First Regular Session Seventy-fifth General Assembly STATE OF COLORADO

ENGROSSED

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

LLS NO. 25-1041.01 Renee Leone x2695

SENATE BILL 25-283

SENATE SPONSORSHIP

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Agriculture & Natural Resources Finance Appropriations

A BILL FOR AN ACT

101	CONCERNING THE COLORADO WATER CONSERVATION BOARD
102	OPERATIONS, AND, IN CONNECTION THEREWITH, FUNDING
103	PROJECTS AND MAKING 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 2025-26 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

- (**section 1** of the bill);
- Continuation of the floodplain map modernization program, \$500,000 (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);
- Continuation of the Arkansas river decision support program, \$300,000 (section 7);
- Continuation of technical assistance for the federal irrigation improvement cost-sharing program, \$500,000 (section 8);
- Decision support systems model enhancements to support the Colorado water plan, \$1,000,000 (section 9);
- Support for the basin implementation plan analysis and updates, \$4,500,000 (section 10);
- Continuation of the Colorado watershed restoration and wildfire ready watershed programs, \$5,000,000 (section 11);
- Support for a statewide turf analysis, \$1,400,000 (section 12);
- Support for the Yampa river and Walton creek confluence restoration project, \$2,000,000 (section 14); and
- Support for the south fork focus zone irrigated acreage retirement, \$6,000,000 (section 15);

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, 2025.

Section 13 directs the state treasurer to transfer \$500,000 from the CWCB construction fund to the plant health, pest control, and environmental protection cash fund on July 1, 2025, and makes an appropriation of that amount to the department of agriculture for use by the conservation services division for the Colorado soil health program.

Section 16 authorizes the CWCB to make a loan in an amount of \$12,978,500 from the severance tax perpetual base fund to the North Poudre Irrigation Company to support the park creek expansion project.

Section 17 appropriates \$29,200,000 from the water plan implementation cash fund to the CWCB to award grants that will help implement the state water plan.

Sections 18, 19, 20, and 21 eliminate the office of water conservation under the CWCB and the water efficiency grant program, transfer remaining money from the water efficiency grant program cash fund to the severance tax perpetual base fund, and make conforming

-2- 283

amendments accordingly.

Current law authorizes the governor to appoint a director of compact negotiations. **Section 22** states that the governor or the executive director of the department of natural resources shall appoint the director of compact negotiations within 30 days after a vacancy of the position.

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

• operation and maintenance - appropriation. (1) For the 2025-26 state fiscal year, \$380,000 is appropriated to the department of natural resources for use by the division of water resources. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the division of water resources may use this appropriation to install, maintain, and operate satellite-monitored stream gauges and lysimeters for water rights administration and data collection pursuant to section 37-80-102 (10), C.R.S.

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

SECTION 2. Continuation of the Colorado floodplain map modernization program - appropriation. (1) For the 2025-26 state fiscal year, \$500,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to continue to assist with the preparation of revised and improved floodplain studies and maps for communities throughout Colorado and participate in federally sponsored floodplain map modernization activities.

-3-

1	(2) The money appropriated in subsection (1) of this section
2	remains available for the designated purposes until it is fully expended.
3	SECTION 3. Continuation of the weather modification
4	permitting program - appropriation. (1) For the 2025-26 state fiscal
5	year, \$500,000 is appropriated to the department of natural resources for
6	use by the Colorado water conservation board. This appropriation is from
7	the Colorado water conservation board construction fund created in
8	section 37-60-121, C.R.S. To implement this section, the Colorado water
9	conservation board may use this appropriation to assist water
10	conservation and conservancy districts with the development of cloud
11	seeding programs to provide benefits to recreation, streams, and
12	reservoirs through snowpack enhancement.
13	(2) The money appropriated in subsection (1) of this section
14	remains available for the designated purposes until it is fully expended.
	remains available for the designated purposes until it is fully expended. SECTION 4. Restoration of litigation fund cash balance -
14	
14 15	SECTION 4. Restoration of litigation fund cash balance -
14 15 16	SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer
14151617	SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer \$2,000,000, or so much thereof as may be necessary to restore the balance
14 15 16 17 18	SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer \$2,000,000, or so much thereof as may be necessary to restore the balance of the litigation fund to \$2,000,000, from the unreserved cash in the
14 15 16 17 18	SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer \$2,000,000, or so much thereof as may be necessary to restore the balance of the litigation fund to \$2,000,000, from the unreserved cash in the Colorado water conservation board construction fund created in section
14 15 16 17 18 19 20	SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer \$2,000,000, or so much thereof as may be necessary to restore the balance of the litigation fund to \$2,000,000, from the unreserved cash in the Colorado water conservation board construction fund created in section 37-60-121, C.R.S., to the litigation fund created in section 37-60-121
14 15 16 17 18 19 20 21	SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer \$2,000,000, or so much thereof as may be necessary to restore the balance of the litigation fund to \$2,000,000, from the unreserved cash in the Colorado water conservation board construction fund created in section 37-60-121, C.R.S., to the litigation fund created in section 37-60-121 (2.5), C.R.S., to assist in addressing legal issues associated with compact
14 15 16 17 18 19 20 21 22	SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer \$2,000,000, or so much thereof as may be necessary to restore the balance of the litigation fund to \$2,000,000, from the unreserved cash in the Colorado water conservation board construction fund created in section 37-60-121, C.R.S., to the litigation fund created in section 37-60-121 (2.5), C.R.S., to assist in addressing legal issues associated with compact compliance or any other litigation activities as specified under section
14 15 16 17 18 19 20 21 22 23	SECTION 4. Restoration of litigation fund cash balance - appropriation. On July 1, 2025, the state treasurer shall transfer \$2,000,000, or so much thereof as may be necessary to restore the balance of the litigation fund to \$2,000,000, from the unreserved cash in the Colorado water conservation board construction fund created in section 37-60-121, C.R.S., to the litigation fund created in section 37-60-121 (2.5), C.R.S., to assist in addressing legal issues associated with compact compliance or any other litigation activities as specified under section 37-60-121, C.R.S.

Colorado water conservation board. This appropriation is from the

27

-4- 283

Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support the Colorado Mesonet, including for the following activities: Operation, maintenance, travel, communications, and database and website management for temperature and precipitation stations.

- (2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.
- **SECTION 6.** Continuation of the water forecasting partnership project appropriation. (1) For the 2025-26 state fiscal year, \$2,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support the development of new ground and aerial remote sensing data, to develop hydrologic modeling practices, to provide reliable volumetric water supply forecasting, and to provide better characterization of snowpack.
- (2) The money appropriated in subsection (1) of this section remains available for the designated purposes until it is fully expended.

SECTION 7. Continuation of the Arkansas river decision support program - appropriation. (1) For the 2025-26 state fiscal year, \$300,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to continue implementation

-5- 283

1	efforts identified in the Arkansas river decision support system (ArkDSS)
2	feasibility study completed in December 2011.
3	(2) The money appropriated in subsection (1) of this section
4	remains available for the designated purposes until it is fully expended.
5	SECTION 8. Continuation of technical assistance for federal
6	irrigation improvement cost-sharing program - appropriation.
7	(1) For the 2025-26 state fiscal year, \$500,000 is appropriated to the
8	department of natural resources for use by the Colorado water
9	conservation board. This appropriation is from the Colorado water
10	conservation board construction fund created in section 37-60-121,
11	C.R.S. To implement this section, the Colorado water conservation board
12	may use this appropriation to provide technical assistance for applicants
13	seeking competitive federal grant funds.
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 9. Decision support systems model enhancements
17	to support the Colorado water plan - appropriation. (1) For the
18	2025-26 state fiscal year, \$1,000,000 is appropriated to the department of
19	natural resources for use by the Colorado water conservation board. This
20	appropriation is from the Colorado water conservation board construction
21	fund created in section 37-60-121, C.R.S. To implement this section, the
22	Colorado water conservation board may use this appropriation to support
23	efforts to refine and extend the existing decision support systems model
24	and to complete technical updates to the Colorado water plan.
25	(2) The money appropriated in subsection (1) of this section
26	remains available for the designated purposes until it is fully expended.
27	SECTION 10. Basin implementation plan analysis and

-6- 283

updates - appropriation. (1) For the 2025-26 state fiscal year, \$4,500,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support updated efforts to evaluate baseline data to determine existing and future water demand and supply to develop an updated basin implementation plan for each of the 8 major river basins across the state.

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

SECTION 11. Continuation of the Colorado watershed restoration program - appropriation. (1) For the 2025-26 state fiscal year, \$5,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support planning, engineering, and implementation measures to address technical needs for watershed restoration and flood mitigation projects throughout the state to provide aquatic habitat protection; quantification of environmental flow needs; and monitoring of efforts to support healthy stream and watershed goals outlined in the state water plan.

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

SECTION 12. Statewide turf analysis - appropriation. (1) For the 2025-26 state fiscal year, \$1,400,000 is appropriated to the department

-7-

of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to conduct an analysis to answer key questions related to understanding the total amount of irrigable turf, nonfunctional turf, tree canopy, and other vegetation types in populated areas of the state to gain a better understanding of outdoor and landscape water use and develop possible water savings practices related to turf replacement.

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

SECTION 13. Colorado department of agriculture - scaling Colorado soil health- transfer - appropriation. (1) On July 1, 2025, the state treasurer shall transfer \$500,000 from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S., to the plant health, pest control, and environmental protection cash fund created in section 35-1-106.3 (1), C.R.S., to assist in the continuation of the soil health program.

- (2) (a) For the 2025-26 state fiscal year, \$500,000 is appropriated to the department of agriculture for use by the conservation services division. This appropriation is from the plant health, pest control, and environmental protection cash fund created in section 35-1-106.3 (1), C.R.S. To implement this subsection (2)(a), the conservation services division may use this appropriation to continue the Colorado soil health program to improve soil health throughout the state.
- (b) The money appropriated in subsection (2)(a) of this section remains available for the designated purposes until it is fully expended.

-8- 283

1	SECTION 14. Yampa river and Walton creek confluence
2	restoration - appropriation. (1) For the 2025-26 state fiscal year,
3	\$2,000,000 is appropriated to the department of natural resources for use
4	by the Colorado water conservation board. This appropriation is from the
5	Colorado water conservation board construction fund created in section
6	37-60-121, C.R.S. To implement this section, the Colorado water
7	conservation board may use this appropriation to conduct a large-scale
8	ecological river and wetland restoration project encompassing one
9	hundred five acres of channel, floodplain, and riparian improvements at
10	the Yampa river and Walton creek confluence.
11	(2) The money appropriated in subsection (1) of this section
12	remains available for the designated purposes until it is fully expended.
13	SECTION 15. South fork focus zone irrigated acreage
14	retirement - appropriation. (1) For the 2025-26 state fiscal year,
15	\$6,000,000 is appropriated to the department of natural resources for use
16	by the Colorado water conservation board. This appropriation is from the
17	Colorado water conservation board construction fund created in section
18	37-60-121, C.R.S. To implement this section, the Colorado water
19	conservation board may use this appropriation to support efforts to
20	comply with the republican river compact administration resolution by
21	retiring irrigated acreage in the south fork focus zone by 2029.
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 16. Water project loan authorization - park creek
25	reservoir expansion project. (1) Pursuant to section 37-60-122 (1)(b),
26	C.R.S., the Colorado water conservation board is authorized to make a
27	loan in the amount of \$12,978,500 from the severance tax perpetual base

-9- 283

fund created in section 39-29-109 (2)(a), C.R.S., to the North Poudre Irrigation Company for the completion of the park creek reservoir expansion project.

- (2) The money authorized in subsection (1) of this section remains available for the designated purposes until it is fully expended.
- (3) The Colorado water conservation board may make loans for the project specified in subsection (1) of this section from money that is or may become available to the severance tax perpetual base fund. The total amount of the loans will be in the amount listed in subsection (1) of this section plus or minus the amount, if any, as may be justified by reason of fluctuations in construction costs or as may be justified by reason of changes in the plans for the project due to differing or unforeseen site conditions, errors or omissions in the plans and specifications, changes instituted by regulatory agencies, or changes in material quantities beyond contract limits.

SECTION 17. Grant-making for projects that assist in implementing the state water plan - appropriation. (1) For the 2025-26 state fiscal year, \$29,200,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the water plan implementation cash fund created in section 37-60-123.3 (1)(a), C.R.S. To implement this subsection (1), the Colorado water conservation board may use this appropriation for grant-making for projects that assist in the implementation of the state water plan pursuant to section 37-60-106.3 (6), C.R.S., through the Colorado water conservation board's application and guidelines process.

(2) The money appropriated in subsection (1) of this section

-10-

1	remains available for the designated purposes until it is fully expended.
2	SECTION 18. In Colorado Revised Statutes, 37-60-124, amend
3	(2) introductory portion and (3); and repeal (1) as follows:
4	37-60-124. Water conservation and drought mitigation
5	planning - powers and duties of board. (1) There is hereby created as
6	an office under the Colorado water conservation board the office of water
7	conservation and drought planning. The office shall have such staff as are
8	necessary and appropriate to carry out the duties established for the
9	office.
10	(2) The office of water conservation and drought planning BOARD
11	shall promote water conservation and drought mitigation planning by
12	performing AND SHALL MAINTAIN AS MUCH STAFF AS IS REQUIRED TO
13	PERFORM, to the degree feasible, duties including, but not limited to, the
14	following:
15	(3) The personal services, operating, travel and subsistence,
16	capital, and legal services expenses of administering the office of water
17	conservation and drought planning and the programs and activities
18	authorized by subsection (2) of this section may be paid from such
19	moneys as are MONEY AS IS appropriated, allocated, or otherwise credited
20	to the Colorado water conservation board construction fund.
21	SECTION 19. In Colorado Revised Statutes, 37-60-126, amend
22	(2)(a), (2)(b), (3), (6), (7), (8), and (12)(c); repeal (1)(c) and (1)(d); and
23	add (12)(b.7) as follows:
24	37-60-126. Water conservation and drought mitigation
25	planning - programs - relationship to state assistance for water
26	facilities - guidelines - grant program - definitions - repeal. (1) As
27	used in this section and section 37-60-126.5, unless the context otherwise

-11- 283

requires:

- (c) "Grant program" means the water efficiency grant program established pursuant to subsection (12) of this section.
 - (d) "Office" means the office of water conservation and drought planning created in section 37-60-124.
 - (2) (a) Each A covered entity shall, subject to section 37-60-127, develop, adopt, make publicly available, and implement a plan pursuant to which such THE covered entity shall encourage its domestic, commercial, industrial, and public facility customers to use water more efficiently. Any A state or local governmental entity that is not a covered entity may develop, adopt, make publicly available, and implement such a plan.
 - (b) The office BOARD shall review previously submitted conservation plans to evaluate their consistency with the provisions of this section and the guidelines established pursuant to paragraph (a) of subsection (7) SUBSECTION (7)(a) of this section.
 - (3) The manner in which the covered entity develops, adopts, makes publicly available, and implements a plan established pursuant to subsection (2) of this section shall be determined by the covered entity in accordance with this section. The plan shall MUST be accompanied by a schedule for its implementation. The plans and schedules shall be provided to the office BOARD within ninety days after their adoption. For those entities seeking financial assistance, the office BOARD shall then notify the covered entity and the appropriate financing authority that the plan has been reviewed and whether the plan has been approved in accordance with this section.
 - (6) The board is hereby authorized to recommend the

-12-

appropriation and expenditure of revenues as are necessary from the unobligated balance of the five percent share of the severance tax operational fund designated for use by the board for the purpose of the office providing assistance to covered entities to develop water conservation plans that meet the provisions of this section.

- (7) (a) The board shall adopt guidelines for the office to review water conservation plans submitted by covered entities and other state or local governmental entities. The guidelines shall MUST define the method for submitting plans to the office BOARD, the methods for office review and approval of the plans, and the interest rate surcharge provided for in paragraph (a) of subsection (9) SUBSECTION (9)(a) of this section.
- (b) If no other applicable guidelines exist as of June 1, 2007, The board shall adopt guidelines by July 31, 2007, for the office to use in reviewing MAY REVIEW AND AWARD GRANTS PURSUANT TO applications submitted by covered entities, other state or local governmental entities, and agencies for grants from the grant program and from the grant program established in section 37-60-126.5 (3). The guidelines shall establish deadlines and procedures for covered entities, other state or local governmental entities, and agencies to follow in applying for grants and the criteria to be used by the office and the board in prioritizing and awarding grants 37-60-106.3 (6).
- (8) A covered entity may at any time adopt changes to an approved plan in accordance with this section after notifying and receiving concurrence from the office BOARD. If the proposed changes are major, the covered entity shall give public notice of the changes, make the changes available in draft form, and provide the public an opportunity to comment on such changes before adopting them in accordance with

-13-

1	subsection (5) of this section.
2	(12) (b.7) On June 30, 2026, the state treasurer shall
3	TRANSFER ANY MONEY REMAINING IN THE WATER EFFICIENCY GRANT
4	PROGRAM CASH FUND TO THE SEVERANCE TAX PERPETUAL BASE FUND
5	CREATED IN SECTION 39-29-109 (2)(a).
6	(c) This subsection (12) is repealed, effective July 1, 2030 2026.
7	SECTION 20. In Colorado Revised Statutes, 37-60-126.5,
8	amend (2), (3), and (4) as follows:
9	37-60-126.5. Drought mitigation planning - programs -
10	relationship to state assistance. (2) The office BOARD shall develop
11	programs to provide technical assistance to covered entities and other
12	state or local governmental entities in the development of drought
13	mitigation plans.
14	(3) The board is hereby authorized to expend revenues from the
15	water efficiency grant program cash fund and to recommend the
16	appropriation and expenditure of the revenues as is necessary from the
17	unobligated balance of the five-percent share of the severance tax
18	operational fund designated for use by the board for the purpose of
19	assisting covered entities and other state or local governmental entities to
20	develop drought mitigation plans that the office BOARD identifies as
21	sufficient.
22	(4) The board shall adopt guidelines for the office to use in
23	reviewing, evaluating, and approving drought mitigation plans submitted
24	by covered entities or other state or local governmental entities in
25	accordance with this section.
26	SECTION 21. In Colorado Revised Statutes, 39-29-109, amend
27	(2)(a)(II.5)(B), (2)(a)(II.5)(C), and (2)(b)(III); and repeal (2)(a)(II.5)(D)

-14- 283

1	as follows:
2	39-29-109. Severance tax trust fund - created - administration
3	- distribution of money - legislative declaration - repeal. (2) State
4	severance tax receipts must be credited to the severance tax trust fund as
5	provided in section 39-29-108. All income derived from the deposit and
6	investment of the money in the fund must be credited to the fund. At the
7	end of any fiscal year, all unexpended and unencumbered money in the
8	fund remains in the fund and must not be credited or transferred to the
9	general fund or any other fund. All money in the fund is subject to
10	appropriation by the general assembly for the following purposes:
11	(a) The severance tax perpetual base fund. (II.5) The board
12	shall use the money in the fund:
13	(B) To direct the state treasurer to transfer amounts to the water
14	supply reserve fund created in subsection (2)(c) of this section; AND
15	(C) To direct the state treasurer to transfer amounts to the
16	interbasin compact committee operation fund created in section
17	37-75-107. and
18	(D) To direct the state treasurer to transfer amounts to the water
19	efficiency grant program cash fund created in section 37-60-126 (12).
20	(b) The severance tax operational fund. (III) The fund also
21	includes amounts that were transferred to natural resources and energy
22	grant programs under section 39-29-109.3 and that were transferred back
23	to the fund in accordance with subsection (2)(c)(V) of this section and
24	sections 24-33-111 (2)(a)(I)(C) $\frac{37-60-126(12)(a)(V)}{a}$, and 37-75-107 (3).
25	SECTION 22. In Colorado Revised Statutes, 37-75-103, amend
26	(1) and (2)(b) as follows:
27	37-75-103. Director of compact negotiations. (1) Within thirty

-15- 283

1	days after June 7, 2005 A VACANCY, the governor OR THE EXECUTIVE
2	DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES shall appoint a
3	director of compact negotiations. which office is hereby created in the
4	office of the governor. The director of compact negotiations shall act as
5	the overseer and caretaker of the compact negotiations process
6	established in this article ARTICLE 75.
7	(2) The director of compact negotiations shall have the following
8	responsibilities:
9	(b) Oversee and Direct the expenditure of moneys MONEY
10	appropriated pursuant to this article ARTICLE 75; and
11	SECTION 23. 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.

-16- 283