

A municipal stormwater program that mitigates flooding and protects water quality is essential to public health and safety. Because stormwater enters the interstate river system it also involves legal obligations to state and federal regulators and downstream communities. Since a stormwater fee was eliminated in 2009, Colorado Springs is one of very few major cities that does not have a dedicated funding stream for its stormwater program. Because of inadequate general fund spending for stormwater infrastructure and maintenance after 2009, the city is the subject of a lawsuit by the U.S. Environmental Protection Agency (EPA) and the Colorado Department of Public Health and Environment (CDPHE) which alleges we are in violation of our MS-4 (water quality) permit. We were also the subject of threatened litigation by Pueblo County to stop Colorado Springs Utilities from turning on the Southern Delivery System (SDS), an \$825 million dollar project which delivers water from Pueblo Reservoir to Colorado Springs and will provide for the city's growth over the next 40-50 years. In order to proceed on schedule with the opening of SDS, the city and Colorado Springs Utilities entered into an Intergovernmental Agreement with Pueblo County in April of 2016, committing to spend \$460 million over the next 20 years on stormwater infrastructure, maintenance and operations. The agreement calls for the city to expend an average of \$17 million per year from 2016 – 2020. That is approximately what the city would have spent if the stormwater fee was still in place. The litigation with the EPA and CDPHE has not yet been resolved.

The local economy is doing very well and this is an opportune time to invest in our city's stormwater program. City sales tax revenues grew 9% in 2016. But under the Colorado Taxpayer Bill of Rights (TABOR) city revenue growth is capped at 2.4%. This means the city will receive revenue over the TABOR cap of an estimated \$8-9 million, which must be refunded to residents unless they vote to allow the city to retain it for specified purposes. Voting yes on Issue 2 in the April municipal election will allow the city to retain \$6 million of the revenue above the TABOR cap for 2016 and 2017 and refund the remainder to city residents. The \$6 million could only be used for specific stormwater projects listed in the ballot measure. This money would allow the city to spend significantly more than \$17 million on the stormwater program in 2017 and 2018, helping to ensure the city meets its legal obligations regarding stormwater, even if there is an economic downturn in the next several years, without cutting police and fire or other essential services.

Investing in critical public infrastructure during good economic times is the prudent thing to do. By passing Issue 2 we can invest in much needed stormwater infrastructure, meet our legal obligations and still refund money to city residents. And we can accomplish this WITHOUT a tax increase.