

## **COLORADO**

### **What Does the Water Administration Fee Program do?**

Historically, Water Right owners did not have to pay directly for water administration. The effect of the Water Administration Fee Program is to now assess certain Water Right owners a portion of the expense associated with that specific government service.

### **What are the fees for the Water Administration Program?**

The Water Administration Fee Program requires the Division of Water Resources to assess a fee to owners of certain Water Rights. Those fees are:

For Absolute Direct Flow Water Rights adjudicated for at least 1 cubic foot per second:

- \$10 per year for each water right adjudicated for agricultural irrigation, recharge, or stock water.
- \$250 per year for each water right adjudicated for uses other than agricultural irrigation, recharge, or stock water.

For Absolute Storage Water Rights adjudicated for at least 100 acre-feet:

- \$25 per year for each water right adjudicated for agricultural irrigation, recharge, or stock water.
- \$100 per year for each water right adjudicated for uses other than agricultural irrigation, recharge, or stock water.

### **Will I receive a bill for the Water Admin. Fee? If so, when? When must I pay?**

Owners of Water Rights subject to the Water Administration Fee will receive bills. The first bills will be sent in February 2004 to cover the Water Irrigation year ending October 31, 2003. The bills sent in November 2004 will cover the year ending October 31, 2004.

The Division has researched names and addresses of individuals, corporations, and municipalities that are identified as the owners Water Rights subject to this fee. Under the statute, only one fee is to be charged per Water Right. For mutual ditches where there is a fractional ownership of a water right of more than 1 cfs, the bill will generally be sent to a contact person for the ditch, who may ask fractional owners to pay their proportionate shares.

It is the owner's responsibility to pay the fee within 30 days of receipt. Payments not received within this time period will subject the Water Right owner to monthly interest charges and, after six months of non-payment, collection costs and attorney fees.

### **How will the money generated by the Water Administration Fee Program be used?**

The funds generated by the Water Administration fee will be used to maintain the water administration services discussed above.

Budget cuts over the past five years have decreased the actual workforce of the Division of Water Resources. The effect of budget cuts was most critical during the fiscal crisis of FY 02-03, which coincided with the worst drought in Colorado's history.

Cutbacks within water administration staff have unfortunately coincided with heightened demand for services. As Colorado has grown, competition for limited water supplies has increased. The ever-evolving complexity of distributing water to a greater variety and number of users requires more water administration. We recognize that the bill will help enable our Division to maintain our expected level of service during difficult budgetary times.

**What Other Services Does the Division of Water Resources provide?**

In addition to the administration of Water Rights, the Division of Water Resources measures and maintains records of stream flow, operates the state's dam safety program, and is the State agency for the permitting of wells. All of these functions are presented on the Division of Water Resources website <http://water.state.co.us/>.

Additional details discussing the Water Administration Fee Program can be obtained at <http://water.state.co.us/wateradminfees.asp>.

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# COLORADO DIVISION OF WATER RESOURCES

## Water Administration Fees Program An Overview

Senate Bill 03-278 requires owners of absolute water rights adjudicated for direct flow of at least one cfs or storage of at least 100 acre feet to pay an annual water administration fee.

This bill authorizes the State Engineer to collect those fees.

### Fee Schedule

Fees are assessed per decreed water right and are billed to the owner of record. Fee amounts are based on the decree of record.

Direct flow (1+ cfs)	Storage (100+ acre-feet)
\$10 – agricultural irrigation, recharge, stock watering only	\$25 – agricultural irrigation, recharge, stock watering only
\$250 – decrees including any other beneficial use	\$100 – decrees including any other beneficial use

If the decree includes uses from both sets of fee categories, it is assessed the **higher** fee.

An owner may submit an affidavit to the Denver office stating that the current use does not include domestic.

This fee program has been necessitated by an ever-tightening state budget. Revenues collected by the program will be utilized only for Water Admin. The February 2004 invoices cover the year ending 10/31/03. On or after 11/01/04, invoices will be mailed to cover the year ending 10/31/04.

Disputes must be made in writing and may be delivered to your division office. Please fax those disputes to Scott Richrath at 303-866-2223 using the attached form as a cover sheet.

Measures for correcting or disputing ownership of a water right and associated fees are provided with the owner's statement. **Water owners must dispute in writing,** stating their name, WDID number, basis for dispute, and names and addresses of parties that may clarify the dispute. The division may attach any information that may help us render a decision.

Dear Water User:

On April 7, Governor Owens signed into law House Bill 04-1402, repealing the Water Administration Fee Program. The repeal requires the Division of Water Resources to cease collection of Water Administration Fees and refund those fees already collected by no later than June 30, 2004.

The repeal of this program was developed with two primary considerations:

1. The legislative economic forecast indicates that the amount of revenue received from the water administration fees would be equal to the amount refunded by TABOR in fiscal year 2004-2005.
2. The general concept that water resources are a life-sustaining necessity and of comprehensive value to all of Colorado's citizens is a benchmark that pre-dates statehood – therefore, it is appropriate to fund water administration through general funds.

We thank the water users and the general public for the input and patience they have provided during this time.

Persons who have paid their Water Administration Fees will receive either a refund of the payment, a return of your voided check, or a return of your credit card information. Every attempt was made to provide a refund to the appropriate party based on check information, change of address information, and appeal documentation. Endorsement of a state refund check acknowledges that the endorsee will distribute funds to the appropriate parties. Please contact our office at 877-866-9237 Option #3 if you have any questions or concerns regarding this process.