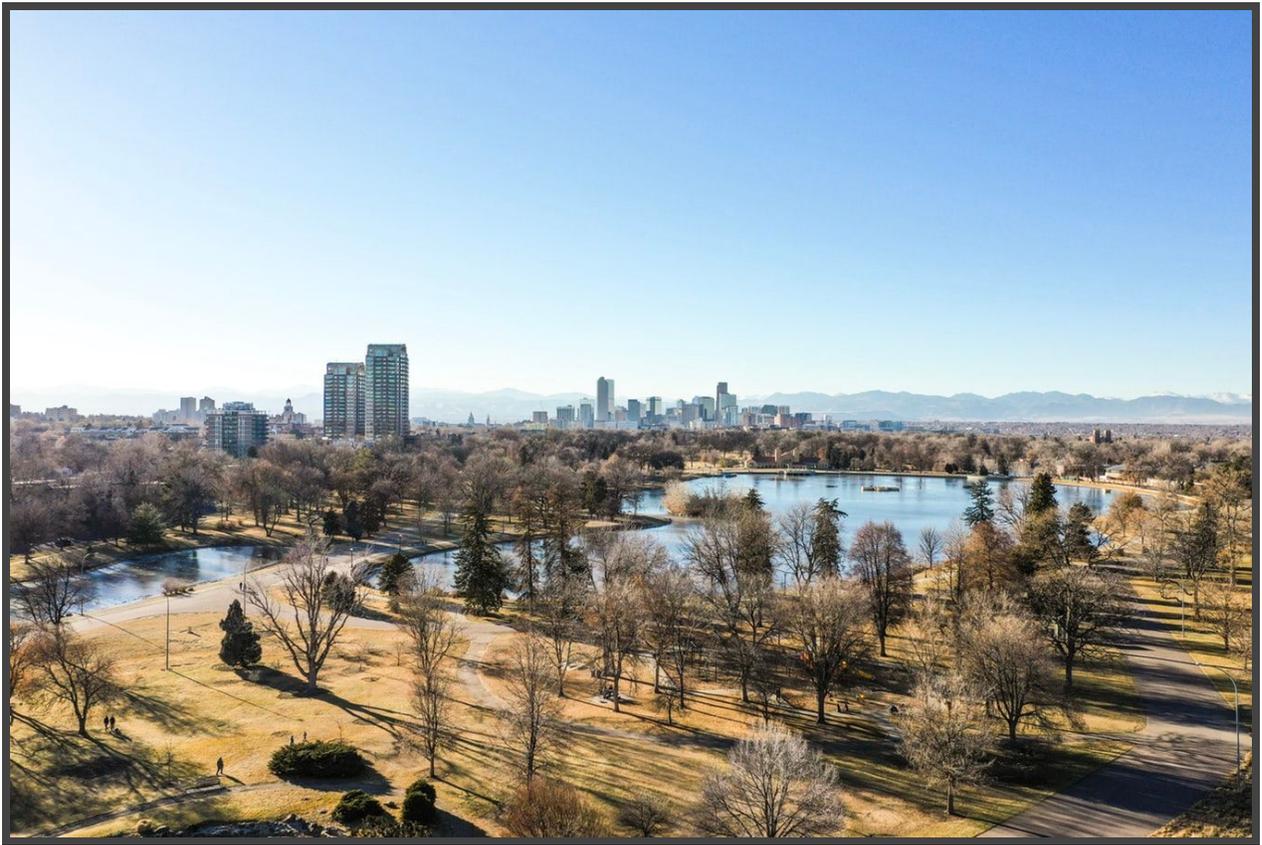


# ENVIRONMENTAL FEDERALISM



## Colorado's Water Quality Improvement Fund

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### Abstract

Trying to promote water quality while avoiding placing a burden on taxpayers is a tough juggling act for state and local governments. In Colorado, the Water Quality Control Act aims to mediate this problem by fining individuals and companies who pollute water while also reducing the cost of water maintenance. It does this by using the funds collected from fines to award grants to individuals and communities to improve water quality in ways they best see fit.

## Problem

Since 2010, the population of Colorado has grown at a rate of 14.1%, the fourth fastest in the country.<sup>1</sup> While this growth promises potential economic gains for Colorado, lawmakers are tasked with determining how to protect its water sources and promote beneficial water quality practices without placing a burden on Colorado taxpayers. How can average Coloradoans be expected to foot the bill of water quality and clean up if most of their interaction with water is domestic uses?

## State Experiment/Results

Colorado implemented the Colorado Water Quality Control Act in 1987.<sup>2</sup> Under the Water Quality Control Act, regulations and restrictions were placed on activities within the state to prevent the pollution of state waters in order to ensure public health and welfare and protect a valuable resource in one of the driest states in the country.<sup>3</sup> Any person or company who violates provisions of the Water Quality Control Act is subject to a civil penalty, limited to no more than \$10,000 per day for each day after the violation occurs.<sup>4</sup> These violations include activities that result in spills or discharges that may cause pollution, failing to notify the state of spills as soon as possible, failing to get permits to discharge wastewater, and failing to keep adequate records of wastewater discharge, among other things. In recent years, these fines have totaled anywhere from \$5,700 to as much as \$97,000.<sup>5</sup>

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<sup>1</sup> World Population Review. 2019. "Fastest Growing States 2019." Worldpopulationreview.Com. 2019. <http://worldpopulationreview.com/states/fastest-growing-states/>.

<sup>2</sup> Colorado Revised Statutes. 2018. "Title 25: Public Health and Environment." Colorado.Gov. 2018. <https://leg.colorado.gov/sites/default/files/images/olls/crs2018-title-25.pdf>, pg 630

<sup>3</sup> Sen Nag, Oishimaya. 2019. "States That Receive the Least Amount of Rain." WorldAtlas. April 29, 2019. <https://www.worldatlas.com/articles/the-10-driest-states-in-the-united-states-of-america.html>.

<sup>4</sup> Colorado Revised Statutes. 2018. "Title 25: Public Health and Environment." Colorado.Gov. 2018. <https://leg.colorado.gov/sites/default/files/images/olls/crs2018-title-25.pdf>, pg 700

<sup>5</sup> Colorado Department of Public Health and Environment. 2019. "Compliance Order on Consent, Number: IC-190311-1." Colorado.Gov. March 11, 2019. <https://environmentalrecords.colorado.gov/HPRMWebDrawer/RecordView/1312187.;> Colorado Department of Public Health and Environment. 2017. "Compliance Order on Consent, Number: IC-171009-1." Colorado.Gov. October 10, 2017. [https://www.colorado.gov/pacific/sites/default/files/WQ\\_Clark-Construction\\_COC\\_10-09-17.pdf](https://www.colorado.gov/pacific/sites/default/files/WQ_Clark-Construction_COC_10-09-17.pdf)

In addition to regulations and standards, the Water Quality Control Act also created the Water Quality Improvement Fund.<sup>6</sup> The money collected from fines are credited to the fund, which is to be used to improve water quality. The fund provides grants to individuals or communities impacted from violations to improve the water quality, as well as grants for other projects, such as projects to repair wastewater treatment facilities, the construction of stormwater projects, and training to prevent or reduce water pollution.<sup>7</sup>

During the 2018-19 eight entities received more than \$730,000 in grant funds to improve water quality. The City of Steamboat Springs was awarded \$90,000 for projects to improve water quality in the community, the towns of Ramah and Vilas were each awarded \$135,000 for projects to plan, design, construct, or repair stormwater projects or domestic wastewater treatment facilities, and the Associated General Contractors of Colorado was awarded \$50,000 for stormwater

management.<sup>8</sup> Colorado State University was also awarded \$50,000 for stormwater management, which includes projects that improve stormwater quality through constructing bioswales, buffer filters, and berms, training for facility



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<sup>6</sup> Colorado Revised Statutes. 2018. "Title 25: Public Health and Environment." Colorado.Gov. 2018. <https://leg.colorado.gov/sites/default/files/images/olls/crs2018-title-25.pdf>, pg 700

<sup>7</sup> Colorado Revised Statutes. 2018. "Title 25: Public Health and Environment." Colorado.Gov. 2018. <https://leg.colorado.gov/sites/default/files/images/olls/crs2018-title-25.pdf>, pg 700

<sup>8</sup> Colorado Department of Public Health and Environment. 2018. "State Provides \$730,000 in Grants to Improve Water Quality." Colorado.Gov. September 7, 2018. <https://environmentalrecords.colorado.gov/HPRMWebDrawer/RecordView/1235676>.

personnel, and monitoring for illicit discharges.<sup>9</sup>

## **Conclusion**

One of the benefits of federalism in the United States is that states can experiment with policies that are tailor-fitted to the needs of their citizens and allows them to take aspects of other state's policies and shape them into their own. States that find themselves burdened with managing water quality management funding should look to Colorado's example. While civil penalties and fines on individuals and companies may place a burden on them, the application of a Water Quality Improvement Fund where monies collected are specifically appropriated for improving water quality rather than going into a large general fund is an acceptable alternative. This allows for transparency and prevents individuals who have not violated water quality laws from being punished in the form of additional taxation.

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<sup>9</sup> Colorado Department of Public Health and Environment. 2018. "State Provides \$730,000 in Grants to Improve Water Quality." Colorado.Gov. September 7, 2018. <https://environmentalrecords.colorado.gov/HPRMWebDrawer/RecordView/1235676>. ; Facilities Management at Colorado State University. 2019. "Stormwater Management." Colostate.Edu. 2019. <https://www.fm.colostate.edu/stormwater>.