



Tom Clark

Testimony regarding HB 10-1159

House Agriculture Committee

February 3, 2010

Good Afternoon Mr. Chairman and members of the committee. My name is Tom Clark and I am the executive vice president of the Denver Metro Chamber of Commerce and the Metro Denver Economic Development Corporation. I am here today on behalf of our 3,000 members and 300,000 member employees.

I come before you today to respectfully oppose HB 1159. HB 1159 is a bill, despite admirable intentions, that will impede Colorado's economic recovery.

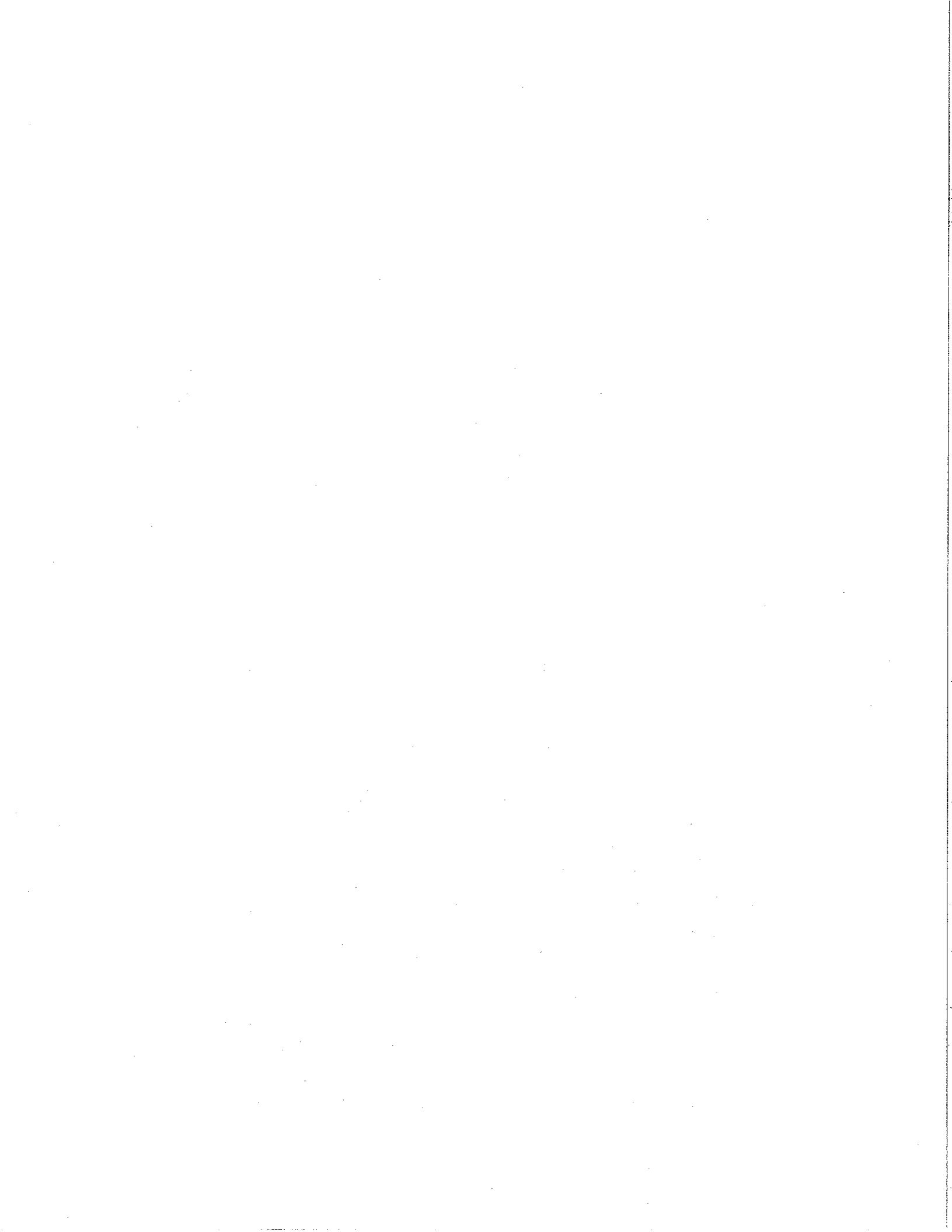
Colorado's water resources fuel myriad segments on our state's economy. Farmers and ranchers use water to produce crops and raise livestock that feed families here and abroad. Beverage manufacturers use Colorado's water to produce everything from microbrews to wine to tea and sports drinks. Electric utilities use hydropower to supplement other traditional and renewable fuel sources. Last, but certainly not least, Colorado's tourism industry relies on water storage facilities for recreational opportunities and ski areas use water to make snow.

Water is the lifeblood of Colorado's economy and it is the ability to move water – under the watchful eye of Colorado's water courts – that will keep our economy strong. As you will hear from the water experts set to testify today, current state statute already outlines more than a dozen mitigation requirements, not to mention the federal laws and regulations that govern environmental and economic mitigation. Diverse interests, such as the parties involved in Denver Water's Moffat Project, are coming together in collaborative efforts to develop Colorado's water resources in a manner that benefits both rural and urban communities. These collaborative efforts should be encouraged, rather than hampered, as they would be under the terms of HB 1159.

The unfortunate result of HB 1159 and the cumbersome process that it forces onto willing sellers and willing buyers (who are often partners in water transfers) is that water transfers will become so expensive, so time consuming that it will serve as an insurmountable obstacle to future water transfers. If this occurs, we will all lose.

Key industries are essential to Colorado's economic competitiveness. Employers in those industries that are already here or looking to relocate to our state are looking at infrastructure. Water development is a critical element of Colorado's infrastructure and if we are not able to build this infrastructure with certainty, our ability to rebound from the unprecedented economic challenges that we face will be severely restricted.

I urge you to vote no on HB 1159. Thank you for your time.



DENVER BUSINESS JOURNAL

Wednesday, January 27, 2010, 2:04pm MST

Front Range uses only 19% of Colorado's water, report says

Denver Business Journal - by [Cathy Proctor](#)

A new report on Colorado's water usage concludes that the Front Range uses about 19 percent of the state's water, yet generates between 80 and 86 percent of its economic activity and tax revenue.

Most of the state's water is used for agriculture, the report says.

With Colorado's population expected to double by 2050, and the potential for a 1 million acre-foot gap between water demands and supplies by then as well, the report is intended to help state planners and politicians decide existing water resources are best put to work, Wayne Vanderschuere, water supply manager for [Colorado Springs Utilities](#), said Wednesday.

One acre-foot of water equals 325,851 gallons, enough to provide for three average households for a year.

"There's the value of having the mountains, and the skiing and hunting and rafting and recreation is very real, but we have to keep that in context of where do we put the water to its highest value," Vanderschuere said in an interview.

"This report was not intended to draw any recommendations ... or draw a target on anyone's back. It was intended to forward the discussion of the best plans to address the state's water gap."

The report, titled "Water and the Colorado Economy," was commissioned by the Front Range Water Council, made up of the major water suppliers along the Front Range between Fort Collins and Pueblo. The report will be formally presented to the [Colorado Water Congress](#) on Thursday, during its annual meeting at the Hyatt Regency Denver Tech Center.

Where the needed water might come from has been a source of conflict in the state for decades, as Front Range cities have diverted water from Western Slope rivers.

On Tuesday, preliminary results of a years-long study of Colorado's available water supply were presented to the [Colorado Water Conservation Board](#).

The draft report indicated that the state might be able to get up to 900,000 acre feet of new water supplies from the Colorado River, and still meet its supply obligations to downstream states. But if climate change impacts are more severe, leading to less water tumbling down from high mountain snow banks, there might not be any extra water in the Colorado River available for the state's use, according to the draft report.

"The Western Slope, we know the target's on our back," said Jim Pokrandt, spokesman for the [Colorado River Water Conservation District](#) in Glenwood Springs. "The Front Range water users, they make a very good point. People have to live somewhere and work somewhere.

"They make a good business point for the state, but I'd contend that there are competing needs such as recreation and the environment. It's hard to put a number on environment, but you can put a number on recreation, and it's widely enjoyed by those people [on the Front Range] who comprise 80 percent of the economy.

"Be careful of what you wish for, it could be all work and no play."

The Front Range Water Council's report cost \$62,400 and was divided among the council's seven members — Denver Water, Aurora Water, Colorado Springs Utilities, the Northern Colorado Water Conservancy District, [Pueblo Board of Water Works](#), Southeastern Colorado Water Conservancy District, and the [Twin Lakes Reservoir and Canal Company](#).

The study was done by **Summit Economics LLC** and **The Adams Group Inc.**, headed by Tucker Hart Adams, a former regional economist for U.S. Bank. Both companies are based in Colorado Springs.

According to the "Water and the Colorado Economy" report:

- Statewide water withdrawals are 15.1 million acre feet (AF), of which 1.1 million AF, or 7.5 percent, is withdrawn for municipal and industrial purposes and 13.8 million AF, or 91 percent, is withdrawn for agricultural purposes.
- The Front Range average annual water usage — for all purposes — is 2.9 million AF (19.4 percent of state total), of which 962,000 AF (6.4 percent of state total) is for municipal and industrial purposes, and 1.9 million AF (13 percent of state total) is for agriculture.
- While the Front Range withdraws 19.4 percent of Colorado's water, it generates 80 to 86 percent of the state's economic activity and tax revenue. Western Colorado withdraws 41 percent of the state's water and is the second largest region in the state, representing about 10 percent of the economy. • The Front Range generated \$386.8 billion in sales in 2007, 86 percent of the state's total.
- For every acre foot of water withdrawn, the Front Range generates \$132,000 in sales of goods and services. This is 11 times more than the next most productive region, which is the Central Mountains.
- The Front Range agricultural sector is the most productive agricultural sector in the state, generating \$1,240 per acre foot of water withdrawal. The next most productive agricultural region is Eastern Colorado, which generates sales of \$919 per acre foot.

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