

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0874.01 Christopher McMichael x4775

HOUSE BILL 26-1338

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HOUSE SPONSORSHIP

McCormick and Winter T.,

SENATE SPONSORSHIP

Roberts and Simpson,

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House Committees

Agriculture, Water & Natural Resources

Senate Committees

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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.

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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 2026-27 state fiscal year from the Colorado water conservation board (CWCB) construction fund to the CWCB or the division of water resources in the department of natural resources for the following projects:

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

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

- (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, \$2,500,000 (section 6);
- Continuation of Colorado decision support system operation and maintenance, \$750,000 (section 7);
- Support for water plan agency actions, \$1,350,000 (section 9);
- Continuation of the Colorado watershed restoration and flood mitigation projects, \$5,000,000 (section 10); and
- Continuation of the upper Colorado river commission planning, \$750,000 (section 11).

**Section 4** directs the state treasurer to transfer up to \$6,000,000 from the CWCB construction fund to the CWCB litigation fund on or before July 1, 2026.

**Section 8** restores the fish and wildlife resources fund balance by transferring \$2,000,000 from the CWCB construction fund to the fish and wildlife resources fund.

**Section 12** authorizes the CWCB to make a loan in an amount of \$151,500,000 from the severance tax perpetual base fund to the city of Fort Collins to support the Halligan water supply project.

**Section 13** authorizes the CWCB to make a loan in an amount of \$20,166,670 from the severance tax perpetual base fund to the Lower Latham Reservoir Company for the Jurgens reservoir construction project.

**Section 14** appropriates \$37,700,000 from the water plan implementation cash fund to the CWCB to award grants that will help implement the state water plan.

**Section 15** clarifies that the money that is currently in the turf replacement fund is appropriated for designated purposes to the CWCB until June 30, 2028. Any money remaining in the turf replacement fund on July 1, 2028, is transferred to the CWCB construction fund.

**Section 16** makes technical corrections so that money appropriated in 2025 is available to the department of natural resources executive director's office for the purpose of paying for a study by the Colorado water center at Colorado state university.

Under current law, the CWCB may authorize loans up to \$10 million from the CWCB construction fund or severance tax perpetual base fund without legislative authorization. The bill increases that amount to \$30 million (section 17).

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

2           **SECTION 1. Continuation of the satellite monitoring system**  
3 **- operation and maintenance - appropriation.** (1) For the 2026-27  
4 state fiscal year, \$380,000 is appropriated to the department of natural  
5 resources for use by the division of water resources. This appropriation  
6 is from the Colorado water conservation board construction fund created  
7 in section 37-60-121, C.R.S. To implement this section, the division of  
8 water resources may use this appropriation to install, maintain, and  
9 operate satellite-monitored stream gauges and lysimeters for water rights  
10 administration and data collection pursuant to section 37-80-102 (10),  
11 C.R.S.

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

14           **SECTION 2. Continuation of the Colorado floodplain map**  
15 **modernization program - appropriation.** (1) For the 2026-27 state  
16 fiscal year, \$500,000 is appropriated to the department of natural  
17 resources for use by the Colorado water conservation board. This  
18 appropriation is from the Colorado water conservation board construction  
19 fund created in section 37-60-121, C.R.S. To implement this section, the  
20 Colorado water conservation board may use this appropriation to continue  
21 to assist with the preparation of revised and improved floodplain studies  
22 and maps for communities throughout Colorado and to participate in  
23 federally sponsored floodplain map modernization activities.

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

26           **SECTION 3. Continuation of the weather modification**

1 **permitting program - appropriation.** (1) For the 2026-27 state fiscal  
2 year, \$500,000 is appropriated to the department of natural resources for  
3 use by the Colorado water conservation board. This appropriation is from  
4 the Colorado water conservation board construction fund created in  
5 section 37-60-121, C.R.S. To implement this section, the Colorado water  
6 conservation board may use this appropriation to assist water  
7 conservation and conservancy districts with the development of cloud  
8 seeding programs to provide benefits to recreation, streams, and  
9 reservoirs through snowpack enhancement.

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

12 **SECTION 4. Restoration of litigation fund cash balance -**  
13 **transfer.** On or before July 1, 2026, the state treasurer shall transfer  
14 \$6,000,000, or so much thereof as may be necessary to restore the balance  
15 of the litigation fund to \$6,000,000, from the unreserved cash in the  
16 Colorado water conservation board construction fund created in section  
17 37-60-121, C.R.S., to the litigation fund created in section 37-60-121  
18 (2.5), C.R.S., to assist in addressing legal issues associated with compact  
19 compliance or any other litigation activities as specified under section  
20 37-60-121, C.R.S.

21 **SECTION 5. Continuation of the Colorado Mesonet project**  
22 **- appropriation.** (1) For the 2026-27 state fiscal year, \$200,000 is  
23 appropriated to the department of natural resources for use by the  
24 Colorado water conservation board. This appropriation is from the  
25 Colorado water conservation board construction fund created in section  
26 37-60-121, C.R.S. To implement this section, the Colorado water  
27 conservation board may use this appropriation to support the Colorado

1 Mesonet, including for the following activities: Operation, maintenance,  
2 travel, communications, and database and website management for  
3 temperature and precipitation stations.

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

6 **SECTION 6. Continuation of the water forecasting**  
7 **partnership project - appropriation.** (1) For the 2026-27 state fiscal  
8 year, \$2,500,000 is appropriated to the department of natural resources  
9 for use by the Colorado water conservation board. This appropriation is  
10 from the Colorado water conservation board construction fund created in  
11 section 37-60-121, C.R.S. To implement this section, the Colorado water  
12 conservation board may use this appropriation to support the development  
13 of new ground and aerial remote sensing data, to develop hydrologic  
14 modeling practices, to provide reliable volumetric water supply  
15 forecasting, and to provide better characterization of snowpack.

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

18 **SECTION 7. Continuation of Colorado decision support**  
19 **system operation and maintenance - appropriation.** (1) For the  
20 2026-27 state fiscal year, \$750,000 is appropriated to the department of  
21 natural resources for use by the Colorado water conservation board. This  
22 appropriation is from the Colorado water conservation board construction  
23 fund created in section 37-60-121, C.R.S. To implement this section, the  
24 Colorado water conservation board may use this appropriation for  
25 continued operation and maintenance of the Colorado decision support  
26 system to aid in water resources planning and management.

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

1 remains available for the designated purposes until it is fully expended.

2           **SECTION 8. Restoration of fish and wildlife resources fund**  
3 **balance - transfer.** On July 1, 2026, the state treasurer shall transfer  
4 \$2,000,000 from the Colorado water conservation board construction  
5 fund created in section 37-60-121, C.R.S., to the fish and wildlife  
6 resources fund created in section 37-60-121 (6), C.R.S., to continue  
7 grant-making to assist with the mitigation of fish and wildlife resources  
8 affected by the construction, operation, or maintenance of water  
9 diversion, delivery, or storage facilities.

10           **SECTION 9. Support for water plan action advancement -**  
11 **appropriation.** (1) For the 2026-27 state fiscal year, \$1,350,000 is  
12 appropriated to the department of natural resources for use by the  
13 Colorado water conservation board. This appropriation is from the  
14 Colorado water conservation board construction fund created in section  
15 37-60-121, C.R.S. To implement this section, the Colorado water  
16 conservation board may use this appropriation to support water plan  
17 agency actions, including promoting "One Water" strategies, expanding  
18 water reuse, developing a measurable and robust statewide water  
19 messaging campaign, and initiating a water innovation challenge.

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

22           **SECTION 10. Continuation of the Colorado watershed**  
23 **restoration program - appropriation.** (1) For the 2026-27 state fiscal  
24 year, \$5,000,000 is appropriated to the department of natural resources  
25 for use by the Colorado water conservation board. This appropriation is  
26 from the Colorado water conservation board construction fund created in  
27 section 37-60-121, C.R.S. To implement this section, the Colorado water

1 conservation board may use this appropriation to support planning,  
2 engineering, and implementation measures to address technical needs for  
3 watershed restoration and flood mitigation projects throughout the state  
4 to provide aquatic habitat protection; quantification of environmental  
5 flow needs; and monitoring of efforts to support healthy stream and  
6 watershed goals outlined in the state water plan.

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

9 **SECTION 11. Continuation of the upper Colorado river**  
10 **commission planning - appropriation.** (1) For the 2026-27 state fiscal  
11 year, \$750,000 is appropriated to the department of natural resources for  
12 use by the Colorado water conservation board. This appropriation is from  
13 the Colorado water conservation board construction fund created in  
14 section 37-60-121, C.R.S. To implement this section, the Colorado water  
15 conservation board may use this appropriation to support the upper  
16 Colorado river commission interstate planning and negotiation efforts,  
17 including, but not limited to, the following modeling and data analyses:  
18 Streamgaging and streamflow, runoff forecasting, consumptive use,  
19 reservoir operations and evaporation, and drought contingency planning.

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

22 **SECTION 12. Water project loan authorization - Halligan**  
23 **water supply project.** (1) Pursuant to section 37-60-122 (1)(b), C.R.S.,  
24 the Colorado water conservation board is authorized to make a loan in the  
25 amount of \$151,500,000 from the severance tax perpetual base fund  
26 created in section 39-29-109 (2)(a), C.R.S., to the city of Fort Collins for  
27 the Halligan water supply project to help the city of Fort Collins meet its

1 projected municipal and industrial water needs.

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

4 (3) The Colorado water conservation board may make loans for  
5 the project specified in subsection (1) of this section from money that is  
6 or may become available to the severance tax perpetual base fund. The  
7 total amount of the loans will be in the amount listed in subsection (1) of  
8 this section plus or minus the amount, if any, as may be justified by  
9 reason of fluctuations in construction costs or as may be justified by  
10 reason of changes in the plans for the project due to differing or  
11 unforeseen site conditions, errors or omissions in the plans and  
12 specifications, changes instituted by regulatory agencies, or changes in  
13 material quantities beyond contract limits.

14 **SECTION 13. Water project loan authorization - Jurgens**  
15 **reservoir construction project.** (1) Pursuant to section 37-60-122  
16 (1)(b), C.R.S., the Colorado water conservation board is authorized to  
17 make a loan in the amount of \$20,166,670 from the severance tax  
18 perpetual base fund created in section 39-29-109 (2)(a), C.R.S., to the  
19 Lower Latham Reservoir Company to increase the storage capacity of the  
20 Jurgens reservoir to provide irrigation water to agricultural land in Weld  
21 county.

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

24 (3) The Colorado water conservation board may make loans for  
25 the project specified in subsection (1) of this section from money that is  
26 or may become available to the severance tax perpetual base fund. The  
27 total amount of the loans will be in the amount listed in subsection (1) of

1 this section plus or minus the amount, if any, as may be justified by  
2 reason of fluctuations in construction costs or as may be justified by  
3 reason of changes in the plans for the project due to differing or  
4 unforeseen site conditions, errors or omissions in the plans and  
5 specifications, changes instituted by regulatory agencies, or changes in  
6 material quantities beyond contract limits.

7 **SECTION 14. Grant-making for projects that assist in**  
8 **implementing the state water plan - appropriation.** (1) For the  
9 2026-27 state fiscal year, \$37,700,000 is appropriated to the department  
10 of natural resources for use by the Colorado water conservation board.  
11 This appropriation is from the water plan implementation cash fund  
12 created in section 37-60-123.3 (1)(a), C.R.S. To implement this  
13 subsection (1), the Colorado water conservation board may use this  
14 appropriation for grant-making for projects that assist in the  
15 implementation of the state water plan pursuant to section 37-60-106.3  
16 (6), C.R.S., through the Colorado water conservation board's application  
17 and guidelines process.

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

20 **SECTION 15. Continuation of turf replacement program -**  
21 **appropriation - transfer.** (1) For the 2025-26 state fiscal year, \$550,000  
22 is appropriated to the department of natural resources for use by the  
23 Colorado water conservation board. This appropriation is from the turf  
24 replacement fund created in section 37-60-135 (6)(a)(I), C.R.S. To  
25 implement this subsection (1), the Colorado water conservation board  
26 may use this appropriation for the state's turf replacement program in  
27 accordance with section 37-60-135, C.R.S.

1           (2) The money appropriated in subsection (1) of this section that  
2 is not expended prior to July 1, 2026, remains available to the Colorado  
3 water conservation board for the designated purposes until June 30, 2028,  
4 for the designated purposes.

5           (3) On July 1, 2028, the state treasurer shall transfer any money  
6 remaining in the turf replacement fund created in section 37-60-135  
7 (6)(a)(I), C.R.S., to the Colorado water conservation board construction  
8 fund created in section 37-60-121, C.R.S.

9           **SECTION 16. Severance tax task force appropriation**  
10 **correction.** In Session Laws of Colorado 2025, section 5 of chapter 193,  
11 (SB 25-040), **amend** (1) introductory portion as follows:

12           (1) For the 2025-26 state fiscal year, \$198,592 is appropriated to  
13 the department of natural resources for use by the COLORADO WATER  
14 CONSERVATION BOARD IN COORDINATION WITH THE executive director's  
15 office. This appropriation is from the severance tax ~~operational~~  
16 PERPETUAL BASE fund created in section 39-29-109 ~~(2)(b)(I)~~ **(2)(a)(I.5)**,  
17 C.R.S. To implement this act, the ~~office~~ COLORADO WATER  
18 CONSERVATION BOARD may use this appropriation as follows:

19           **SECTION 17.** In Colorado Revised Statutes, 37-60-122, **amend**  
20 (1)(b) as follows:

21           **37-60-122. General assembly approval.**

22           (1) Money in the Colorado water conservation board construction  
23 fund shall be expended in the following manner and under the following  
24 circumstances:

25           (b) The general assembly may authorize projects as it deems to be  
26 to the advantage of the people of the state of Colorado and shall direct the  
27 board to proceed with the projects in the priorities established by the

1 general assembly under terms approved by the general assembly. The  
2 board is authorized to make loans without general assembly approval in  
3 amounts not to exceed ~~ten~~ THIRTY million dollars. The unappropriated  
4 balance of money in the Colorado water conservation board construction  
5 fund and the state severance tax perpetual base fund shall be available  
6 and continuously appropriated for this purpose. Notwithstanding section  
7 24-1-136 (11)(a)(I), the board shall submit a written determination of the  
8 basis for the project loans to the general assembly by January 15 of the  
9 year following the year in which the loan was made.

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