

## CHAPTER 117

**WATER AND IRRIGATION****HOUSE BILL 95-1155**

BY REPRESENTATIVES Reeser, Chlouber, Dyer, Gordon, Jerke, Salaz, Taylor, Acquafresca, Adkins, Armstrong, Congrove, Entz, George, Hagedorn, Musgrave, Owen, Schwarz, and Swenson;  
also SENATORS Bishop, Dennis, Norton, L. Powers, and R. Powers.

**AN ACT****CONCERNING THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND.**

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

**SECTION 1. Project authorization.** (1) Pursuant to section 37-60-122 (1) (b), Colorado Revised Statutes, the Colorado water conservation board is hereby authorized to loan moneys to enable the construction of the following water resources projects:

<b>Priority</b>	<b>Name</b>	<b>Loan</b>	<b>(years)</b>
1.	Left Hand Ditch Co. - Left Hand Valley Reservoir Spillway Enlarg.	\$ 370,000	30
2.	Red Mesa Ward Reservoir - Red Mesa Ward Res. Rehab. and Enlarg.	\$ 2,250,000	30
3. <sup>a</sup>	Town of Paonia - New Reservoir	\$ 600,000	30
4.	Leroux Creek Water Users Assoc. - Rehabilitate and/or enlarge four reservoirs	\$ 150,000	30
5.	Melvin L. Thiebaud - Eureka Dam No. 1 Rehab.		

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

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	and Enlargement	\$ 18,750	30
6.	Windsor Reservoir and Canal Co. - Canal and Dam Rehabilitation	\$ 500,000	30
7a.	Lower Clear Creek Ditch Co. - Diversion Dam Rehabilitation	\$ 60,000	30
7b.	Colorado Agriculture Ditch Co. - Diversion Dam Rehabilitation	\$ 60,000	30
8. <sup>b</sup>	Hay-Bretherton Ditch Co. - Ditch Lining	\$ 20,000	20
9.	Goodhue Ditch and Reservoir Co. - Goodhue Ditch Rehabilitation	\$ 19,000	30
10.	Appleton ML 350 Ditch Co., Inc. - Rehabilitate Ditch	\$ 40,000	30
11. <sup>a,b</sup>	Morgan County Quality Water District - NCWCD Pipeline	\$ 4,260,000	30
12. <sup>a,b</sup>	City of Fort Lupton - Drill new municipal wells	\$ 354,000	30
13. <sup>a</sup>	Town of Palisade - Replace Cottonwood Pipeline	\$ 750,000	30
14. <sup>b</sup>	Castle Pines North Metro District - Rehabilitate three wells	\$ 301,500	15
15. <sup>a</sup>	Town of Silt - Raw Water Irrigation System	\$ 400,000	30
16. <sup>a</sup>	Town of Morrison - Raw Water Diversion and Pipeline	\$ 504,000	30
17. <sup>a,b</sup>	Town of Elizabeth - Drill new municipal well	\$ 437,250	30
18.	Orchard Mesa Irrigation District - Rehab. Mutual Mesa Ditch Lateral	\$ 1,000,000	30

19. <sup>b</sup>	Ortiz Ditch Company - Rehab. Ortiz Ditch Diversion Structure	\$ 20,000	10
20.	Buckeye Lateral Ditch Association, Inc. - Rehab. Buckeye Lateral Ditch	\$ 440,000	30
21. <sup>a</sup>	City of Victor - Rehab. Victor Dam No. 2	<u>\$ 600,000</u>	30
	TOTAL	\$13,154,500	

a Loan approval contingent on the borrower being unable to obtain financing through the Colorado water resources and power development authority.

b Loan to refinance water project wholly or partially completed.

(2) The Colorado water conservation board may make loans for the construction of the projects specified in subsection (1) of this section from such moneys as are or may hereafter become available to the Colorado water conservation board construction fund. Said loans shall be in the amounts listed in subsection (1) of this section plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction cost as indicated by the engineering cost indices applicable to the types of construction required for each project or as may be justified by reason of changes in the plans for a project if those changes are required by final engineering drawings and specifications or by federal, state, or local governmental requirements.

(3) Contracts entered into by the Colorado water conservation board pursuant to section 37-60-119 (2), Colorado Revised Statutes, for loans to enable the construction of the projects specified in subsection (1) of this section shall be subject to the repayment periods set forth therein; except that the total repayment for a project shall be adjusted to reflect any changes in the amount loaned by reason of subsection (2) of this section. Pursuant to section 37-60-120 (1), Colorado Revised Statutes, the board shall require such terms and conditions in such contracts as will ensure repayment of funds made available by it. The board shall not disburse any moneys for any loan authorized by subsection (1) of this section unless and until it is satisfied, in its sole discretion, that the recipient of any such loan will be able to make repayment pursuant to the terms and conditions established by the board and by subsection (1) of this section.

**SECTION 2. Project deauthorizations.**

<b>Project Name - Authorization Bill and Year</b>	<b>Amount Authorized</b>	<b>Amount Deauthorized</b>	<b>Remaining Authorization</b>
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City of  
Broomfield -  
Great Western

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Dam Rehab. - HB 85-27	\$4,600,000	\$1,600,000	\$3,000,000
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Mesa Linda Property Owners Assoc. - Mesa Linda Irrigation System - HB 93-1273	\$ 32,000	<u>\$ 32,000</u>	-0-
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TOTAL		\$1,632,000	
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**SECTION 3. Colorado river compact decision support system - appropriation.** (1) The Colorado water conservation board is hereby authorized to continue designing a decision support system for the Colorado river, to continue development of the necessary databases, and to acquire, operate, and maintain the associated computer hardware and software. The Colorado water conservation board is hereby authorized to retain a contractor to design the system, to expend not more than one million nine hundred eighty thousand eight hundred dollars (\$1,980,800) for contract year three of this decision support system from the Colorado water conservation board construction fund for these purposes, and to provide the equivalent of 2.5 FTE for the fiscal year 1995-96 for additional water commissioners to the division of water resources for quality checking of diversion records.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources for allocation to the Colorado water conservation board and the division of water resources, for contract year three, the sum of three hundred forty-two thousand dollars (\$342,000) and 2.5 FTE for the fiscal year 1995-96, or so much thereof as may be necessary, to retain a contractor to manage the design of the system and for the continued implementation of this section.

(3) The amounts authorized in this section are in addition to amounts authorized previously for Colorado river compact decision support system contract years one and two.

**SECTION 4. Satellite monitoring system maintenance - appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, to the department of natural resources for allocation to the state engineer, for the fiscal year beginning July 1, 1995, the sum of one hundred thirteen thousand dollars (\$113,000), or so much thereof as may be necessary, for the maintenance of the satellite monitoring system established and operated pursuant to section 37-80-102 (10), Colorado Revised Statutes.

**SECTION 5. Purgatoire River Transit Loss Investigation - appropriation.** The Colorado water conservation board is hereby authorized to expend up to sixty thousand dollars (\$60,000) from the Colorado water conservation board construction

fund for an investigation and assessment of transit times and losses associated with releases of water from the Trinidad Reservoir in and along the Purgatoire River to its confluence with the Arkansas River and related expenses.

**SECTION 6. Rio Grande Project Operation Assessment - appropriation.** The Colorado water conservation board is hereby authorized to expend up to seventy-five thousand dollars (\$75,000) from the Colorado water conservation board construction fund to participate in and support the collection and evaluation of data concerning operation of the Rio Grande Project, and the preparation of recommendations for its future operation.

**SECTION 7. Small Dam Site Reconnaissance Program - continuation.** The Colorado water conservation board is hereby authorized to continue its field reconnaissance study of potential small dam sites in Colorado and to increase the level of technical assistance available to small organizations interested in constructing small new storage facilities and for rehabilitation or enlarging existing facilities. For such purposes, the Colorado water conservation board is also authorized to contract for services and to expend not more than fifty thousand dollars (\$50,000) from the Colorado water conservation board construction fund.

**SECTION 8.** Section 1 (1) (a) of chapter 405, Session Laws of Colorado 1983, as amended by section 4 of chapter 230, Session Laws of Colorado 1986, as amended by section 2 of chapter 32, Session Laws of Colorado 1987, is further amended to read:

Section 1. **Project authorizations.** (1) (a) Pursuant to section 37-60-122 (1) (b), Colorado Revised Statutes, the Colorado water conservation board is hereby authorized to construct, or cause to be constructed, the following water resources projects:

Priority	Project Name	Board Cost	Period	Repayment (Years)	Total Repayment
1.*	Dolores	\$ 7,000,000	40		\$16,318,400
2.	Buckeye Reservoir	150,000	40		349,680
3.	Hyannis Dam	425,000	40		990,760
4.	Hertha Reservoir	325,000	40		757,640
5.	Fuchs Ranch Dam	55,000	35		117,565
6.	Great Western Dam	4,600,000	35		10,723,520

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7.	Harper Lake	1,781,000	40	4,151,880
8.	Stagecoach Reservoir	<u>8,000,000</u>	40	<u>18,649,600</u>
	\$ Total	\$22,336,000		\$52,059,045

\* \$375,000 OF THE TOTAL AMOUNT AUTHORIZED MAY BE USED FOR THE CONSTRUCTION OF IRRIGATION FACILITIES WITH A REPAYMENT PERIOD OF TWELVE YEARS.

**SECTION 9.** Section 1 (1) of chapter 254, Session Laws of Colorado 1993, is amended to read:

Section 1. **Project authorization.** (1) Pursuant to section 37-60-122 (1) (b), Colorado Revised Statutes, the Colorado water conservation board is hereby authorized to loan moneys to enable the construction of the following water resources projects:

Priority	Name	Loan	(years)
1.	Town of Norwood	\$ <del>320,000</del> 950,000	<del>20</del> 40
2.	Town of Lochbuie	100,000	25
3.	Loloff Lateral Ditch Co.	71,500	40
4.	Pagosa Area Water and Sanitation District Steven's Lake	1,912,000	10
5.	Wamsley Cattle Co. Pole Mountain Dam	45,000	40
6.	DD&E Wise Dam	50,000	20
7.	Mesa Linda Property Owners Assoc., Inc. Subdivision Irrigation System	32,000	10
8.*	Spring Creek Extension Ditch Company	46,000	20
9.**	Northern Colorado		

	Water Conservancy District Southern Pipeline from Carter Lake to Broomfield	7,050,000	
10.	New Cache La Poudre Irrigation Co.	700,000	25
11.	Divide Canal & Reservoir & Irrigation Co. Worster Dam	665,000	30
12.***	Pagosa Area Water and Sanitation District Hidden Valley Reservoir	<u>500,000</u>	
	TOTAL	\$ <del>11,351,500</del> 12,121,500	

\* This project has already been constructed. The applicant believed it had sufficient funds for the project before beginning construction, but encountered unexpected subsurface conditions which dramatically increased construction costs. This project is within the statutory purposes established for loans from the water conservation board construction fund and otherwise meets all such requirements.

\*\* This total amount may be loaned to the cities of Berthoud, Erie, Fort Lupton, Fort Morgan, Hudson, Old Town Superior, and Wiggins, Colorado, to enable their participation in said project if the Colorado water conservation board determines, in its sole discretion, that said project and the participation of these cities is technically and financially feasible and that financing through the Colorado water and power development authority is not available and establishes appropriate repayment terms for each city.

\*\*\* This amount is to be reserved within the Colorado water conservation board construction fund in recognition of the significant value of the proposed Hidden Valley Reservoir Project and the need to complete project planning.

**SECTION 10.** Section 1 (1) of Chapter 265, Session Laws of Colorado 1994, is amended to read:

Section 1. **Project authorization.** (1) Pursuant to section 37-60-122 (1) (b), Colorado Revised Statutes, the Colorado water conservation board is hereby authorized to loan moneys to enable the construction of the following water resources projects:

Priority	Name	Loan	(years)
1.	Beaver Park Water Co.- Brush Hollow Dam Rehab.	750,000	30
2.	Beaver Reservoir Company - Beaver Creek Dam Rehab.	373,000	40
3.	Military Park Res. Co. - Military Park Res. Dam Rehab.	30,000	30
4.	Cedar Mesa Ditch Co. - Cedar Mesa Res. Outlet Rehab.	10,500	15
5.	City of Walsenburg - Martin Lake Enlargement and Rehab.	86,000	30
6.	Michigan River Water Cons. Dist. - Meadow Creek Dam Outlet	97,500	20
7.	Jackson Lake Res. & Irrig. Co. - Jackson Res. Dam Rehab.	1,000,000	30
8.	Bull Basin Owners - Bull Basin Res. No. 2 Rehab.	25,000	30
9.	Elmwood Lateral Ditch Co. - Convert Ditch to Pipeline	80,000	20
10.	Highline Buzzard Ditch Co. - Convert Ditch to Pipeline	50,000	30
11.	Lateral 35 Association - Rehabilitate Lateral	35,000	30
12.	Rainbow Park Water Co. - Rainbow Park Ditch	130,000	30
13.*	Town of Johnstown - Johnstown Pipeline	2,542,500	30
14.	Town of Monument - Well System Improvements	94,000	30
15.*****	Vouga Reservoir Assoc. - Vouga Res. Outlet Rehab.	<del>350,500</del> 750,500	30
16.*	City of Salida - Raw Water		



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	Pipeline Replacement	553,000	30
17.**	City of Fort Morgan	5,500,000	40
18.	Kings Row Homeowners Assoc. Irrigation System Improvements	75,000	30
19.***	Conservation Conveyance Channel Rio Grande River Project	<u>410,000</u>	15
	TOTAL	\$ <del>12,191,500</del> \$ 12,591,500	

\* This total amount may be loaned to the town of Johnstown, Colorado, and the city of Salida, Colorado, to enable their participation in said project if the Colorado water conservation board determines, in its sole discretion, that said project and the participation of this town and city is technically and financially feasible and that financing through the Colorado water resources and power development authority is not available and establishes appropriate repayment terms for each town or city.

\*\* This total amount may be loaned to the city of Fort Morgan, Colorado, to enable its participation in the northern Colorado water conservancy district southern pipeline project, phase 2, eastern extension, if the Colorado water conservation board determines, in its sole discretion, that the project and participation of the city is technically and financially feasible and that financing through the Colorado water resources and power development authority is not available or has been exhausted and establishes appropriate repayment terms.

\*\*\* Notwithstanding the provisions of section 37-60-121 (1) (b) (VII), Colorado Revised Statutes, the Colorado water conservation board is authorized to loan to the city of Alamosa, out of any moneys in the Colorado water conservation board construction fund not otherwise appropriated, up to four hundred ten thousand dollars (\$410,000), for the purpose of cooperating with the United States army corps of engineers in constructing a federally authorized flood control and water conservation conveyance channel improvement project. Such funds shall assist the state of Colorado and the city of Alamosa with the nonfederal cost-share requirements for the project pursuant to section 37-60-106 (1) (e), Colorado Revised Statutes. Such loan shall be repayable in annual installments at four and one-half percent interest over a term of up to fifteen years.

\*\*\*\* Up to \$75,000 of the authorized funds may be used by the Vouga Reservoir Assoc. to refinance an existing loan.

**SECTION 11.** 37-60-121 (2.5) (a) and (6) (d) (II), Colorado Revised Statutes, 1990 Repl. Vol., as amended, are amended to read:

**37-60-121. Colorado water conservation board construction fund - creation of - nature of fund - funds for investigations - contributions - use for**

**augmenting the general fund.** (2.5) (a) The board is authorized to expend, pursuant to continuous appropriation and subject to the requirements of paragraph (b) of this subsection (2.5), a total sum not to exceed four million dollars from the litigation account which is hereby created in the Colorado water conservation board construction fund, for the purpose of litigation:

(I) In support of water users whose water supply yield is or may be diminished or the cost of said yield is or may be materially increased as a result of conditions imposed or which may be imposed, INCLUDING BUT NOT LIMITED TO BY-PASS FLOWS, by any agency of the United States on permits for existing or reconstructed water facilities located on federally owned lands; OR

(II) TO OPPOSE AN APPLICATION OF A FEDERAL AGENCY FOR AN IN-STREAM FLOW RIGHT THAT IS NOT IN COMPLIANCE WITH COLORADO LAW FOR ESTABLISHING IN-STREAM FLOW RIGHTS.

(6) As of July 1, 1988, and July 1 of each year thereafter through July 1, 1996, fifty percent of the sum specified in this subsection (6) shall accrue to the fish and wildlife resources account, which account is hereby created in the Colorado water conservation board construction fund, twenty-five percent of such sum shall accrue to the Colorado water conservation board construction fund, and twenty-five percent of such sum shall accrue to the Colorado water resources and power development authority. The state treasurer and the controller shall transfer such sum out of the general fund and into said fish and wildlife resources account, construction fund, and authority as moneys become available in the general fund during the fiscal year beginning on said July 1. Transfers between funds pursuant to this subsection (6) and subsection (7) of this section shall not be deemed to be appropriations subject to the limitations of section 24-75-201.1, C.R.S. Subject to the provisions of subsection (7) of this section, the amount which shall accrue pursuant to this subsection (6) shall be as follows:

(d) On July 1, 1994, thirty million dollars. In distributing said sum, the formula in the introductory portion to this subsection (6) shall not apply, and said sum shall accrue as follows:

(II) (A) Four million five hundred fifty-two thousand nine hundred sixty dollars to the fish and wildlife resources account in the Colorado water conservation board construction fund;

(B) TWO HUNDRED SEVENTY-EIGHT THOUSAND EIGHT HUNDRED TWENTY-EIGHT DOLLARS OF THE SUM SPECIFIED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (II) MAY BE EXPENDED EXCLUSIVELY FOR PURPOSES RELATED TO THE WOLFORD MOUNTAIN RESERVOIR PROJECT, PREVIOUSLY KNOWN AS THE "MUDDY CREEK PROJECT".

**SECTION 12.** Article 60 of title 37, Colorado Revised Statutes, 1990 Repl. Vol., as amended, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTIONS to read:

**37-60-122.7. Small project loan account - creation.** (1) THERE IS HEREBY CREATED IN THE STATE TREASURY AS PART OF THE COLORADO WATER CONSERVATION

BOARD CONSTRUCTION FUND THE SMALL PROJECT LOAN ACCOUNT. THE STATE TREASURER IS HEREBY AUTHORIZED AND DIRECTED TO TRANSFER TWO MILLION DOLLARS FROM THE WATER CONSERVATION BOARD CONSTRUCTION FUND TO THE SMALL PROJECT LOAN ACCOUNT.

(2) (a) THE COLORADO WATER CONSERVATION BOARD IS AUTHORIZED TO MAKE LOANS FROM THE SMALL PROJECT LOAN ACCOUNT IN A MAXIMUM AMOUNT OF ONE HUNDRED THOUSAND DOLLARS FOR SMALL PROJECTS IF IT DETERMINES THAT DELAY WOULD RESULT IN UNDUE HARDSHIP ON THE BORROWER. THESE LOANS SHALL NOT REQUIRE PRIOR GENERAL ASSEMBLY APPROVAL, AND SHALL BE APPROVED BY THE BOARD FOR THE PURPOSE OF AVOIDING UNDUE DELAY IN COMPLETION OF THE PROJECT.

(b) THE TOTAL AMOUNT OF LOANS FROM THE SMALL PROJECT LOAN ACCOUNT SHALL NOT EXCEED ONE MILLION DOLLARS IN ANY FISCAL YEAR.

(3) THE BOARD SHALL SUBMIT TO THE GENERAL ASSEMBLY A WRITTEN DETERMINATION OF THE BASIS FOR EACH LOAN FROM THE SMALL PROJECT LOAN ACCOUNT NOT LATER THAN DECEMBER 1 OF THE YEAR IN WHICH THE LOAN WAS MADE.

(4) THE MONEYS IN THE SMALL PROJECT LOAN ACCOUNT ARE HEREBY CONTINUOUSLY APPROPRIATED TO THE BOARD FOR LOANS IN COMPLIANCE WITH THIS SECTION. ALL INTEREST DERIVED FROM THE INVESTMENT OF MONEYS IN THE SMALL PROJECT LOAN ACCOUNT SHALL BE CREDITED TO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND. ANY BALANCE REMAINING IN THE SMALL PROJECT LOAN ACCOUNT AT THE END OF ANY FISCAL YEAR SHALL REMAIN IN THE ACCOUNT AND SHALL NOT REVERT TO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND.

**37-60-129. Availability of funds.** MONEYS APPROPRIATED OR AUTHORIZED TO THE BOARD FROM THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND SHALL REMAIN AVAILABLE TO THE BOARD FOR THE ORIGINAL PURPOSES, UNLESS DEAUTHORIZED BY THE LEGISLATURE, UNTIL ANY PROJECT FOR WHICH THE MONEYS WERE APPROPRIATED OR AUTHORIZED IS COMPLETED.

**37-60-130. Arkansas river augmentation loan account - creation.** (1) THERE IS HEREBY CREATED IN THE STATE TREASURY AS PART OF THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND THE ARKANSAS RIVER AUGMENTATION LOAN ACCOUNT. THE STATE TREASURER IS HEREBY AUTHORIZED AND DIRECTED TO TRANSFER ONE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE WATER CONSERVATION BOARD CONSTRUCTION FUND TO THE ARKANSAS RIVER AUGMENTATION LOAN ACCOUNT.

(2) THE BOARD IS HEREBY AUTHORIZED TO EXPEND UP TO ONE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE ARKANSAS RIVER AUGMENTATION LOAN ACCOUNT FOR THE PURPOSE OF MAKING LOANS TO ORGANIZATIONS OR ENTITIES FOR THE PURCHASE OF AUGMENTATION WATER OR THE RIGHTS TO SUCH WATER TO REPLACE OUT-OF-PRIORITY DEPLETIONS TO SURFACE WATER RIGHTS AND TO PREVENT MATERIAL DEPLETIONS OF USABLE STATELINE FLOWS IN VIOLATION OF THE ARKANSAS RIVER COMPACT.

(3) THE BOARD SHALL APPROVE OR DENY APPLICATIONS FOR LOANS, AFTER CONSULTING WITH THE ARKANSAS RIVER COORDINATING COMMITTEE CONCERNING SUCH APPLICATIONS, BASED UPON CRITERIA INCLUDING BUT NOT LIMITED TO WHETHER THE:

- (a) SOURCE OF AUGMENTATION WATER IS FROM A RELIABLE, PERMANENT SUPPLY;
- (b) APPLICANT HAS ADEQUATE SECURITY OR COLLATERAL TO ASSURE REPAYMENT;
- (c) APPLICANT HAS THE ABILITY TO REPAY THE LOAN AT AN INTEREST RATE AND OVER A PERIOD OF TIME AS SET BY THE BOARD;
- (d) APPLICANT IS ABLE TO COLLECT PAYMENTS FOR THE AUGMENTED WATER FROM ITS MEMBERS;
- (e) LOAN WILL SERVE THE NEEDS OF A BROAD GROUP OF USERS RATHER THAN A SPECIFIC USER;
- (f) LOAN WILL ASSIST IN MAINTAINING THE AGRICULTURAL VIABILITY OF THE ARKANSAS RIVER VALLEY;
- (g) APPLICANT OBTAINS COMMITMENTS FROM ITS MEMBERS THAT ANY SUCH MEMBER WHO FAILS TO MAKE PAYMENTS IN ACCORDANCE WITH THE LOAN AGREEMENT SHALL CEASE PUMPING WATER; AND
- (h) APPLICANT OBTAINS COMMITMENTS FROM ITS MEMBERS TO COMPLY WITH ANY RULES OR CHANGES TO RULES AS PROMULGATED OR AMENDED BY THE STATE ENGINEER THAT GOVERN THE MEASUREMENT OF GROUNDWATER WITHDRAWALS AND THE USE OF SUCH GROUNDWATER IN THE ARKANSAS RIVER BASIN. RULE CHANGES MAY INCLUDE BUT NOT BE LIMITED TO THE ELIMINATION OF THE THREE-SEVEN RULE AND AUGMENTATION PLANS FOR POST-COMPACT WELLS.

(4) (a) THE STATE ENGINEER SHALL PROMPTLY AND COMPLETELY CURTAIL THE USE OF A WELL BY THE OWNER OF SUCH WELL, IF SUCH OWNER HAS ACCEPTED THE BENEFIT OF THE ARKANSAS RIVER AUGMENTATION LOAN ACCOUNT, AND FAILS TO MAKE A PAYMENT REQUIRED PURSUANT TO THE TERMS OF SUBSECTION (3) OF THIS SECTION.

(b) THIS SECTION SHALL APPLY REGARDLESS OF WHETHER THE WELL OWNER ACCEPTS THE BENEFIT OF THE ARKANSAS RIVER AUGMENTATION LOAN ACCOUNT DIRECTLY OR THROUGH MEMBERSHIP IN A PARTICIPATING ASSOCIATION OR ORGANIZATION.

(c) CURTAILMENT PURSUANT TO THIS SUBSECTION (4) SHALL REMAIN IN EFFECT FOR AS LONG AS ANY PAYMENT REMAINS PAST DUE.

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

Approved: May 4, 1995