

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 24-1125.01 Clare Haffner x6137

HOUSE BILL 24-1435

HOUSE SPONSORSHIP

McCormick and Catlin,

SENATE SPONSORSHIP

Roberts and Simpson,

House Committees

Agriculture, Water & Natural Resources
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE FUNDING OF COLORADO WATER CONSERVATION**
102 **BOARD PROJECTS, AND, IN CONNECTION THEREWITH, MAKING**
103 **AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill appropriates the following amounts for the 2024-25 state fiscal year from the Colorado water conservation board (CWCB) construction fund to the CWCB or the division of water resources in the department of natural resources for the following projects:

- Continuation of the satellite monitoring system, \$380,000

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
2nd Reading Unamended
April 18, 2024

- (section 1 of the bill);
- Continuation of the floodplain map modernization program, \$1,000,000 (section 2);
- Continuation of the weather modification permitting program, \$500,000 (section 3);
- Continuation of the Colorado Mesonet project, \$200,000 (section 5);
- Continuation of the water forecasting partnership project, \$2,000,000 (section 6);
- Support of modeling and data analyses for the upper Colorado river commission's development of operational guidelines for Lake Powell and Lake Mead, \$500,000 (section 7);
- Support for the division of water resources' statewide diversion telemetry project, \$1,827,500 (section 8);
- Support of a study update and scenario analyses for groundwater resource goals for the southern high plains designated groundwater basin, \$250,000 (section 9); and
- Support for projects that support drought planning and mitigation, \$4,000,000 (section 11).

Section 4 directs the state treasurer to transfer up to \$2,000,000 from the CWCB construction fund to the CWCB litigation fund on July 1, 2024.

The CWCB is authorized to make loans from the severance tax perpetual base fund or the CWCB construction fund:

- In an amount up to \$155,650,000 to the Windy Gap firming project (section 12); and
- In an amount up to \$101,000,000 to the northern integrated supply project water activity enterprise owned by the northern Colorado water conservancy district to develop a new regional water supply project (section 13).

Section 10 directs the state treasurer to transfer \$2,000,000 on July 1, 2024, from the CWCB construction fund to the turf replacement fund to finance the state turf replacement program.

Section 14 directs the state treasurer to transfer \$20,000,000 on July 1, 2024, from the severance tax perpetual base fund to the CWCB construction fund for the purchase and sale agreement between the Colorado river water conservation district and the public service company of Colorado for the purchase of the water rights associated with the Shoshone power plant.

Section 15 appropriates \$23,300,000 from the water plan implementation cash fund to the CWCB to fund grants that will help implement the state water plan.

Sections 16 and 17 amend current law, under which the state treasurer is directed to make 2 transfers of \$2.5 million each from the

economic recovery and relief cash fund to the CWCB construction fund. The CWCB is required to use the \$2.5 million from one of the transfers for the direct and indirect costs of providing assistance to political subdivisions and other entities applying for federal "Infrastructure Investment and Jobs Act" money and other federally available money related to water funding opportunities (water funding purposes). The CWCB is required to use the \$2.5 million from the other transfer for issuing grants to political subdivisions of the state or other entities for the hiring of temporary employees, contractors, or both that will assist those political subdivisions and other entities in applying for federal "Infrastructure Investment and Jobs Act" money and other federally available money related to natural resource management (natural resource management purposes).

Sections 16 and 17 allow the CWCB, on or after July 1, 2024, to expend money from either of the 2 transfers for either the water funding purposes or the natural resource management purposes.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Continuation of the satellite monitoring system**
3 **- operation and maintenance - appropriation.** (1) For the 2024-25
4 state fiscal year, \$380,000 is appropriated to the department of natural
5 resources for use by the division of water resources. This appropriation
6 is from the Colorado water conservation board construction fund created
7 in section 37-60-121, C.R.S. To implement this section, the division of
8 water resources may use this appropriation to install, maintain, and
9 operate satellite-monitored stream gauges and lysimeters for water rights
10 administration and data collection pursuant to section 37-80-102 (10),
11 C.R.S.

12 (2) The money appropriated in subsection (1) of this section
13 remains available for the designated purposes until it is fully expended.

14 **SECTION 2. Continuation of the Colorado floodplain map**
15 **modernization program - appropriation.** (1) For the 2024-25 state
16 fiscal year, \$1,000,000 is appropriated to the department of natural

1 resources for use by the Colorado water conservation board. This
2 appropriation is from the Colorado water conservation board construction
3 fund created in section 37-60-121, C.R.S. To implement this section, the
4 Colorado water conservation board may use this appropriation to continue
5 to assist with the preparation of revised and improved floodplain studies
6 and maps for communities throughout Colorado and participate in
7 federally sponsored floodplain map modernization activities.

8 (2) The money appropriated in subsection (1) of this section
9 remains available for the designated purposes until it is fully expended.

10 **SECTION 3. Continuation of the weather modification**
11 **permitting program - appropriation.** (1) For the 2024-25 state fiscal
12 year, \$500,000 is appropriated to the department of natural resources for
13 use by the Colorado water conservation board. This appropriation is from
14 the Colorado water conservation board construction fund created in
15 section 37-60-121, C.R.S. To implement this section, the Colorado water
16 conservation board may use this appropriation to assist water
17 conservation and conservancy districts with the development of cloud
18 seeding programs to provide benefits to recreation, streams, and
19 reservoirs through snowpack enhancement.

20 (2) The money appropriated in subsection (1) of this section
21 remains available for the designated purposes until it is fully expended.

22 **SECTION 4. Restoration of litigation fund cash balance -**
23 **transfer.** On July 1, 2024, the state treasurer shall transfer \$2,000,000, or
24 so much thereof as may be necessary to restore the balance of the
25 litigation fund to \$2,000,000, from the unreserved cash in the Colorado
26 water conservation board construction fund created in section 37-60-121,
27 C.R.S., to the litigation fund created in section 37-60-121 (2.5), C.R.S.,

1 to assist in addressing legal issues associated with compact compliance
2 or any other litigation activities as specified under section 37-60-121,
3 C.R.S.

4 **SECTION 5. Continuation of the Colorado Mesonet project**
5 **- appropriation.** (1) For the 2024-25 state fiscal year, \$200,000 is
6 appropriated to the department of natural resources for use by the
7 Colorado water conservation board. This appropriation is from the
8 Colorado water conservation board construction fund created in section
9 37-60-121, C.R.S. To implement this section, the Colorado water
10 conservation board may use this appropriation to support the Colorado
11 Mesonet, including for the following activities: Operation, maintenance,
12 travel, communications, and database and website management for
13 temperature and precipitation stations.

14 (2) The money appropriated in subsection (1) of this section
15 remains available for the designated purposes until it is fully expended.

16 **SECTION 6. Continuation of the water forecasting**
17 **partnership project - appropriation.** (1) For the 2024-25 state fiscal
18 year, \$2,000,000 is appropriated to the department of natural resources
19 for use by the Colorado water conservation board. This appropriation is
20 from the Colorado water conservation board construction fund created in
21 section 37-60-121, C.R.S. To implement this section, the Colorado water
22 conservation board may use this appropriation to support the development
23 of new ground and aerial remote sensing data, to develop hydrologic
24 modeling practices, to provide reliable volumetric water supply
25 forecasting, and to provide better characterization of snowpack.

26 (2) The money appropriated in subsection (1) of this section
27 remains available for the designated purposes until it is fully expended.

1 **SECTION 7. Continuation of the modeling and data analyses**
2 **for the upper Colorado river commission - appropriation.** (1) For the
3 2024-25 state fiscal year, \$500,000 is appropriated to the department of
4 natural resources for use by the Colorado water conservation board. This
5 appropriation is from the Colorado water conservation board construction
6 fund created in section 37-60-121, C.R.S. To implement this section, the
7 Colorado water conservation board may use this appropriation to provide
8 support to the upper Colorado river commission's interstate planning and
9 negotiation efforts, including the following modeling and data analyses:
10 Streamgaging and streamflow, runoff forecasting, consumptive use,
11 reservoir operations and evaporation, and drought contingency planning.

12 (2) The money appropriated in subsection (1) of this section
13 remains available for the designated purposes until it is fully expended.

14 **SECTION 8. Statewide diversion telemetry project -**
15 **appropriation.** (1) For the 2024-25 state fiscal year, \$1,827,500 is
16 appropriated to the department of natural resources for use by the division
17 of water resources. This appropriation is from the Colorado water
18 conservation board construction fund created in section 37-60-121,
19 C.R.S. To implement this section, the division of water resources may use
20 this appropriation to fund the installation of telemetry equipment at sites
21 across Colorado.

22 (2) The money appropriated in subsection (1) of this section
23 remains available for the designated purposes until it is fully expended.

24 **SECTION 9. Southern high plains groundwater study update**
25 **- appropriation.** (1) For the 2024-25 state fiscal year, \$250,000 is
26 appropriated to the department of natural resources for use by the
27 Colorado water conservation board. This appropriation is from the

1 Colorado water conservation board construction fund created in section
2 37-60-121, C.R.S. To implement this section, the Colorado water
3 conservation board may use this appropriation to update a 2002 study in
4 order to provide scenario analyses and community facilitation to establish
5 groundwater resource goals for residents of the southern high plains of
6 Colorado.

7 (2) The money appropriated in subsection (1) of this section
8 remains available for the designated purposes until it is fully expended or
9 the study update is complete.

10 **SECTION 10. Continuation of the state turf replacement**
11 **program - transfer - appropriation.** (1) On July 1, 2024, the state
12 treasurer shall transfer \$2,000,000 from the Colorado water conservation
13 board construction fund created in section 37-60-121, C.R.S., to the turf
14 replacement fund created in section 37-60-135 (6)(a)(I), C.R.S., to
15 finance the state turf replacement program created in section 37-60-135,
16 C.R.S.

17 (2) (a) For the 2024-25 state fiscal year, \$2,000,000 is
18 appropriated to the department of natural resources for use by the
19 Colorado water conservation board. This appropriation is from the turf
20 replacement fund created in section 37-60-135 (6)(a)(I), C.R.S. To
21 implement this section, the Colorado water conservation board may use
22 this appropriation for the state turf replacement program pursuant to
23 section 37-60-135, C.R.S., including to cover the direct and indirect costs
24 of administering one or more turf replacement programs.

25 (b) The money appropriated in subsection (2)(a) of this section
26 remains available for the designated purposes until June 30, 2028.

27 **SECTION 11. Drought resilience investment - appropriation.**

1 (1) For the 2024-25 state fiscal year, \$4,000,000 is appropriated to the
2 department of natural resources for use by the Colorado water
3 conservation board. This appropriation is from the Colorado water
4 conservation board construction fund created in section 37-60-121,
5 C.R.S. To implement this section, the Colorado water conservation board
6 may use this appropriation:

7 (a) To advance projects within and complementary to the 2023
8 state water plan that support drought planning, practical implementation
9 of drought mitigation techniques, education, guidance, and training; and

10 (b) For projects that focus on the following areas: Drought
11 resilience workshops, state water plan outreach campaign, water loss
12 prevention and validator training, adaptive and critical drought projects,
13 storage analysis opportunities and alternatives, and development of a
14 water conservation handbook.

15 (2) The money appropriated in subsection (1) of this section
16 remains available for the designated purposes until it is fully expended.

17 **SECTION 12. Increased water project loan authorization -**
18 **Windy Gap firming project.** (1) Pursuant to section 37-60-122 (1)(b),
19 C.R.S., the Colorado water conservation board is authorized to make
20 loans in the amount of up to \$155,650,000 from the Colorado water
21 conservation board construction fund created in section 37-60-121,
22 C.R.S., to the Windy Gap firming project water activity enterprise for the
23 completion of the Windy Gap firming project.

24 (2) The money authorized in subsection (1) of this section remains
25 available for the designated purposes until it is fully expended.

26 (3) The Colorado water conservation board may make loans for
27 the project specified in subsection (1) of this section from money that is

1 or may become available to the Colorado water conservation board
2 construction fund. The total amount of the loans will be in the amount
3 listed in subsection (1) of this section plus or minus the amount, if any,
4 as may be justified by reason of ordinary fluctuations in construction
5 costs as indicated by the engineering cost indices applicable to the types
6 of construction required for the project or as may be justified by reason
7 of changes in the plans for the project due to differing or unforeseen site
8 conditions, errors or omissions in the plans and specifications, changes
9 instituted by regulatory agencies, or changes in material quantities beyond
10 contract limits.

11 **SECTION 13. Northern integrated supply project - loan**
12 **authorization.** (1) Pursuant to section 39-29-109 (2)(a)(I.5), C.R.S., the
13 Colorado water conservation board is authorized to make loans in the
14 amount of up to \$101,000,000 from the severance tax perpetual base fund
15 created in section 39-29-109 (2)(a), C.R.S., to the northern integrated
16 supply project water activity enterprise owned by the northern Colorado
17 water conservancy district to develop a new regional water supply project.
18 The project will provide new water supplies annually for eleven
19 communities and four water districts in the northern front range.

20 (2) The money authorized in subsection (1) of this section remains
21 available for the designated purposes until it is fully expended.

22 (3) The Colorado water conservation board may make loans for
23 the project specified in subsection (1) of this section from money that is
24 or may become available to the severance tax perpetual base fund. The
25 total amount of the loans will be in the amount listed in subsection (1) of
26 this section plus or minus the amount, if any, as may be justified by
27 reason of ordinary fluctuations in construction costs applicable to the

1 types of construction required for the project or as may be justified by
2 reason of changes in the plans for the project due to differing or
3 unforeseen site conditions, errors or omissions in the plans and
4 specifications, changes instituted by regulatory agencies, or changes in
5 material quantities beyond contract limits.

6 **SECTION 14. Colorado river water conservation district -**
7 **purchase of Shoshone power plant water rights - transfer -**
8 **appropriation.** (1) On July 1, 2024, the state treasurer shall transfer
9 \$20,000,000 from the severance tax perpetual base fund created in section
10 39-29-109 (2)(a), C.R.S., to the Colorado water conservation board
11 construction fund created in section 37-60-121, C.R.S., to support the
12 purchase and sale agreement between the Colorado river water
13 conservation district and the public service company of Colorado for the
14 purchase of the water rights associated with the Shoshone power plant.

15 (2) (a) For the 2024-25 state fiscal year, \$20,000,000 is
16 appropriated to the department of natural resources for use by the
17 Colorado water conservation board. This appropriation is from the
18 Colorado water conservation board construction fund created in section
19 37-60-121, C.R.S. To implement this subsection (2)(a), the Colorado
20 water conservation board may use this appropriation to partner with the
21 Colorado river water conservation district in the purchase of the water
22 rights owned by the public service company of Colorado and currently
23 used for the operation of the Shoshone power plant. The Colorado water
24 conservation board shall vote to release the money to the Colorado river
25 water conservation district after confirming that the closing conditions of
26 the purchase and sale agreement between the Colorado river water
27 conservation district and the public service company of Colorado have

1 been met.

2 (b) The money appropriated in subsection (2)(a) of this section
3 remains available for the designated purposes until June 30, 2031.

4 **SECTION 15. Grant-making for projects that assist in**
5 **implementing the state water plan - appropriation.** (1) For the
6 2024-25 state fiscal year, \$23,300,000 is appropriated to the department
7 of natural resources for use by the Colorado water conservation board.
8 This appropriation is from the water plan implementation cash fund
9 created in section 37-60-123.3 (1)(a), C.R.S. To implement this
10 subsection (1), the Colorado water conservation board may use this
11 appropriation for grant-making for projects that assist in the
12 implementation of the state water plan pursuant to section 37-60-106.3
13 (6), C.R.S., through the Colorado water conservation board's application
14 and guidelines process.

15 (2) The money appropriated in subsection (1) of this section
16 remains available for the designated purposes until it is fully expended.

17 **SECTION 16.** In Colorado Revised Statutes, 24-75-228, **add**
18 (2.5)(a.5) as follows:

19 **24-75-228. Economic recovery and relief cash fund - creation**
20 **- allowable uses - interim task force - report - legislative declaration**
21 **- definitions - repeal.** (2.5) (a.5) NOTWITHSTANDING SUBSECTIONS
22 (2.5)(a)(IV) AND (2.5)(a)(V) OF THIS SECTION, ON OR AFTER JULY 1, 2024,
23 ANY MONEY TRANSFERRED BY THE STATE TREASURER TO THE COLORADO
24 WATER CONSERVATION BOARD CONSTRUCTION FUND, CREATED IN SECTION
25 37-60-121 (1)(a), PURSUANT TO SUBSECTIONS (2.5)(a)(IV) AND
26 (2.5)(a)(V) OF THIS SECTION MAY BE EXPENDED FOR ANY OF THE PURPOSES
27 SPECIFIED IN SECTION 37-60-121 (13) OR (14).

1 **SECTION 17.** In Colorado Revised Statutes, 37-60-121, **add** (15)
2 as follows:

3 **37-60-121. Colorado water conservation board construction**
4 **fund - creation - nature of fund - funds for investigations -**
5 **contributions - use for augmenting the general fund - funds created**
6 **- rules - repeal.** (15) NOTWITHSTANDING SUBSECTIONS (13) AND (14) OF
7 THIS SECTION, ON OR AFTER JULY 1, 2024, THE BOARD MAY USE THE
8 MONEY TRANSFERRED PURSUANT TO SECTION 24-75-228 (2.5)(a)(IV) AND
9 (2.5)(a)(V) FOR ANY OF THE PURPOSES SPECIFIED IN SUBSECTION (13) OR
10 (14) OF THIS SECTION.

11 **SECTION 18. Safety clause.** The general assembly finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, or safety or for appropriations for
14 the support and maintenance of the departments of the state and state
15 institutions.