eberlien



# COLORADO FOREST AND WATER ALLIANCE

## Forest and Watershed Health in Post-COVID-19 Stimulus Planning

**POSITION:** COFWA strongly urges all funding entities, when appropriating stimulus and/or infrastructure dollars, to increase financial support for utility and water supply infrastructure projects that protect, repair, and improve water supply resilience. Headwater watersheds are the natural infrastructure of western water supplies and require continued prioritization for mitigation of wildfire risk through increased funding and enhanced federal, state, and local agency support.

**BACKGROUND:** COFWA has followed the numerous discussions on addressing the economic fallout from the efforts to contain the COVID 19 pandemic. COFWA recognizes the challenges facing the utility and water supply sectors. COFWA has specific input in this regard, as identified in our 2020 Strategic Plan.

COFWA recognizes the unprecedented nature of COVID 19 and the devastating costs facing the economy and our citizens. Likewise, Colorado governmental entities face extreme revenue shortfalls and challenging decisions to recover from the economic consequences of this pandemic. With the early closure of ski areas, mountain communities have been hit hard, but these areas are also the 'high headwaters,' providing critical source water for millions of downstream users, including water utilities and agriculture. Increasing the pace and scale of project work that protects these critical water-supply sources from catastrophic wildfire improves both water and food security in Colorado during these unprecedented times of uncertainty, while simultaneously helping support the economies of many rural mountain communities by maintaining and increasing jobs locally.

Recent comprehensive water supply and drought planning (Drought Contingency Planning) in Colorado clearly identified the importance of healthy forest watersheds and the need to mitigate wildfire risks in order to secure essential water supplies. We urge Colorado entities and our federal partners to prioritize funding and other resources for water supplies as we navigate recovery from the pandemic. If effective steps are not taken to secure funding for these needs, new COVID-19-related competition for scarce dollars will likely divert federal and state funding away from the following critical programs:

- Full implementation of Colorado's Water Plan, related Basin Implementation Plans (Basin Roundtables), and the upcoming, newly revised Colorado Forest Action Plan and Atlas;
- Implementation of the federal Water Source Protection Program of the 2018 Farm Bill, which secured additional federal funding to match local watershed investments; and
- Increased wildfire risk reduction treatments in critical public utility corridors and water supply watersheds.

Many states will be needing assistance in the upcoming months. Colorado has the distinct advantage that the public lands within our state generate significant revenues from Special Use Permits and related activities. In addition to the nearly \$30 million currently paid by Colorado ski resorts, tens of millions are paid by utility companies that provide critical services to Coloradans. A greater portion of this local funding could be retained within Colorado immediately to provide jobs and increase our collective investment in projects to improve forest health and watershed protection as outlined in Colorado's Water Plan and Forest Action Plan – and reflected in the numerous NEPA-ready forest management projects already planned throughout our state. We must not lose these critical priorities as we face more challenges and already constrained budgets.

*The members of the Colorado Forest & Water Alliance (COFWA) have joined together for mutual assistance in advocating at state and federal levels about policies, funding, and programs that support meaningful and measurable improvements in forest health and watershed resiliency benefiting Colorado.*

**Colorado Forest & Water Alliance Members: Colorado Water Congress, Colorado Timber Industry, Club 20, and the Watershed Health Investment Partners**

Approved by Consensus: April 16, 2020

## **Changing Markets**

Even though certain items are disappearing from the store shelves, it appears that most of the food deficits have been the result of panic-driven demand rather than a lack of supply. The coronavirus pandemic initially caused a “tidal shift” in consumer behavior with restaurants closing and shoppers flocking to grocery stores instead. Food service companies are hurting, and worried. They lost their market, with the closure of arenas, stadiums, restaurants, airlines, and cruise ships. Early on in the pandemic, fifty percent of our country’s food supply had nowhere to go. Harris Farms in California plowed under 240 acres of iceberg lettuce last spring. For some farmers who have sold food to restaurants and school cafeterias, it will prove difficult to recover from the lost business. But, farmers and food suppliers are maneuvering to meet the shifting demand.

## **Collapse in Commodity Prices**

On-farm problems caused by the COVID-19 outbreak are primarily tied to the collapse in commodity prices. In Arizona, dairy customers for alfalfa and silage would not answer their phone while dumping their milk. Those producing alfalfa and silage are still delivering on prior contracts, knowing they might not get paid. Some cotton farmers made the decision to not plant some fields that have traditionally been less efficient. Then, cotton prices that were below government loan levels surged, due to world- wide cancellations by retailers.

Farmers had to make immediate choices about what seed they pour in the planter. Or, should they take the risk at all? There was a bit of an incentive to leave fields unplanted in low price or high uncertainty times. Farmers are still irrigating crops, all workers are still reporting to work each day, and farmers keep paying the bills until the money runs out.

## **Farm and Ranch Labor**

The food industry relies on more than 200,000 guest workers each year. About 90 percent of [the H-2A temporary visas](#) these workers need are issued in Mexico, where American consulates shut down. The embassy indefinitely halted visa interviews needed to process applications to come to the U.S., including for seasonal farm workers under the H-2A visa program. The suspension hit growers just as they were prepared to gear up for their peak spring and summer growing seasons. USDA working with the Department of State and DHS engaged to ensure minimal disruption in H-2A and H-2B visa applications during these uncertain times.

## **Unintended Consequences from New COVID-19 Laws**

Under COVID legislation signed into law earlier this year, irrigation districts were required to provide up to 80 hours of paid sick leave and additional extended benefits to employees who are affected by COVID-19. Irrigation districts, which are generally political subdivisions of the States, will not qualify for any of the reimbursement allowances or tax credits related to this new federal

## **COVID-19 IMPACTS ON THE GROUND** **by Family Farm Alliance**

### **Western Irrigated Agriculture**

Western U.S. agriculture is facing one of its biggest crises since the Great Depression, as the COVID-19 pandemic has impacted markets, disrupted the food supply chain, collapsed commodity prices, and intensified labor challenges. Rural communities on average were more vulnerable to the public health and economic crisis after a decade of slower recovery from the last recession, compared with more populated areas. They are also more reliant on industries like agriculture, mining, and manufacturing. The Western Governors' Association (WGA) last month released its [Reimagining the Rural West Initiative report](#) with a dozen recommendations to drive economic development efforts in the West, as businesses and towns try to recover from the pandemic.

Producers reported early on in the pandemic outbreak that it was difficult to get business done with the various safety and social distancing practices being employed. Lost markets and lost off-farm income related to the COVID-19 pandemic have proven doubly difficult for many California farmers and ranchers, according to a survey by the California Farm Bureau Federation (CFBF). More than half of the farmers responding to the voluntary survey said they had lost customers or sales due to COVID-19, and nearly half said they or someone in their immediate family had lost off-farm income.

CFBF and the Farm Employers Labor Service, a Farm Bureau affiliate, asked farmers and ranchers to respond to an online survey form last April, and more than 500 responded. Nearly 57% of respondents said they had lost customers or sales during the pandemic, with most citing stay-at-home orders that had closed customers' businesses. Forty-two percent of responding farmers said they or a family member had lost off-farm income, mainly because of jobs unavailable due to stay-at-home orders or to care for children due to school and child-care closures. About three-quarters of the responding farmers said they had been able to maintain operations so far, and had been able to avoid furloughing or laying off employees. Of those who reported reducing operations or staff, most cited cuts to customer orders or revenue. Only 20% reported employees unable to work, mostly because the employees were considered in a high-risk group for the novel coronavirus. About one-third reported being unable to undertake routine planting, cultivation, or crop-care activities due to lack of personal protective equipment such as respiratory protection. To review the survey results, visit [www.cfbf.com/impactsurvey](http://www.cfbf.com/impactsurvey).

In California and other parts of the West, the largest impacts appear to be associated with changing markets, the collapse in commodity prices, and farm and ranch labor. The livestock industry has been hit especially hard, as Ethan Lane will undoubtedly address in his testimony at the hearing.

mandate. Districts generally do not rely on taxpayer dollars to fund their budgets. They rely solely on assessments to farmers. So, this new legislation imposes an unfair and likely improper unfunded mandate on districts. If not corrected by Congress, districts will resort to raising farmer rates to make up any budgetary shortfall.

### **Outlook and keys to success**

As you know, there are thousands of Western farmers, ranchers, and businesses on millions of acres of productive land who provide the food our nation relies upon. Many of these interests are concerned about future and uncertain COVID-19 impacts on domestic agriculture, the world economy and how that will affect farmers' ability to pay their bills. Hay and livestock markets are the mainstays of many rural communities in Colorado and other parts of the West. How will some of these global impacts may come back to further harm these markets? There are serious concerns about future severe disruptions and the unknown impacts they might impart.

The willingness of state and federal authorities to provide flexibility while ensuring food safety and minimizing waste will be crucial in the future. Coordination among all will be vital.

As Congress considers further measures to help our country recover economically - including boosting federal funding for infrastructure -we urge that Members consider critically needed investments that address the shortcomings of our aging Western water infrastructure.

The COVID-19 pandemic underscores the importance of safety and stability provided by domestic food production. As this crisis has pointed out, a stable domestic food supply is essential and of national security interest. For farmers and ranchers to survive, and for food to continue to be produced here in the American West, a stable water supply is a necessary part of any conversation about our national food security.

As a result, we believe it is critical that our country continually invest in the Western water infrastructure necessary to meet current and future demands. Our existing water infrastructure in the West is aging and in need of rehabilitation and improvement. Most of the federally funded water infrastructure projects that benefit the large cities, rural communities and small farms in the West were built over 50 years ago. As hydrological conditions in the West change and populations continue to expand, failure to address water security has become increasingly critical. Failing to improve water infrastructure and develop supplies will inevitably result in additional conflict as pressure grows to 'solve' urban and environmental water shortages. Moving water away from Western irrigated agriculture will surely contribute to the decline of our national food security.

While it appears that infrastructure provisions will likely not be included in the next COVID-19 stimulus package, we will continue to advocate that water conservation, water recycling, watershed management, conveyance, desalination, water transfers, groundwater storage, and surface storage are all needed for a diversified water management portfolio and such efforts MUST be included in the next major water legislative package, be it stimulus-related, or otherwise.

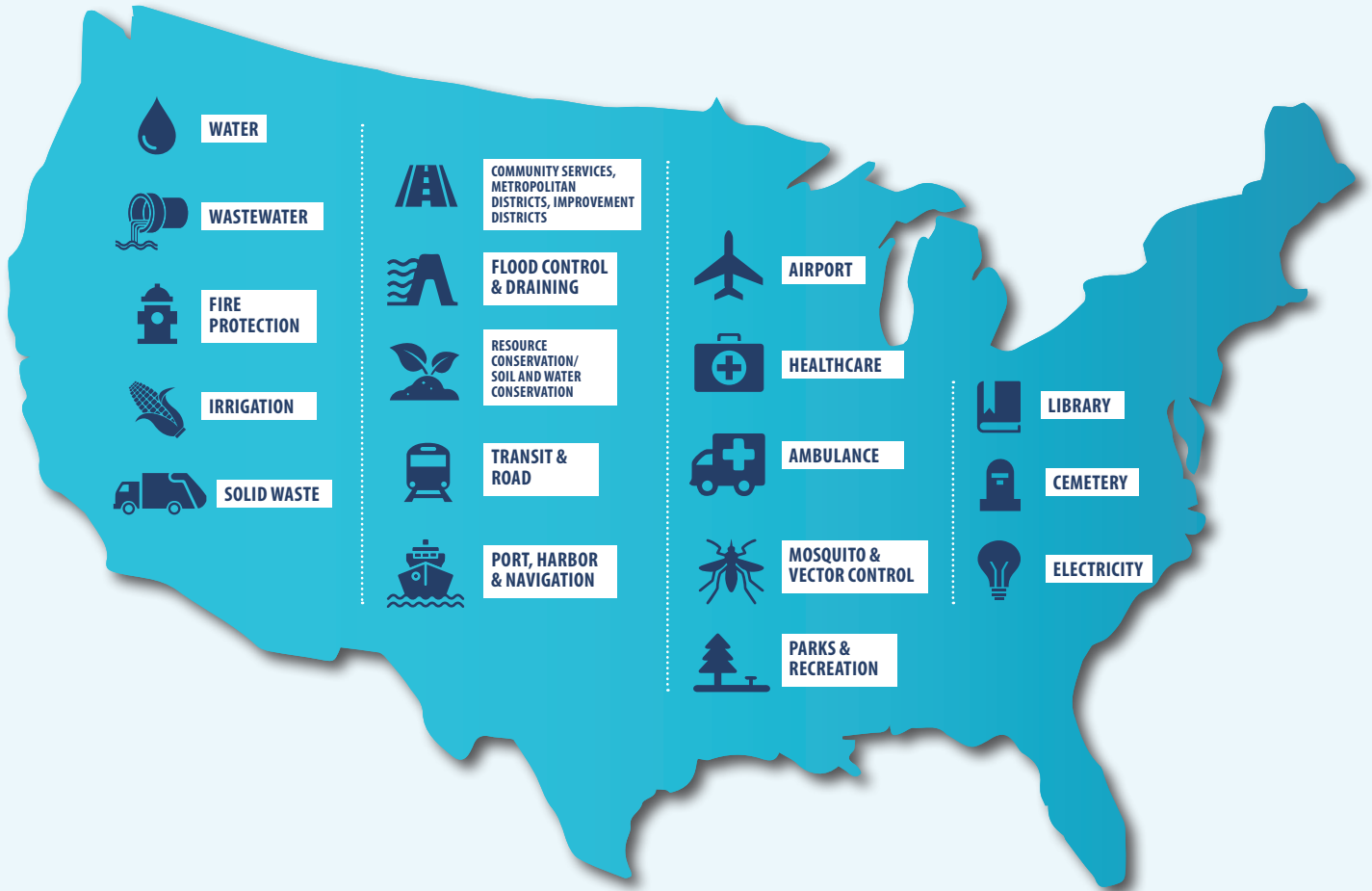


**California Special Districts Association**  
*Districts Stronger Together*

# WHAT ARE SPECIAL DISTRICTS?

*There are Approximately 30,000 special districts in the United States.*

Special districts are local governments created by the people of a community to deliver specialized services that are essential to their health, safety, economy, and well-being.



Special districts are political subdivisions of states, authorized through enabling acts in statute and formed by the communities they serve.

Like cities and counties, special districts are local governments that deliver municipal services; however, **they provide specialized services that their general-purpose counterparts do not provide to their residents.**

Districts are subject to sunshine laws and **governed by a board of directors accountable directly to their residents.**

Special districts serve all kinds of communities from agricultural, rural, and disadvantaged unincorporated to incorporated cities and major metropolitan regions, **driving innovation and achieving efficiency through focused-service and economies of scale.**

## HOW ARE SPECIAL DISTRICTS FUNDED?



**SPECIAL DISTRICT SERVICES, INFRASTRUCTURE AND CAPITAL NEEDS ARE FUNDED THROUGH A VARIETY OF SOURCES.**

- Revenue sources include fees for services, and each state varies on property tax or sales tax revenue.

- Most states demand a strict process for voter approval of the taxes and fees that fund district services.
- Due to strong local oversight and stringent Constitutional provisions enacted in most states, special districts often must find a way to do more with less than other government agencies.

## WHY ARE SPECIAL DISTRICTS NECESSARY?



**SPECIAL DISTRICTS ARE FORMED BY COMMUNITIES WHEN IT'S SOMETHING:**

- The community wants
- The community wants done well
- The community wants done with local control

# 30K

Approximately 30,000 special districts provide services and infrastructure to **millions of Americans** in all 50 states.

Many districts **provide infrastructure services the U.S. Department of Homeland Security deems "critical"**, such as water, irrigation, wastewater and agriculture services.



Special districts seek partnership with the state and federal governments to:

- Ensure safe and reliable services our communities depend on.
- Build resiliency to face adversity, such as wildfires and other natural disasters.
- Grow the economy through investment in local and regional infrastructure.