First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House SENATE BILL 23-295

LLS NO. 23-0336.02 Sarah Lozano x3858

SENATE SPONSORSHIP

Roberts and Will, Bridges, Pelton B., Rich, Coleman, Cutter, Exum, Gardner, Ginal, Kirkmeyer, Liston, Lundeen, Marchman, Moreno, Mullica, Pelton R., Priola, Rodriguez, Simpson, Smallwood, Winter F., Zenzinger

HOUSE SPONSORSHIP

McCluskie and Catlin, Holtorf, Lukens, McCormick, McLachlan, Soper, Velasco, Amabile, Armagost, Bacon, Bird, Boesenecker, Bradley, Brown, deGruy Kennedy, Dickson, Duran, English, Frizell, Froelich, Gonzales-Gutierrez, Hamrick, Jodeh, Joseph, Lieder, Lindsay, Lindstedt, Lynch, Mabrey, Michaelson Jenet, Pugliese, Ricks, Sirota, Snyder, Story, Taggart, Titone, Vigil, Weissman, Willford, Winter T., Young

Senate Committees Agriculture & Natural Resources Appropriations House Committees Agriculture, Water & Natural Resources Appropriations

A BILL FOR AN ACT

101 CONCERNING THE CREATION OF THE COLORADO RIVER DROUGHT

102

TASK FORCE, AND, IN CONNECTION THEREWITH, MAKING AN

103 <u>APPROPRIATION.</u>

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 <u>http://leg.colorado.gov</u>.)

The bill creates the Colorado river drought task force (task force). The members of the task force must, to the extent practicable, reflect the racial and ethnic diversity of the state and have experience with a wide range of water issues. The task force must begin meeting no later than July 31, 2023, and may hold up to 12 meetings in the 2023 legislative



Amended 2nd Reading

HOUSE

May 5, 2023

HOUSE 3rd Reading Unamended May 6, 2023



interim.

The purpose of the task force is to develop recommendations for state legislation that provides additional tools for the Colorado water conservation board to collaborate with the Colorado river water conservation district, the southwestern water conservation district, and other relevant stakeholders in the development of programs that address drought in the Colorado river basin and interstate commitments related to the Colorado river and its tributaries through conservation of the waters of the Colorado river and its tributaries (recommendations).

No later than December 15, 2023, the task force must submit a written report that includes the recommendations and a summary of the task force's work to the water resources and agriculture review committee.

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

2

3

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

4

(a) Since 2000, the Colorado river basin, including the Colorado 5 river and its tributaries in Colorado, has experienced unprecedented 6 drought conditions that have contributed to decreased water supplies;

- 7 (b) Climate change, drier conditions, and depleted snowpack may 8 further reduce water available in Colorado's surface streams for beneficial 9 uses and threaten Colorado's significant interests in the Colorado river 10 and its tributaries: and
- (c) Dry hydrology continues to reduce water supplies across the 11 12 western slope of Colorado and the Colorado river basin and threatens the 13 security of available water resources.
- 14 (2) The general assembly therefore determines that it is in the best 15 interest of Colorado to form a task force to provide recommendations for 16 programs to assist Colorado in addressing drought in the Colorado river 17 basin and the state's interstate commitments related to the Colorado river 18 and its tributaries.

SECTION 2. In Colorado Revised Statutes, add 37-98-105 as
 follows:

3 37-98-105. Colorado river drought task force - created 4 appointments - report - definitions - repeal. (1) As USED IN THIS
5 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

6 (a) "BOARD" MEANS THE COLORADO WATER CONSERVATION
7 BOARD CREATED IN SECTION 37-60-102.

8 (b) "COLORADO RIVER WATER CONSERVATION DISTRICT" MEANS
9 THE COLORADO RIVER WATER CONSERVATION DISTRICT CREATED IN
10 SECTION 37-46-103.

11 (c) "COMMITTEE" MEANS THE WATER RESOURCES AND
12 AGRICULTURE REVIEW COMMITTEE CREATED IN SECTION 37-98-102
13 (1)(a)(I).

14 (d) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL
15 RESOURCES CREATED IN SECTION 24-1-124 (1).

16 (e) "LOCAL GOVERNMENT" MEANS A HOME RULE OR STATUTORY
17 COUNTY, MUNICIPALITY, <u>CITY AND COUNTY, WATER CONSERVANCY</u>
18 DISTRICT, OR WATER AND SANITATION DISTRICT.

(f) "PROGRAMS" MEANS THE PROGRAMS DESCRIBED IN SUBSECTION
(4)(a) OF THIS SECTION.

21 (g) "Southwestern water conservation district" means
22 THE SOUTHWESTERN WATER CONSERVATION DISTRICT CREATED IN
23 SECTION 37-47-103.

24 (h) "SUB-TASK FORCE" MEANS THE SUB-TASK FORCE ESTABLISHED
 25 PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION.

26 (i) "TASK FORCE" MEANS THE COLORADO RIVER DROUGHT TASK
27 FORCE CREATED IN SUBSECTION (2) OF THIS SECTION.

1 (j) "WATER RIGHT" HAS THE MEANING SET FORTH IN SECTION 2 37-92-103 (12).

3 (2) (a) NOTWITHSTANDING SECTION 2-3-303.3, THE COLORADO
4 RIVER DROUGHT TASK FORCE IS CREATED. THE TASK FORCE CONSISTS OF
5 THE FOLLOWING MEMBERS:

6 (I) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR THE 7 EXECUTIVE DIRECTOR'S DESIGNEE;

8 (II) THE COMMISSIONER OF AGRICULTURE OR THE COMMISSIONER
9 OF AGRICULTURE'S DESIGNEE;

(III) A REPRESENTATIVE OF THE UTE MOUNTAIN UTE TRIBE,
APPOINTED BY THE UTE MOUNTAIN UTE TRIBE;

12 (IV) A REPRESENTATIVE OF THE SOUTHERN UTE INDIAN TRIBE,
13 APPOINTED BY THE SOUTHERN UTE INDIAN TRIBE;

14 (V) A REPRESENTATIVE OF THE COLORADO RIVER WATER
15 CONSERVATION DISTRICT, APPOINTED BY THE BOARD OF DIRECTORS OF THE
16 COLORADO RIVER WATER CONSERVATION DISTRICT;

17 (VI) A REPRESENTATIVE OF THE SOUTHWESTERN WATER
18 CONSERVATION DISTRICT, APPOINTED BY THE BOARD OF DIRECTORS OF THE
19 SOUTHWESTERN WATER CONSERVATION DISTRICT;

20 (VII) A REPRESENTATIVE OF THE SOUTHEASTERN COLORADO
 21 WATER CONSERVANCY DISTRICT, APPOINTED BY THE BOARD OF DIRECTORS
 22 OF THE SOUTHEASTERN COLORADO WATER CONSERVANCY DISTRICT;

23 (VIII) A REPRESENTATIVE OF THE NORTHERN COLORADO WATER

24 <u>CONSERVANCY DISTRICT, APPOINTED BY THE BOARD OF DIRECTORS OF THE</u>

25 <u>NORTHERN COLORADO WATER CONSERVANCY DISTRICT;</u>

26 <u>(IX)</u> THE FOLLOWING MEMBERS APPOINTED BY THE PRESIDENT OF

THE SENATE:

1 2 (A) A REPRESENTATIVE OF A LOCAL GOVERNMENT LOCATED 3 WITHIN THE BOUNDARIES OF THE SOUTHWESTERN WATER CONSERVATION 4 DISTRICT THAT PROVIDES WATER FOR MUNICIPAL PURPOSES; AND 5 A REPRESENTATIVE OF A STATEWIDE ENVIRONMENTAL **(B)** 6 NONPROFIT ORGANIZATION WITH EXPERTISE IN WATER RIGHTS AND 7 COLORADO RIVER INTERSTATE GOVERNANCE: 8 (X) THE FOLLOWING MEMBERS APPOINTED BY THE SPEAKER OF 9 THE HOUSE OF REPRESENTATIVES: 10 11 (A) A REPRESENTATIVE OF A STATEWIDE AGRICULTURAL 12 ORGANIZATION THAT IS THE OWNER OF WATER RIGHTS; 13 (B) A REPRESENTATIVE OF A FRONT RANGE MUNICIPAL WATER 14 PROVIDER THAT DIVERTS WATER FROM THE COLORADO RIVER; 15 A REPRESENTATIVE OF A STATEWIDE ENVIRONMENTAL (C) 16 NONPROFIT ORGANIZATION WITH EXPERTISE IN WATER RIGHTS AND 17 COLORADO RIVER INTERSTATE GOVERNANCE; 18 (D) AN AGRICULTURAL PRODUCER THAT OWNS WATER RIGHTS 19 WITHIN THE BOUNDARIES OF THE COLORADO RIVER WATER CONSERVATION 20 DISTRICT; AND 21 (E) A REPRESENTATIVE OF A LOCAL GOVERNMENT LOCATED 22 WITHIN THE BOUNDARIES OF THE COLORADO RIVER WATER CONSERVATION 23 DISTRICT THAT PROVIDES WATER FOR MUNICIPAL PURPOSES; 24 (XI) AN AGRICULTURAL PRODUCER THAT OWNS WATER RIGHTS 25 WITHIN THE BOUNDARIES OF THE SOUTHWESTERN WATER CONSERVATION 26 DISTRICT, APPOINTED BY THE MINORITY LEADER OF THE SENATE; AND 27 (XII) A REPRESENTATIVE OF AN INDUSTRIAL WATER USER THAT IS

-5-

LOCATED ON THE WESTERN SLOPE, APPOINTED BY THE MINORITY LEADER
 OF THE HOUSE OF REPRESENTATIVES.

3 (b) THE STATE ENGINEER OR THE STATE ENGINEER'S DESIGNEE
4 SHALL ALSO SERVE ON THE TASK FORCE IN AN ADVISORY, NONVOTING
5 CAPACITY.

6 (c) THE MEMBERS OF THE TASK FORCE MUST, TO THE EXTENT 7 PRACTICABLE, REFLECT THE RACIAL AND ETHNIC DIVERSITY OF THE STATE 8 AND HAVE EXPERIENCE IN A WIDE RANGE OF WATER ISSUES, INCLUDING 9 CONSUMPTIVE USES OF WATER FOR MUNICIPAL, INDUSTRIAL, AND 10 IRRIGATION PURPOSES AND NONCONSUMPTIVE USES OF WATER FOR 11 OUTDOOR RECREATION, FISH AND WILDLIFE, AND HYDROPOWER PURPOSES.

12

(3) (a) NO LATER THAN JUNE 30, 2023:

13 (I) THE APPOINTING AUTHORITIES SHALL MAKE ALL APPOINTMENTS
14 TO THE TASK FORCE; AND

15 (II) THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL16 APPOINT A CHAIR OF THE TASK FORCE.

17 (b) NO LATER THAN JULY 15, 2023, THE EXECUTIVE COMMITTEE OF
18 THE LEGISLATIVE COUNCIL CREATED IN SECTION 2-3-301 (1) SHALL HIRE
19 A FACILITATOR TO SUPPORT THE WORK OF THE TASK FORCE.

(c) (<u>1</u>) NO LATER THAN JULY 31, 2023, THE CHAIR OF THE TASK
FORCE APPOINTED PURSUANT TO SUBSECTION (3)(a)(II) OF THIS SECTION
SHALL CONVENE THE FIRST MEETING OF THE TASK FORCE. THE TASK FORCE
MAY HOLD UP TO TWELVE MEETINGS IN THE 2023 LEGISLATIVE INTERIM,
WHICH MAY BE IN-PERSON OR VIRTUAL MEETINGS. THE TASK FORCE SHALL
TAKE ANY ACTION REQUIRED PURSUANT TO THIS SECTION BY A MAJORITY
VOTE.

27 (II) ANY MEETING OF THE TASK FORCE OR SUB-TASK FORCE MUST

295

1 BE OPEN TO THE PUBLIC. THE TASK FORCE AND SUB-TASK FORCE SHALL 2 ALLOW PUBLIC TESTIMONY DURING AT LEAST ONE MEETING OF THE TASK 3 FORCE AND SUB-TASK FORCE. A TASK FORCE MEMBER, SUB-TASK FORCE 4 MEMBER, OR GOVERNMENTAL ENTITY THAT IS PARTICIPATING IN THE TASK 5 FORCE OR SUB-TASK FORCE IS NOT REQUIRED TO PROVIDE ANY 6 INFORMATION THAT IS PROTECTED FROM DISCLOSURE BY APPLICABLE LAW. 7 (d) (I) THE MEMBERS OF THE TASK FORCE SERVE WITHOUT 8 COMPENSATION BUT MAY BE REIMBURSED FOR ANY REASONABLE 9 EXPENSES THEY INCUR IN THE PERFORMANCE OF THEIR DUTIES PURSUANT

10 TO THIS SECTION.

(II) AN APPOINTING AUTHORITY MAY REMOVE A MEMBER OF THE
TASK FORCE FROM THE TASK FORCE FOR MALFEASANCE IN OFFICE, FAILURE
TO REGULARLY ATTEND MEETINGS, OR ANY CAUSE THAT MAKES THE
MEMBER UNABLE OR UNFIT TO FULFILL THE MEMBER'S DUTIES PURSUANT
TO THIS SECTION.

16 (III) A MEMBER OF THE TASK FORCE MAY DESIGNATE ANOTHER
17 PERSON THAT MEETS THE MEMBER'S QUALIFICATIONS FOR MEMBERSHIP ON
18 THE TASK FORCE TO ATTEND A MEETING OR MEETINGS OF THE TASK FORCE
19 ON THE MEMBER'S BEHALF IF THE MEMBER IS UNABLE TO ATTEND A
20 MEETING OR MEETINGS.

(4) (a) THE PURPOSE OF THE TASK FORCE IS TO PROVIDE
<u>RECOMMENDATIONS FOR POTENTIAL STATE LEGISLATION THAT WOULD</u>
<u>PROVIDE</u> ADDITIONAL TOOLS TO THE BOARD TO COLLABORATE WITH THE
COLORADO RIVER WATER CONSERVATION DISTRICT, THE SOUTHWESTERN
WATER CONSERVATION DISTRICT, AND OTHER RELEVANT STAKEHOLDERS,
INCLUDING HOLDERS OF WATER RIGHTS, AGRICULTURAL PRODUCERS,
INDUSTRIAL WATER USERS, ENVIRONMENTAL ORGANIZATIONS, THE UTE

295

MOUNTAIN UTE TRIBE, THE SOUTHERN UTE INDIAN TRIBE, AND LOCAL
 GOVERNMENTS, TO DEVELOP PROGRAMS THAT ADDRESS DROUGHT IN THE
 COLORADO RIVER BASIN AND INTERSTATE COMMITMENTS RELATED TO THE
 COLORADO RIVER AND ITS TRIBUTARIES THROUGH THE IMPLEMENTATION
 OF DEMAND REDUCTION PROJECTS AND THE VOLUNTARY AND
 COMPENSATED CONSERVATION OF THE WATERS OF THE COLORADO RIVER
 AND ITS TRIBUTARIES.

8 (b) THE RECOMMENDATIONS MADE PURSUANT TO SUBSECTION
9 (4)(a) OF THIS SECTION <u>MUST:</u>

(I) PROVIDE THAT THE PROGRAMS <u>BE DESIGNED TO BE</u>
<u>REASONABLY</u> IMPLEMENTED IN A MANNER THAT AVOIDS
DISPROPORTIONATE NEGATIVE ECONOMIC OR ENVIRONMENTAL IMPACTS
TO ANY SINGLE SUBBASIN OR REGION IN THE STATE;

14 (II) PROVIDE THAT ANY PROGRAM THAT SEEKS TO ADMINISTER 15 WATER THROUGH STREAM REACHES WITHIN THE STATE OR TO THE STATE 16 LINE FOR INTERSTATE PURPOSES MUST BE OPERATED CONSISTENT WITH: 17 (A) THE AGREEMENT REGARDING STORAGE AT COLORADO RIVER 18 STORAGE PROJECT ACT RESERVOIRS UNDER AN UPPER BASIN DEMAND 19 MANAGEMENT PROGRAM, ENTERED INTO BY THE STATES OF COLORADO, 20 NEW MEXICO, UTAH, AND WYOMING AND THE FEDERAL SECRETARY OF 21 THE INTERIOR ON MAY 20, 2019, AND ANY EXTENSION OF, AMENDMENT 22 TO, OR REPLACEMENT OF THAT PROGRAM THAT IS INTENDED TO ACHIEVE 23 SIMILAR OBJECTIVES; AND 24 (B) PRINCIPLE FOUR OF COLORADO'S CONCEPTUAL FRAMEWORK, 25 REFERENCED ON PAGE SEVENTY-FIVE OF THE COLORADO WATER PLAN, 26 WHICH WAS FINALIZED AND APPROVED BY THE BOARD ON JANUARY 24, 27 2023.

(III) REQUIRE THAT ANY ACQUISITION BY THE PROGRAMS OF A
 WATER RIGHT USED FOR AGRICULTURAL IRRIGATION PURPOSES IS
 VOLUNTARY, TEMPORARY, AND COMPENSATED;

4 (IV) SPECIFY THE RESPECTIVE ROLES AND OBLIGATIONS OF THE
5 BOARD, THE COLORADO RIVER WATER CONSERVATION DISTRICT, AND THE
6 SOUTHWESTERN WATER CONSERVATION DISTRICT IN THE DEVELOPMENT,
7 IMPLEMENTATION, AND OPERATION OF THE PROGRAMS WHILE
8 MAINTAINING THE AUTHORITY OF THE STATE ENGINEER TO ADMINISTER
9 WATER RIGHTS FOR INTERSTATE COMPLIANCE;

10 (V) EVALUATE SOURCES OF REVENUE TO APPROPRIATELY
11 COMPENSATE PARTICIPANTS IN THE PROGRAMS AND TO SUPPORT
12 REASONABLE ADMINISTRATIVE COSTS OF THE PROGRAMS; AND

(VI) PROVIDE THE STATE ENGINEER WITH THE APPROPRIATE LEGAL
AUTHORITY AND DIRECTION NECESSARY TO FULFILL THE PURPOSES OF THE
PROGRAMS IN A MANNER THAT, WITHOUT MINIMIZING THE PRIMARY
PURPOSE OF THE PROGRAMS TO REDUCE OR MITIGATE INTERSTATE
COMMITMENTS RELATED TO THE COLORADO RIVER AND ITS TRIBUTARIES,
PROVIDES BENEFITS TO RECREATION AND THE ENVIRONMENT.

19 (5) (a) THE TASK FORCE SHALL ESTABLISH A SUB-TASK FORCE TO
 20 STUDY TRIBAL MATTERS. THE SUB-TASK FORCE CONSISTS OF:

21 (I) THE REPRESENTATIVE OF THE SOUTHERN UTE INDIAN TRIBE

22 <u>APPOINTED PURSUANT TO SUBSECTION (2)(a)(IV) OF THIS SECTION;</u>

23 (II) THE REPRESENTATIVE OF THE UTE MOUNTAIN UTE TRIBE

24 <u>APPOINTED PURSUANT TO SUBSECTION (2)(a)(III) OF THIS SECTION;</u>

25 <u>(III) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR THE</u>

26 <u>DIRECTOR'S DESIGNEE; AND</u>

27 (IV) TWO OTHER MEMBERS JOINTLY APPOINTED BY THE SOUTHERN

-9-

1 UTE INDIAN TRIBE, THE UTE MOUNTAIN UTE TRIBE, AND THE 2 DEPARTMENT. 3 (b) THE PURPOSE OF THE SUB-TASK FORCE IS TO PROVIDE 4 **RECOMMENDATIONS FOR STATE LEGISLATION THAT WILL:** 5 (I) PROVIDE FOR FULL TRIBAL PARTICIPATION IN THE PROGRAMS IN 6 A MANNER THAT RECOGNIZES THE UNIQUE NATURE OF TRIBAL WATER 7 RIGHTS AND TRIBAL WATER USE, SPECIFICALLY IN REGARD TO 8 FORBEARANCE AND DEMAND MANAGEMENT OPPORTUNITIES; 9 (II) PROVIDE FOR TRIBAL PARTICIPATION IN THE PROGRAMS IN A 10 MANNER THAT IS VOLUNTARY, TEMPORARY, AND COMPENSATED; AND 11 (III) EVALUATE SOURCES OF REVENUE TO APPROPRIATELY 12 COMPENSATE THE SOUTHERN UTE INDIAN TRIBE AND THE UTE MOUNTAIN 13 UTE TRIBE FOR PARTICIPATION IN THE PROGRAMS. 14 (6) ANY STATE AGENCY WITH ACCESS TO INFORMATION RELEVANT 15 TO THE TASK FORCE'S DUTIES SHALL PROMPTLY PROVIDE THE 16 INFORMATION TO THE TASK FORCE UPON THE REQUEST OF THE TASK 17 FORCE, EXCEPT FOR PROPRIETARY INFORMATION A STATE AGENCY HAS 18 RECEIVED FROM THE SOUTHERN UTE INDIAN TRIBE AND THE UTE 19 MOUNTAIN UTE TRIBE. 20 (7) (a) BEFORE THE SUBMISSION OF THE FINAL REPORT PURSUANT 21 TO SUBSECTION (7)(b) OF THIS SECTION, THE TASK FORCE SHALL PROVIDE 22 AT LEAST ONE UPDATE TO THE COMMITTEE ON THE PROGRESS OF THE TASK 23 FORCE'S DUTIES PURSUANT TO THIS SECTION. 24 (b) NO LATER THAN DECEMBER 15, 2023, THE TASK FORCE AND 25 SUB-TASK FORCE SHALL SUBMIT A FINAL REPORT TO THE COMMITTEE THAT 26 **PROVIDES:** 27 (I) THE RECOMMENDATIONS OF THE TASK FORCE AND SUB-TASK

295

1 FORCE PURSUANT TO SUBSECTIONS (4)(a) AND (5)(b) OF THIS SECTION; 2 (II) A SUMMARY OF THE TASK FORCE'S AND SUB-TASK FORCE'S 3 WORK PURSUANT TO THIS SECTION, INCLUDING ANY RECOMMENDATIONS 4 CONSIDERED BUT NOT APPROVED BY THE TASK FORCE AND SUB-TASK 5 FORCE AND A DESCRIPTION OF WHY THE RECOMMENDATIONS WERE NOT 6 APPROVED; AND 7 (III) ANY OTHER INFORMATION THAT THE TASK FORCE AND 8 SUB-TASK FORCE DETERMINES TO BE RELEVANT. 9 (8) This section is repealed, effective July 1, 2024. 10 **SECTION 3.** Appropriation. (1) For the 2023-24 state fiscal 11 year, \$200,000 is appropriated to the legislative department for use by the 12 legislative council. This appropriation is from the general fund. To 13 implement this act, the council may use this appropriation to implement 14 the bill. 15 SECTION 4. Safety clause. The general assembly hereby finds, 16 determines, and declares that this act is necessary for the immediate 17 preservation of the public peace, health, or safety.