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# Water Resources

# Review Committee

**Report to the**  
**COLORADO**  
**GENERAL ASSEMBLY**

**Colorado Legislative Council**  
**Research Publication No. 559**  
**December 2006**

**RECOMMENDATIONS FOR 2007**

**WATER RESOURCES REVIEW COMMITTEE**

**Report to the  
Colorado General Assembly**

**Research Publication No. 559  
November 2006**

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December 2006

To Members of the Sixty-fifth General Assembly:

Submitted herewith is the final report of the Water Resources Review Committee. This committee was created pursuant to Article 98 of Title 37, Colorado Revised Statutes. The purpose of this committee is to oversee the conservation, use, development, and financing of Colorado's water resources.

At its meeting on October 16, 2006, the Legislative Council reviewed the report of this committee. A motion to forward this report and the bills therein for consideration in the 2007 session was approved.

Sincerely,

Representative Andrew Romanoff  
Chairman

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# **WATER RESOURCES REVIEW COMMITTEE**

## **Members of the Committee**

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Chair

Representative Dorothy Butcher

Representative Cory Gardner

Representative Mary Hodge

Representative Al White

Senator Jim Isgar,  
Vice-Chair

Senator Lewis H. Entz

Senator Joan Fitz-Gerald

Senator Peter Groff

Senator Jack Taylor

## **Legislative Council Staff**

David Beaujon  
Research Associate II

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Research Associate

## **Office of Legislative Legal Services**

Tom Morris  
Senior Staff Attorney

# EXECUTIVE SUMMARY

## Committee Charge

The Water Resources Review Committee was created for the purposes of contributing to and monitoring the conservation, use, development, and financing of Colorado's water resources for the general welfare of the state (Section 37-98-102, C.R.S.). The committee is authorized to review and propose legislation in furtherance of its purposes. In conducting its review, the committee is required to consult with experts in the field of water conservation, quality, use, finance, and development. The committee was authorized to meet eight times in 2006, including two times outside of the interim period, and to take two field trips in connection with its mandate.

## Committee Activities

The committee met three times during the 2006 interim. At these hearings, the committee received briefings on a broad range of water policy issues from government officials, private water users, and other interested persons. Specifically, it received briefings on proposed water development projects, groundwater use in the South Platte River Basin, water quality problems in the Lower Arkansas River Basin, and problems associated with low stream flows in the Upper Colorado River.

The Executive Director of the Colorado Department of Natural Resources provided an update on the implementation of House Bill 05-1177, commonly known as the "Interbasin Compact Committee." This law created nine basin roundtables covering the state's eight major river basins and the Denver metropolitan area. These roundtables are working to identify water needs within each basin and are preparing to conduct discussions with other basin roundtables concerning interbasin water issues. The committee heard an update on the use of moneys appropriated by the General Assembly in 2006 to support the process including \$900,000 for basin roundtable meetings, Interbasin Compact Committee meetings, water needs assessment, and public education. Senate Bill 06-179 created the Water Supply Reserve Account and appropriated \$10 million for water activities approved by basin roundtables including water diversion projects and nonstructural activities. The executive director estimated that basin roundtables will recommend projects to be funded by some of this money in 2007.

**Committee tours.** The committee took two tours and visited two portions of the state's seven major river basins to learn about local water resources and supply challenges. In June, the committee toured for two days in the Upper Colorado River and the Upper Arkansas River basins including water storage and distribution facilities owned by Colorado Springs and Aurora, as well as irrigators in the Arkansas River Basin. It also attended the Colorado Water Congress summer convention to hear briefings about interstate compacts, on-going water supply studies, water use efficiency projects in Israel, and other water management issues.



***Committee recommendation concerning water efficiency grants.*** The committee heard testimony about the need to improve municipal water use efficiency to address Colorado's growing demand for water. In 1991, the General Assembly passed a law that requires larger water providers to adopt water conservation plans as a condition of obtaining a loan from the Colorado Water Conservation Board or the Colorado Water Resources and Power Development Authority. In 2004, the law was amended to require these entities to update their water conservation plans by July 1, 2006, and every seven years thereafter. In 2005, the General Assembly created the Water Efficiency Grant Program to help water providers implement the water efficiency goals identified in their water conservation plans. It also appropriated \$500,000 for the grant program. The grant program is repealed on July 1, 2008. The committee heard testimony about the need to continue the grant program and allow smaller water providers to apply for these grants. The program also needs a long-term funding source. To address these concerns, the committee recommends Bill A to continue the Water Efficiency Grant program until 2012 and to allow smaller water providers to apply for these grants.

***Committee recommendation concerning compensation for boards of water districts.*** The committee heard testimony about the growing workload of boards of water conservancy districts and water conservation districts. Compensation for district boards is set in statute, and has not been increased in over 25 years. As a result, the compensation does not adequately address the current workload or the impact of inflation. The committee recommends Bill B to increase compensation for boards of water conservancy districts and three water conservation districts.

***Committee recommendation concerning federal funding for water projects.*** The committee heard testimony about the long-term water and wastewater project funding needs for municipalities and other local public entities. Approximately \$1.4 billion is needed to pay for public wastewater projects that must be built to comply with federal water quality requirements. However, federal funding for water projects is expected to decline in the coming years and state loan and grant programs may not be sufficient to ensure that all public water entities are able to comply with federal water quality laws, especially rural water providers. The committee recommends Resolution A which is a resolution requesting Congress to support federal legislation to fund public water-related environmental infrastructure and resource protection and development projects in Colorado.

## **Committee Recommendations**

As a result of committee discussion and deliberation, the committee recommends two bills and one resolution for consideration in the 2007 legislative session.

***Bill A — Expansion of the Water Efficiency Grant Program.*** The Water Efficiency Grant Program allows larger water providers to obtain a grant to implement water efficiency goals identified in their water conservation plans. Currently, only entities providing over 2,000 acre-feet annually to retail customers are allowed to apply for these

grants. An acre-foot is the amount of water needed to cover an acre with one foot of water. Bill A allows any governmental entity that sells water at retail to obtain a water efficiency grant. It also extends the Water Efficiency Grant Program until July 1, 2012.

***Bill B — Increase the Maximum Compensation Paid to the Directors of Certain Types of Water Districts.*** State law limits annual compensation for boards of water conservancy districts and water conservation districts. There are 47 water conservancy districts in Colorado. These districts were formed by local communities to finance dams, tunnels, and other water projects. There are four water conservation districts in Colorado that were formed in separate statutes to finance water projects in specific water basins. For example, the Colorado River Water Conservation District was formed in 1937 to develop the waters of the Colorado River. Bill B increases the maximum annual compensation for boards of water conservancy districts from \$1,200 to \$2,400. It also increases to a maximum of \$100 per day the compensation payable to the directors of Colorado River Water Conservation District, the Rio Grande Water Conservation District, and the Republican River Water Conservation District.

***Resolution A — A Request that Congress Support the Federal "Rural Water Infrastructure Act."*** If passed, the federal "Rural Water Infrastructure Act" will appropriate \$50 million for design and construction assistance for publicly owned water projects in Colorado. This money will pay 75 percent of the cost of designing and constructing water-related environmental infrastructure and resource protection and development projects including wastewater treatment, water supply, and water conservation projects. Resolution A is a resolution requesting that members of Colorado's congressional delegation and the members of the Environment and Public Works Committee of the U.S. Senate support the federal legislation.

## STATUTORY AUTHORITY AND RESPONSIBILITIES

Section 37-98-102, C.R.S., creates the Water Resources Review Committee. The committee is composed of five members from the House of Representatives and five members from the Senate. Up to six meetings, two of which may be held during the legislative session, and two field trips are authorized to meet the purposes of the statute.

The committee is charged with contributing to and monitoring the conservation, use, development, and financing of the water resources of Colorado for the general welfare of its inhabitants and reviewing and proposing water resources legislation. The committee is to meet with experts in the field of water conservation, quality, use, finance, and development in furthering its charge.

# COMMITTEE ACTIVITIES

The committee met three times during the 2006 interim. At these hearings, the committee received briefings on a broad range of water policy issues from government officials, private water users, and other interested persons. Specifically, it received briefings on state efforts to address water supply challenges, proposed water development projects, low stream flows in the Upper Colorado River Basin, funding needs for local water districts, groundwater use in the South Platte River Basin, and water quality problems in the Lower Arkansas River Basin. In response to these problems, the committee recommends two bills and a resolution.

## Water Supply Challenges in Colorado

***Future water needs.*** According to the Statewide Water Supply Initiative (SWSI), Colorado's western slope population is projected to increase by 420,000 to almost 1 million in 2030; an increase of nearly 85 percent over the current population of 514,800. Colorado's front range and eastern plains population is projected to grow by 2.4 million in 2030 to 6.2 million; an increase of 62 percent from the current population of 3.8 million. Colorado is estimated to need an additional 630,000 acre-feet annually to meet demand in 2030, primarily for municipal and industrial purposes. SWSI determined that as much as 80 percent of this demand may be satisfied from existing and planned water projects. The shortfall between planned projects and estimated water demand is 10,300 acre-feet on the western slope and 107,800 acre-feet in the Front Range and eastern plains. An acre-foot is the amount of water that will cover an acre of land at a depth of one foot, or 325,851 gallons. A combination of water supply options may be needed to meet the shortfall including conservation, reuse, agricultural transfers, and development of new water supplies.

***Water efficiency.*** Water efficiency helps extend existing water supplies and reduces demand for new water sources. The SWSI estimated that future water demand may be reduced by 5 percent if moderate conservation measures are implemented. These measures include preventing leaks in pipes, replacing high-water-use appliances, pricing water to encourage wise water use, and public education. The Water Conservation Act of 1991 requires municipal water providers that deliver over 2,000 acre-feet per year — covered entities — to develop water conservation plans. It also created the Office of Water Conservation and Drought Planning with the Colorado Water Conservation Board (CWCB) to assist with the development of these plans. This law was amended in the 2004 to require covered entities to update their water conservation plans by July 1, 2006. Covered entities that do not update their plans are prohibited from borrowing money from the Colorado Water Resources and Power Development Authority and the CWCB. In 2005, the General Assembly created the water efficiency grant program to help covered entities implement the water efficiency measures identified in their water conservation plans. The committee heard testimony from covered entities, environmental organizations, and state officials

about the benefits of water conservation. They described the challenge of updating water conservation plans and spoke in support of extending the grant program that is scheduled to be repealed in 2008. They also spoke in support of allowing smaller water providers to obtain these grants.

***Committee recommendation.*** The committee recommends Bill A that expands the water efficiency grant program to allow any governmental entity that sells water at retail to obtain a grant. It also extends the Water Efficiency Grant Program until July 1, 2012.

***Interbasin compact negotiations.*** Water in Colorado is often moved from where it occurs naturally to where it is needed. Such movement may be miles from the originating stream or between major river basins. Proposals to move large amounts of water from one river basin to another often result in expensive and time consuming litigation. In 2005, the General Assembly created a process in House Bill 05-1117 to help facilitate the movement of water to ensure that there is an adequate water supply to meet future water needs throughout the state. This law, commonly known as the Interbasin Compact Committee (IBCC), created nine basin roundtables covering the South Platte, the Arkansas, the Rio Grande, the Gunnison, the Colorado, the Yampa-White, the Dolores, the San Miguel and San Juan; and the North Platte river basins, and the Denver metropolitan area. These roundtables are working to identify water needs within each basin. They will also conduct discussions with other water basins to address interbasin water issues.

The director of Compact Negotiations provided an update on the IBCC process. He explained that the IBCC completed its first annual report to the General Assembly concerning the status of compact negotiations. He also described how the money appropriated in 2006 is being used to support the IBCC process. House Bill 06-1400 approved the Interbasin Compact Committee Charter and appropriated \$900,000 from the Severance Tax Trust Fund for on-going implementation of House Bill 05-1177 including basin roundtable meetings, Interbasin Compact Committee meetings, water needs assessment, and public education. Senate Bill 06-179 created the Water Supply Reserve Account and appropriated \$10 million from Severance Tax Trust Fund for water activities approved by basin roundtables including water diversion projects and nonstructural activities. Moneys in fund will be allocated based on a process that is being determined by the Colorado Water Conservation Board and the Interbasin Compact Committee. The director estimated that the basin roundtables may be ready to request funds for water activities by 2007.

***Upper Colorado River Basin issues.*** Most of the water in Grand County that includes Winter Park is exported to eastern Colorado by the Northern Colorado Water Conservancy District and Denver Water. Grand County includes Colorado's largest transbasin diversion, the Colorado Big Thompson Project, that diverts over 200,000 acre-feet annually from the Upper Colorado River Basin to the South Platte River Basin. It is operated by the U.S. Bureau of Reclamation and the Northern Colorado Water Conservancy District. The committee heard testimony from water users and representatives of Grand County about the impact of low stream flows in the Upper Colorado River on irrigators and fisheries. Due to these conditions, irrigators were unable to divert their water

right from the stream without substantially impacting fisheries. They also expressed concern about proposals by Denver Water and the Northern Colorado Water Conservancy District to increase water exports from the basin. Representatives from the district and Denver Water described efforts to mitigate impacts related to low stream flows in the Colorado River.

***Proposed Southern Delivery System.*** Representatives of Colorado Springs Utilities provided an update on the proposed Southern Delivery System that will divert additional water from the Pueblo Reservoir which stores water from the Arkansas and Colorado Rivers. The project will reuse transbasin and other water that is imported into the Arkansas River Basin. Phase I of the project includes construction of a 43-mile pipeline and a water treatment facility that is estimated to cost \$590 million. The city is currently conducting an environmental impact assessment of the project as required by federal law. The city testified that it is also working with the City of Pueblo and other water users to address their concerns about the potential impact of the project on their water resources and to address concerns about water quality problems in Fountain Creek related to Colorado Springs' storm water run-off.

## **Water Conservation and Water Conservancy Districts**

Most of Colorado's water projects are owned and operated by local public entities including water conservancy districts and water conservation districts. The committee heard testimony about the growing workload of district boards as they attempt to solve their districts' water supply challenges. However, due to the effect of inflation, the value of the compensation limits that are set in statute have declined. For example, compensation for boards of water conservancy districts has remained the same since 1975. Compensation for the Rio Grande Cater Conservation Districts has not increased since it was formed in 1967.

***Water conservation districts.*** Water conservation districts are formed in statute to conserve Colorado's water resources for storage, irrigation, mining, manufacturing, and reclamation through the construction of reservoirs, ditches, and irrigation works. Water conservation districts are corporate bodies and political subdivisions of the state. There are four water conservation districts in Colorado:

- *Colorado River Water Conservation District* — formed in 1937 to develop the water resources of the Colorado River and its tributaries that define the district's boundaries.
- *Southwestern Colorado Water Conservation District* — formed in 1941 to develop the water resources of the San Juan and Dolores rivers and their tributaries that define the district's boundaries.
- *Rio Grande Water Conservation District* — formed in 1967 to develop the water resources of the Rio Grande River and its tributaries that define the district's boundaries.

- *Republican River Water Conservation District* — formed in 2004 to help Colorado comply with its water delivery obligations under the Republican River Compact by reducing water depletions in the basin. The Republican River Basin includes Sedgewick, Phillips, Yuma, Washington, Kit Carson, Logan, and Lincoln counties in northeastern Colorado.

***Water conservancy districts.*** State law allows local communities to form water conservancy districts through a petition process that grants these district similar abilities to finance water projects as water conservation districts without requiring an act of the legislature. Water conservancy districts are formed to finance dams, tunnels, and other water works that provide water for irrigation, mining, domestic, and other beneficial uses. For example, the Northern Colorado Water Conservancy District was formed to finance a portion of the Colorado-Big Thompson project that diverts water from the Colorado River Basin into the South Platte River Basin. To date, 47 water conservancy districts have been formed in Colorado. Thirty-one districts are west of the Continental Divide and 16 are east of the Continental Divide.

***Committee recommendation.*** The committee recommends Bill B that increases the maximum compensation paid to the directors of water conservancy and water conservation districts. It increases the maximum annual compensation for boards of water conservancy districts from \$1,200 to \$2,400. It also increases to a maximum of \$100 per day the compensation payable to the directors of Colorado River Water Conservation District, the Rio Grande Water Conservation District, and the Republican River Water Conservation District.

## **Funding Challenges for Public Water Treatment Projects**

***Funding needs to address federal water quality mandates.*** According to the Colorado Municipal League, approximately \$1.4 billion is needed to pay for public waste water and drinking water projects in Colorado by 2007 to comply with federal water quality requirements. Funding for local water projects comes primarily from user fees and other local sources. The committee heard testimony about the challenge of paying for the mandated water treatment projects. This challenge is especially difficult for small, rural water providers that have limited resources to pay for such projects. Rural water providers are less able to raise fees and borrow money for water projects. Federal assistance for public water treatment projects is expected to decline by 2007 and state and local funding sources may be not be sufficient to make up for the federal shortfall. State funding sources for public water projects include the Domestic Waste Water Grant and the Drinking Water Grant, the Water Pollution Control Revolving Fund, and the Drinking Water Revolving Fund. These programs are administered by the Water Quality Control Division of the Colorado Department of Public Health and Environment. The Colorado Department of Local Affairs also administers grant programs for public water projects including the Energy and Mineral Impact Assistance Program that is funded by a tax on severed minerals.

Federal legislation has been introduced that authorizes Colorado entities to obtain financial assistance from the U.S. Army Corps of Engineers under Section 595 of the federal Water Resources Development Act. The legislation provides \$50 million for design and construction assistance for publicly owned water projects in Colorado. The federal money will pay 75 percent of the cost of designing and constructing water-related environmental infrastructure and resource protection and development projects including wastewater treatment, water supply, and water conservation projects. The remaining project costs will be paid by the local sponsor.

***Committee recommendation.*** The committee recommends Resolution A which urges members of Colorado's congressional delegation and the members of the Environment and Public Works Committee of the U.S. Senate to support the federal "Rural Water Infrastructure Act."

***Committee letter.*** The committee also drafted a letter to Colorado's congressional delegation and leaders of the Senate Environment and Public Works Committee and the House Energy and Commerce Committee urging them to curtail unfunded federal mandates pertaining to standards for drinking water and wastewater facilities.

## **Water Quality Issues in the Arkansas River Basin**

***Water quality impacts in the Arkansas River Basin.*** A meeting was held in Pueblo to consider water quality issues in the Lower Arkansas River Basin. These problems are related to excessive salt build-up in soils and high selenium concentrations that can reduce crop yields and cause other problems. Some users in the basin attribute the decline in the river's water quality to out-of-basin transfers of agricultural water rights to municipalities in the South Platte River Basin. These transfers reduce stream flows that may otherwise have diluted pollutants in the river. Other users attribute the declines in water quality to irrigation practices by farmers in the basin. The committee heard testimony from representatives of Colorado State University (CSU) who are conducting research to understand the cause of the water quality problems and identify mitigation methods. Such methods include installing drip irrigation, lining irrigation canals, lowering water surface elevation along the river, and removing water consuming plants, called phreatophytes. Additional information about this research project is available at [www.csuarkriver.colostate.edu](http://www.csuarkriver.colostate.edu).

***Recent legislation on changes of water rights.*** The committee also heard testimony about the current law that regulates changes of water rights and recent legislation to address water quality impacts related to these changes. A water right is a property interest that may be changed, amended, or transferred without losing its priority if other water rights are not injured and the change is approved by a water court judge. Since 2003, four bills have been introduced and postponed indefinitely that would have expanded the authority of water court judges to address the impacts of such changes on water quality: House Bill 06-1352, House Bill 05-1181, House Bill 04-1443, and House Bill 03-1146.



Under current law, the court is allowed to impose terms and conditions on a water rights change to protect other water rights from injury. For example, the court may require an applicant to leave part of his or her water in a stream or change the time when it is diverted to ensure that other water appropriators continue to receive their entitlement. The court is also allowed to impose terms and conditions to address impacts caused by changes of agricultural water rights to other beneficial uses. For example, applicants may be required to revegetate affected agricultural lands and control noxious weeds. If a change involves a transfer of more than 1,000 acre-feet of *consumptive use* of water per year, the court may also require an applicant to offset property tax revenue reductions and pay bonded indebtedness on the property that is removed from irrigation. "Consumptive-use" is the amount of water that is lost to a stream after it has been diverted and used beneficially.

***Proposed legislation to address impacts caused by water transfers.*** The committee heard testimony from the proponent of legislation to authorize the Water Quality Control Commission to address impacts caused by changes of water rights that reduce stream flows. The Colorado Water Quality Control Commission is charged with developing state water quality regulations for surface and ground waters in the state. It classifies all of Colorado's streams and lakes for designated uses, such as drinking water, agriculture, and recreation. Based on a stream's classification, the commission sets pollution standards and other regulations to protect those uses. For example, a stream that is only used for agriculture may have less stringent pollution limits than streams classified for drinking water. Commission regulations are enforced by the Water Quality Control Division. The proposed legislation would allow the Water Quality Control Division to review changes of water rights that would reduce water quality in streams that do not meet state water quality standards and are designated as "impaired." The division would be allowed to assess a fee on such changes and use the money to offset the water quality impacts in the impaired stream.

### **Ground Water Management Issues in the South Platte River Basin**

Many wells in Colorado pump ground water that is connected to a nearby river, called tributary ground water. For example, over 500,000 AF are pumped annually from wells near the South Platte and Arkansas rivers, primarily for agricultural purposes. Tributary ground water is regulated according to the same principles as water in streams. Consequently, most wells along the South Platte and other Colorado rivers are administered in priority. During times of shortages, pumping may be curtailed to protect senior water rights. However, well users may be able to continue pumping during shortages if they replace their depletions. Depletion is the amount of water that does not return to a stream after it has been used due to evaporation, plant uptake, and other mechanisms.

Prior to 2001, most wells along the South Platte River operated under water replacement plans approved by the State Engineer in the Department of Natural Resources. However, in 2001 the Colorado Supreme Court determined that the State Engineer does not have the authority to approve water replacement plans for wells. Rather, such plans

must be adjudicated in water court. Senate Bill 03-73 authorized wells in the South Platte River Basin to pump for three more years under the State Engineer's replacement plans while they sought water court approval. Well users had until December 31, 2005, to submit their plans to water court. Wells that failed to meet this deadline were prohibited from pumping.

The committee heard testimony from water users affected by the new state law. Officials from the Central Colorado Water Conservancy District explained that some well users in the district were ordered to cease pumping because they could not obtain replacement water before the December 31, 2005, application deadline. The district described its efforts to obtain replacement water for its members including buying senior water rights, storing more water, and building ground water recharge projects. The committee also heard testimony from owners of senior surface water rights who spoke in support of the new law and the protections it provides them.

## SUMMARY OF RECOMMENDATIONS

As a result of the committee's activities, the following bills and resolution are recommended to the Colorado General Assembly.

### **Bill A — Concerning Expansion of the Water Efficiency Grant Program**

Bill A expands the Water Efficiency Grant Program to allow all state or local public entities that provided water at retail to customers to obtain the grants from the Colorado Water Conservation Board. Currently, only larger public water providers are able to obtain these grants. The bill also extends the repeal of the Water Efficiency Grant Program until July 1, 2012.

### **Bill B — Concerning An Increase in the Maximum Compensation Paid to the Directors of Certain Types of Water Districts**

Bill B increases the maximum annual compensation for boards of water conservancy districts from \$1,200 to \$2,400. It also increases to a maximum of \$100 per day the compensation payable to the directors of Colorado River Water Conservation District, the Rio Grande Water Conservation District, and the Republican River Water Conservation District.

### **Resolution A — Concerning A Request that Congress Support the Federal "Rural Colorado Water Infrastructure Act"**

Bill C is a resolution that requests the members of Colorado's congressional delegation and the members of the Environment and Public Works Committee of the U.S. Senate support the federal "Rural Colorado Water Infrastructure Act."

# RESOURCE MATERIALS

The resource materials listed below were provided to the committee or developed by Legislative Council Staff during the course of the meetings. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver, (303- 866-2055). The meeting summaries and materials developed by Legislative Council Staff are also available on our web site at:

[http://www.state.co.us/gov\\_dir/leg\\_dir/lcsstaff/2006/06interim.htm](http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2006/06interim.htm).

<b>Meeting Summaries</b>	<b>Topics Discussed</b>
July 26, 2006	Review of prior legislation on water quality impacts and changes of water rights; water quality impacts in the Arkansas River Basin.
September 15, 2006	South Platte River Basin groundwater issues; funding for public water treatment facilities; water quality in the Arkansas River Basin; update on the Southern Delivery System; water efficiency programs; Water Quality Control Division revenue issues; discussion of proposed legislation.
September 27, 2006	Water supply issues in the Upper Colorado River Basin; implementation of House Bill 05-1177 concerning interbasin compacts; final action on draft legislation.

<b>Committee Tours</b>	<b>Areas Visited</b>
June 16 and 17, 2006	Upper Colorado River Basin water collection facilities; Upper Arkansas River Basin water collection and recreational facilities.
August 24 - 26, 2006	Colorado Water Congress Summer Convention in Breckenridge, Colorado.

## **Staff Memoranda**

*Comparison of Legislation Concerning Changes of Water Rights;* Memorandum prepared by Legislative Council Staff, July 20, 2006.

*Compensation for Directors of Water Districts;* Memorandum prepared by Legislative Council Staff, September 14, 2006.

First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

Bill A

LLS NO. 07-0085.01 Thomas Morris

SENATE BILL

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SENATE SPONSORSHIP

Taylor, Entz, Fitz-Gerald, and Isgar

HOUSE SPONSORSHIP

Curry, Butcher, Hodge, and White

---

Senate Committees

House Committees

---

A BILL FOR AN ACT

101 CONCERNING EXPANSION OF THE WATER EFFICIENCY GRANT  
102 PROGRAM.

---

Bill Summary

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

**Water Resources Review Committee.** Allows any state or local governmental entity that provides water at retail to customers to participate in the water efficiency grant program administered by the Colorado water conservation board. Extends the repeal of the program

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

to July 1, 2012.

---

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

2           **SECTION 1.** 37-60-126 (2) (a), (5), (7), and (12), Colorado  
3 Revised Statutes, are amended to read:

4           **37-60-126. Water conservation and drought mitigation**  
5 **planning - programs - relationship to state assistance for water**  
6 **facilities - guidelines - water efficiency grant program - repeal.**

7 ~~(2) (a) Within five years after June 4, 1991, Each covered entity that does~~  
8 ~~not have a water use efficiency plan satisfying the provisions of~~  
9 ~~subsection (4) of this section shall, subject to section 37-60-127, develop,~~  
10 ~~adopt, make publicly available, and implement a plan pursuant to which~~  
11 ~~such covered entity shall encourage its domestic, commercial, industrial,~~  
12 ~~and public facility customers to use water more efficiently. Any covered~~  
13 ~~entity that makes an initial determination that it has satisfied subsection~~  
14 ~~(4) of this section shall, within five years after June 4, 1991, give public~~  
15 ~~notice of such determination at an official meeting of the appropriate~~  
16 ~~governing body of the covered entity. ANY STATE OR LOCAL~~  
17 ~~GOVERNMENTAL ENTITY THAT IS NOT A COVERED ENTITY MAY DEVELOP,~~  
18 ~~ADOPT, MAKE PUBLICLY AVAILABLE, AND IMPLEMENT SUCH A PLAN.~~

19           (5) Each covered entity AND OTHER STATE OR LOCAL  
20 GOVERNMENTAL ENTITY THAT ADOPTS A PLAN shall follow the covered  
21 entity's rules, codes, or ordinances to make the draft plan available for  
22 public review and comment. If there are no rules, codes, or ordinances  
23 governing the covered entity's public planning process, then each covered  
24 entity shall publish a draft plan, give public notice of the plan, make such  
25 plan publicly available, and solicit comments from the public for a period

1 of not less than sixty days after the date on which the draft plan is made  
2 publicly available. Reference shall be made in the public notice to the  
3 elements of a plan that has HAVE already been implemented.

4 (7) (a) ~~By July 1, 2005,~~ The board shall adopt guidelines for the  
5 office to review water conservation plans submitted by covered entities  
6 AND OTHER STATE OR LOCAL GOVERNMENTAL ENTITIES. The guidelines  
7 shall define the method for submitting plans to the office, ~~how the office~~  
8 ~~will prioritize the distribution of moneys, including any additional~~  
9 ~~moneys made available through the grant program,~~ THE METHODS FOR  
10 OFFICE REVIEW AND APPROVAL OF THE PLANS, and the interest rate  
11 surcharge provided for in paragraph (a) of subsection (9) of this section.

12 (b) If no other applicable guidelines exist as of ~~June 7, 2005,~~ THE  
13 EFFECTIVE DATE OF THIS PARAGRAPH (b), AS AMENDED, the board shall  
14 adopt guidelines by ~~August 14, 2005,~~ JULY 31, 2007, for the office to use  
15 in reviewing applications submitted by covered entities, OTHER STATE OR  
16 LOCAL GOVERNMENTAL ENTITIES, and agencies for grants from the grant  
17 program AND FROM THE GRANT PROGRAM ESTABLISHED IN SECTION  
18 37-60-126.5(3). The guidelines shall establish deadlines and procedures  
19 for covered entities, OTHER STATE OR LOCAL GOVERNMENTAL ENTITIES,  
20 and agencies to follow in applying for grants and the criteria to be used  
21 by the office and the board in prioritizing and awarding grants.

22 (12) (a) There is hereby created the water efficiency grant  
23 program for purposes of providing state funding ~~over a three-year period~~  
24 to aid in ~~achieving the water efficiency goals outlined in locally adopted~~  
25 THE PLANNING AND IMPLEMENTATION OF water conservation plans  
26 DEVELOPED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION  
27 and to promote the benefits of water efficiency. The board is authorized

1 to distribute grants ~~in accordance with this subsection (12)~~ to covered  
2 entities, OTHER STATE OR LOCAL GOVERNMENTAL ENTITIES, and agencies  
3 IN ACCORDANCE WITH ITS GUIDELINES from the moneys transferred to and  
4 appropriated from the water efficiency grant program cash fund, which  
5 is hereby created in the state treasury. For the 2005-06 ~~2006-07, and~~  
6 ~~2007-08~~ THROUGH 2010-11 fiscal years, the general assembly shall  
7 appropriate from the fund to the board up to five hundred thousand  
8 dollars annually for the purpose of providing grants to covered entities  
9 and agencies in accordance with this subsection (12). COMMENCING JULY  
10 1, 2007, the general assembly shall also appropriate to the board ~~an~~  
11 ~~amount necessary~~ FIFTY THOUSAND DOLLARS EACH FISCAL YEAR THROUGH  
12 2011-12 to cover the costs associated with the administration of the grant  
13 program ~~but such appropriations shall not exceed an aggregate amount of~~  
14 ~~eighty thousand dollars for the three fiscal years of the grant program~~ AND  
15 THE REQUIREMENTS OF SECTION 37-60-124. However, if less than five  
16 hundred thousand dollars is appropriated or expended in ~~the 2005-06 or~~  
17 ~~2006-07~~ ANY SUCH fiscal year, an amount equal to the difference between  
18 five hundred thousand dollars and the amount actually appropriated or  
19 expended in that fiscal year shall be available for appropriation and  
20 expenditure TO THE GRANT PROGRAM in the next fiscal year in addition to  
21 the five hundred thousand dollars available for appropriation in that fiscal  
22 year. Any moneys remaining in the fund on June 30, ~~2008~~ 2012, shall be  
23 transferred to the reserve in the operational account of the severance tax  
24 trust fund described in section 39-29-109 (1) (c) (III) (A), C.R.S.

25 (b) Any covered entity OR STATE OR LOCAL GOVERNMENTAL  
26 ENTITY that has adopted a water conservation plan and that supplies,  
27 distributes, or otherwise provides water at retail to customers may apply



1 for a grant to aid in the implementation of the water efficiency goals of  
2 the plan. Any agency may apply for a grant to fund outreach or education  
3 programs aimed at demonstrating the benefits of water efficiency. The  
4 office shall review the applications and make recommendations to the  
5 board regarding the awarding and distribution of grants to applicants who  
6 satisfy the criteria outlined in this subsection (12) and the guidelines  
7 developed pursuant to subsection (7) of this section.

8 (c) This subsection (12) is repealed, effective July 1, ~~2008~~ 2012.

9 **SECTION 2.** 37-60-126.5 (3) and (4), Colorado Revised Statutes,  
10 are amended to read:

11 **37-60-126.5. Drought mitigation planning - programs -**  
12 **relationship to state assistance.** (3) The board is hereby authorized to  
13 EXPEND REVENUES FROM THE WATER EFFICIENCY GRANT PROGRAM CASH  
14 FUND AND TO recommend the appropriation and expenditure of such  
15 revenues as is necessary from the unobligated balance of the five-percent  
16 share of the operational account of the severance tax trust fund designated  
17 for use by the board for the purpose of assisting covered entities and other  
18 state ~~and~~ OR local governmental entities to develop drought mitigation  
19 plans identified as sufficient by the office.

20 (4) ~~By July 1, 2005,~~ The board shall adopt guidelines for the  
21 office to use in reviewing, ~~and~~ evaluating, AND APPROVING drought  
22 mitigation plans submitted by covered entities ~~OR OTHER STATE OR LOCAL~~  
23 ~~GOVERNMENTAL ENTITIES~~ in accordance with this section. ~~The guidelines~~  
24 ~~shall define the method for submitting plans to the office and shall specify~~  
25 ~~how the office will prioritize the distribution of moneys.~~

26 **SECTION 3.** 39-29-109 (1) (c) (III) (B), Colorado Revised  
27 Statutes, is amended to read:

1           **39-29-109. Severance tax trust fund - created - administration**  
2 **- use of moneys - definitions - repeal.** (1) (c) (III) (B) Notwithstanding  
3 any provision of sub-subparagraph (A) of this subparagraph (III) to the  
4 contrary, on July 1, 2005, the state treasurer shall transfer one million five  
5 hundred eighty thousand dollars from the reserve to the water efficiency  
6 grant program cash fund created in section ~~37-60-126 (13)~~, 37-60-126  
7 (12), C.R.S., for use in funding grants in accordance with said section.  
8 The moneys transferred pursuant to this sub-subparagraph (B) shall be in  
9 addition to and shall not replace any moneys appropriated to the Colorado  
10 water conservation board pursuant to sub-subparagraph (D) of  
11 subparagraph (I) of this paragraph (c). This sub-subparagraph (B) is  
12 repealed, effective July 1, ~~2008~~ 2012.

13           **SECTION 4. Safety clause.** The general assembly hereby finds,  
14 determines, and declares that this act is necessary for the immediate  
15 preservation of the public peace, health, and safety.

First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

Bill B

LLS NO. 07-0084.01 Thomas Morris

HOUSE BILL

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HOUSE SPONSORSHIP

Butcher, Curry, Hodge, and White

SENATE SPONSORSHIP

Isgar, Entz, Fitz-Gerald, and Taylor

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House Committees

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING AN INCREASE IN THE MAXIMUM COMPENSATION PAID TO  
102 THE DIRECTORS OF CERTAIN TYPES OF WATER DISTRICTS.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

**Water Resources Review Committee.** Increases to a maximum

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

DRAFT

of \$2,400 per year the compensation payable to directors of conservancy districts. Increases to a maximum of \$100 per day the compensation payable to directors of the Colorado river water conservation district, the Rio Grande water conservation district, and the Republican river water conservation district.

---

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

2 **SECTION 1.** 37-45-115 (3), Colorado Revised Statutes, is  
3 amended to read:

4 **37-45-115. Organization of the board of directors.** (3) Each  
5 member of the board shall receive as compensation for ~~his~~ THE MEMBER'S  
6 service such sum as shall be ordered by the court, not in excess of ~~one~~  
7 TWO thousand ~~two~~ FOUR hundred dollars per annum, payable monthly,  
8 and necessary traveling expenses actually expended while engaged in the  
9 performance of ~~his~~ THE MEMBER'S duties.

10 **SECTION 2.** 37-46-105, Colorado Revised Statutes, is amended  
11 to read:

12 **37-46-105. Compensation of directors.** The board of directors  
13 of ~~said~~ THE district shall receive as compensation a sum not to exceed  
14 ~~seventy-five~~ ONE HUNDRED dollars per day while actually engaged in the  
15 business of said district, and, in addition, said directors shall be entitled  
16 to their actual traveling and transportation expenses when away from their  
17 respective places of residence on district business.

18 **SECTION 3.** 37-48-109, Colorado Revised Statutes, is amended  
19 to read:

20 **37-48-109. Compensation of directors.** The directors of the  
21 district shall receive as compensation a sum not to exceed ~~twenty-five~~  
22 ONE HUNDRED dollars per day while actually engaged in the business of  
23 said district and, in addition, shall be entitled to their actual traveling and

1 transportation expenses when away from their respective places of  
2 residence on district business.

3 **SECTION 4.** 37-50-105, Colorado Revised Statutes, is amended  
4 to read:

5 **37-50-105. Compensation of directors.** The directors of the  
6 district shall receive as compensation a sum not to exceed ~~twenty-five~~  
7 ONE HUNDRED dollars per day while actually engaged in the business of  
8 the district, and, in addition, the directors shall be entitled to their actual  
9 traveling and transportation expenses when away from their respective  
10 places of residence on district business.

11 **SECTION 5. Safety clause.** The general assembly hereby finds,  
12 determines, and declares that this act is necessary for the immediate  
13 preservation of the public peace, health, and safety.

First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

Resolution A

LLS NO. R07-0086.01 Thomas Morris

HOUSE JOINT RESOLUTION

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HOUSE SPONSORSHIP

Gardner, Butcher, Curry, Hodge, and White

SENATE SPONSORSHIP

Fitz-Gerald, Entz, Isgar, and Taylor

---

House Committees

Senate Committees

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HOUSE JOINT RESOLUTION

101 CONCERNING A REQUEST THAT CONGRESS SUPPORT THE FEDERAL  
102 "RURAL COLORADO WATER INFRASTRUCTURE ACT".

---

1 WHEREAS, Clean, safe drinking water is an important service a  
2 community offers its citizens; and

3 WHEREAS, Upstream dischargers of wastewater must meet  
4 increasingly stringent water quality requirements to protect the receiving  
5 waters; and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

DRAFT

1           WHEREAS, Unfunded federal mandates caused by the federal  
2 clean water and safe drinking water acts and the regulations of the federal  
3 Environmental Protection Agency place a burden on Colorado  
4 communities to provide clean drinking water and affordable publicly  
5 owned treatment works for their citizens; and

6           WHEREAS, The estimated total cost of drinking water and water  
7 pollution control projects currently needed in Colorado exceeds \$2.3  
8 billion; and

9           WHEREAS, Many communities cannot afford the new technology  
10 or facilities needed for water projects, and some communities may be  
11 forced to increase taxes or utility rates or risk significant noncompliance  
12 penalties; and

13           WHEREAS, In June 2005, the "Rural Colorado Water  
14 Infrastructure Act" (Act) was introduced in the United States Senate, and  
15 the bill is currently pending in the Senate Environment and Public Works  
16 Committee; and

17           WHEREAS, The Act will allow communities to participate in  
18 what is known as the section 595 program of the "Water Resources  
19 Development Act of 1999"; and

20           WHEREAS, The Act will authorize the Secretary of the Army to  
21 establish a pilot program to provide environmental assistance to  
22 nonfederal public entities in the state of Colorado; and

23           WHEREAS, The Act specifically provides for assistance for  
24 publicly owned projects in this state for design and construction  
25 assistance for water-related environmental infrastructure and resource  
26 protection and development projects in this state, including projects for:  
27 Wastewater treatment and related facilities; water supply and related  
28 facilities; water conservation and related facilities; stormwater retention  
29 and remediation; environmental restoration; and surface water resource  
30 protection and development; and

31           WHEREAS, The Act directs the Secretary of the Army to enter  
32 into local cooperation agreements with nonfederal interests in this state  
33 for project design and construction; specifies that the federal share of the  
34 design and construction costs under each local cooperation agreement is  
35 75%; and specifies that the nonfederal share of the costs of operations and  
36 maintenance of the facility is 100%; and

37           WHEREAS, The Act appropriates \$50 million for design and  
38 construction assistance; now, therefore,

39           *Be It Resolved by the House of Representatives of the Sixty-sixth*  
40 *General Assembly of the State of Colorado, the Senate concurring herein:*

41           That we, the members of the Colorado General Assembly, request  
42 that the members of Colorado's congressional delegation and the  
43 members of the Environment and Public Works Committee of the United  
44 States Senate support the "Rural Colorado Water Infrastructure Act",

1     which will help the communities of this state provide their citizens with  
2     clean, safe water.

3             *Be It Further Resolved,* That copies of this Joint Resolution be sent  
4     to the members of Colorado's Congressional delegation and the members  
5     of the Environment and Public Works Committee of the United States  
6     Senate.