

## CHAPTER 237

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**WATER AND IRRIGATION**

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**HOUSE BILL 26-1338**

BY REPRESENTATIVE(S) McCormick and Winter T., Barron, Boesenecker, Brown, Camacho, Duran, Hamrick, Johnson, Lindsay, Lukens, Marshall, Martinez, Nguyen, Rutinel, Sirota, Smith, Soper, Stewart K., Titone, Velasco, McCluskie; also SENATOR(S) Roberts and Simpson, Amabile, Bridges, Catlin, Daugherty, Exum, Gonzales J., Kipp, Kirkmeyer, Kolker, Lindstedt, Liston, Marchman, Pelton R., Wallace, Coleman.

**AN ACT**

**CONCERNING THE COLORADO WATER CONSERVATION BOARD OPERATIONS, AND, IN CONNECTION THEREWITH, FUNDING PROJECTS AND MAKING AN APPROPRIATION.**

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

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

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

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

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

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

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

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

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

**SECTION 5. Continuation of the Colorado Mesonet project - appropriation.** (1) For the 2026-27 state fiscal year, \$200,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support the Colorado Mesonet, including for the following activities: Operation, maintenance, travel, communications, and database and website management for temperature and precipitation stations.

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

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

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

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

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

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

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

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

**SECTION 10. Continuation of the Colorado watershed restoration program - appropriation.** (1) For the 2026-27 state fiscal year, \$5,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support planning, engineering, and implementation measures to address technical needs for watershed restoration and flood mitigation projects throughout the state to provide aquatic habitat protection; quantification of environmental flow needs; and monitoring of efforts to support healthy stream and watershed goals outlined in the state water plan.

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

**SECTION 11. Continuation of the upper Colorado river commission planning - appropriation.** (1) For the 2026-27 state fiscal year, \$750,000 is appropriated to the department of natural resources for use by the Colorado water

conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121, C.R.S. To implement this section, the Colorado water conservation board may use this appropriation to support the upper Colorado river commission interstate planning and negotiation efforts, including, but not limited to, the following modeling and data analyses: Streamgaging and streamflow, runoff forecasting, consumptive use, reservoir operations and evaporation, and drought contingency planning.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved: May 29, 2026