

**Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0849.01 Jennifer Berman x3286

**SENATE BILL 12-165**

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**SENATE SPONSORSHIP**

**Schwartz, Giron**

**HOUSE SPONSORSHIP**

**Baumgardner,**

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**Senate Committees**

Agriculture, Natural Resources, and Energy  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING THE FUNDING OF COLORADO WATER CONSERVATION**  
102              **BOARD PROJECTS, AND MAKING APPROPRIATIONS IN**  
103              **CONNECTION THEREWITH.**

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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://www.leg.state.co.us/billsummaries>.)*

The bill appropriates the following amounts from the Colorado water conservation board construction fund for the following projects:

!      \$300,000 for continuation of the satellite monitoring

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.*

- ! system maintenance;
- ! \$175,000 for continuation of the weather modification program;
- ! \$500,000 for continuation of the Colorado floodplain map modernization program;
- ! \$500,000 for continuation of the watershed restoration program;
- ! \$300,000 to restore the flood response fund balance;
- ! \$1,000,000 for continuation of the phreatophyte control cost-sharing program;
- ! \$2,000,000 for continuation of the Colorado river water availability study;
- ! \$500,000 to begin implementation of the South Platte groundwater data collection and analysis project;
- ! \$1,000,000 for continuation of the alternative agriculture water transfer sustainability grant program;
- ! \$5,000,000 for the planning and implementation of the Rio Grande cooperative project;
- ! \$5,000,000 for implementation of the Chatfield reservoir reallocation project;
- ! \$12,000,000 for the third and final installment of the purchase of Colorado's allotment of Animas-La Plata project water pursuant to House Bill 10-1250, enacted in 2010; and
- ! \$300,000 to provide legal support and funding for litigation involving protests of individual water rights that the state engineer has placed on the abandonment list.

**Section 6** of the bill repurposes the flood response program to include drought preparedness and response and renames the flood response fund to the flood and drought response fund.

**Section 14** of the bill transfers from the perpetual base account of the severance tax trust fund to the Colorado water conservation board construction fund the following:

- ! \$30,000,000 for the Rio Grand cooperative project, including improvements associated with the Beaver Park reservoir and the Rio Grande reservoir; and
- ! \$13,000,000 for the implementation of the Chatfield reservoir reallocation project.

Section 14 of the bill also changes the water supply reserve account to the water supply reserve fund.

**Section 16** of the bill authorizes the state engineer to receive and expend contributions from the Colorado water conservation board for use in discharging the state engineer's duties.

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

2           **SECTION 1. Continuation of the satellite monitoring system**  
3 **maintenance - appropriation.** (1) In addition to any other appropriation,  
4 there is hereby appropriated, out of any moneys in the Colorado water  
5 conservation board construction fund not otherwise appropriated, to the  
6 department of natural resources, for allocation to the division of water  
7 resources, for the fiscal year beginning July 1, 2012, the sum of \$300,000,  
8 or so much thereof as may be necessary, for renovation of existing  
9 gauging stations, replacement of outdated collection platforms and  
10 upgrading of transmission components of the satellite monitoring system  
11 established and operated pursuant to section 37-80-102 (10), Colorado  
12 Revised Statutes, stream gauge flood hardening projects, and data  
13 collection efforts related to flood forecasting and warning.

14           (2) The moneys appropriated in subsection (1) of this section  
15 remain available for the designated purposes until they are fully  
16 expended.

17           **SECTION 2. Continuation of the weather modification**  
18 **program - appropriation.** (1) In addition to any other appropriation,  
19 there is hereby appropriated, out of any moneys in the Colorado water  
20 conservation board construction fund not otherwise appropriated, to the  
21 department of natural resources, for allocation to the Colorado water  
22 conservation board, for the fiscal year beginning July 1, 2012, the sum of  
23 \$175,000, or so much thereof as may be necessary, for the board to  
24 continue to assist water conservation districts, water conservancy  
25 districts, and other water providers, and their fiscal agents, with the  
26 development of cloud seeding programs that provide benefits to  
27 recreation, streams, and reservoirs through snow pack enhancement.

1           (2) The moneys appropriated in subsection (1) of this section  
2 remain available for the designated purposes until they are fully  
3 expended.

4           **SECTION 3. Continuation of the Colorado floodplain map**  
5 **modernization program - appropriation.** (1) In addition to any other  
6 appropriation, there is hereby appropriated, out of any moneys in the  
7 Colorado water conservation board construction fund not otherwise  
8 appropriated, to the department of natural resources, for allocation to the  
9 Colorado water conservation board, for the fiscal year beginning July 1,  
10 2012, the sum of \$500,000, or so much thereof as may be necessary in  
11 order to restore the unencumbered balance in the fund to \$500,000, for  
12 the board to continue to assist with the preparation of revised and  
13 improved floodplain studies and maps for communities throughout  
14 Colorado and to participate in federally sponsored floodplain map  
15 modernization activities.

16           (2) The moneys appropriated in subsection (1) of this section  
17 remain available for the designated purposes until completion of the  
18 project.

19           **SECTION 4. Continuation of the watershed restoration**  
20 **program - appropriation.** (1) In addition to any other appropriation,  
21 there is hereby appropriated, out of any moneys in the Colorado water  
22 conservation board construction fund not otherwise appropriated, to the  
23 department of natural resources, for allocation to the Colorado water  
24 conservation board, for the fiscal year beginning July 1, 2012, the sum of  
25 \$500,000, or so much thereof as may be necessary, for the board to  
26 continue to provide planning and engineering studies, including  
27 implementation measures, to address technical needs for watershed

1 restoration and flood mitigation projects throughout the state.

2 (2) The moneys appropriated in subsection (1) of this section  
3 remain available for the designated purposes until they are fully  
4 expended.

5 **SECTION 5. Repurposing of the flood response program and**  
6 **restoration of the flood response fund balance.** (1) The state treasurer  
7 shall transfer a total of \$300,000, or so much thereof as may be necessary,  
8 from the unreserved cash in the Colorado water conservation board  
9 construction fund to the flood response fund created in section  
10 37-60-123.2, Colorado Revised Statutes, in order to restore the  
11 unencumbered balance in the flood response fund to \$300,000.

12 (2) The moneys appropriated in subsection (1) of this section shall  
13 remain available for the designated purposes until they are fully  
14 expended.

15 **SECTION 6.** In Colorado Revised Statutes, **amend** 37-60-123.2  
16 as follows:

17 **37-60-123.2. Flood and drought response fund - created.** There  
18 is hereby created in the state treasury the flood AND DROUGHT response  
19 fund, referred to in this section as the "response fund". The state treasurer  
20 is hereby authorized and directed to transfer three hundred thousand  
21 dollars from the Colorado water conservation board construction fund to  
22 the response fund. The board is authorized to provide funding for flood  
23 AND DROUGHT preparedness and for response and recovery activities  
24 following flood OR DROUGHT events and disasters. The moneys in the  
25 response fund are hereby continuously appropriated to the board for flood  
26 AND DROUGHT response purposes, including ~~but not limited to~~, the  
27 immediate availability of funds for aerial photography of flooded areas,

1 flood AND DROUGHT documentation and identification of specific hazards,  
2 evaluations and revisions of floodplain designations AND  
3 DROUGHT-PRONE AREAS, flood AND DROUGHT forecasting and  
4 preparation, and development of disaster and recovery mitigation plans.  
5 ~~ALL~~ THE STATE TREASURER SHALL CREDIT ALL interest derived from the  
6 investment of moneys in the response fund ~~shall be credited~~ to the  
7 Colorado water conservation board construction fund. Any balance  
8 remaining in the response fund at the end of any fiscal year ~~shall remain~~  
9 REMAINS in the fund.

10 **SECTION 7. Phreatophyte control cost-sharing program -**  
11 **appropriation.** (1) In addition to any other appropriation, there is hereby  
12 appropriated, out of any moneys in the Colorado water conservation  
13 board construction fund not otherwise appropriated, to the department of  
14 natural resources, for allocation to the Colorado water conservation  
15 board, for the fiscal year beginning July 1, 2012, the sum of \$1,000,000,  
16 or so much thereof as may be necessary, for the board to continue  
17 financing phreatophyte control cost-sharing grants through any of the  
18 board's existing programs.

19 (2) The moneys appropriated in subsection (1) of this section  
20 remain available for the designated purposes until they are fully  
21 expended.

22 **SECTION 8. Continuation of the Colorado river water**  
23 **availability study - appropriation.** (1) In addition to any other  
24 appropriation, there is hereby appropriated, out of any moneys in the  
25 Colorado water conservation board construction fund not otherwise  
26 appropriated, to the department of natural resources, for allocation to the  
27 Colorado water conservation board, for the fiscal year beginning July 1,

1 2012, the sum of \$2,000,000, or so much thereof as may be necessary, for  
2 the board to continue model development, formulate and evaluate water  
3 demand alternatives, and perform a risk management analysis on various  
4 Colorado river issues, as another component of the Colorado river water  
5 availability study, authorized in Section 15 of Senate Bill 07-122, enacted  
6 in 2007. The board shall continue to work in consultation with, and with  
7 the active involvement of, the basin roundtables and shall continue to  
8 consider current and potential future in-basin consumptive and  
9 nonconsumptive needs.

10 (2) The moneys appropriated in subsection (1) of this section  
11 remain available for the designated purposes until completion of the  
12 project.

13 **SECTION 9. South Platte groundwater level data collection**  
14 **and analysis - appropriation.** (1) In addition to any other appropriation,  
15 there is hereby appropriated, out of any moneys in the Colorado water  
16 conservation board construction fund not otherwise appropriated, to the  
17 department of natural resources, for allocation to the Colorado water  
18 conservation board, for the fiscal year beginning July 1, 2012, the sum of  
19 \$500,000, or so much thereof as may be necessary, for the board to collect  
20 and analyze groundwater data along the South Platte river, to update the  
21 South Platte decision support system model and make model  
22 enhancements, to install instrumentation and monitoring devices, and to  
23 construct test projects to evaluate cause and possible remediation to high  
24 groundwater levels in the South Platte river basin.

25 (2) The moneys appropriated in subsection (1) of this section  
26 remain available for the designated purposes until completion of the  
27 project.

1           **SECTION 10. Continuation of the alternative agriculture**  
2 **water transfer sustainability grant program - appropriation.** (1) In  
3 addition to any other appropriation, there is hereby appropriated, out of  
4 any moneys in the Colorado water conservation board construction fund  
5 not otherwise appropriated, to the department of natural resources, for  
6 allocation to the Colorado water conservation board, for the fiscal year  
7 beginning July 1, 2012, the sum of \$1,000,000, or so much thereof as may  
8 be necessary, for the board to continue to develop and implement a  
9 statewide competitive grant program to advance various agricultural  
10 transfer methods as alternatives to permanent agricultural dry-up,  
11 including interruptible water supply agreements, long-term agricultural  
12 land fallowing, water banks, reduced consumptive use through efficiency  
13 or cropping while maintaining historic return flows, and purchase by end  
14 users with leasebacks under defined conditions. Projects and programs in  
15 all drainage basins are eligible for funding.

16           (2) The moneys appropriated in subsection (1) of this section  
17 remain available for the designated purposes until they are fully  
18 expended.

19           **SECTION 11. Rio Grande cooperative project -**  
20 **appropriation.** (1) In addition to any other appropriation, there is hereby  
21 appropriated, out of any moneys in the Colorado water conservation  
22 board construction fund not otherwise appropriated, to the department of  
23 natural resources, for allocation to the Colorado water conservation  
24 board, for the fiscal year beginning July 1, 2012, the sum of \$5,000,000,  
25 or so much thereof as may be necessary, for the board to participate in the  
26 planning, design, and rehabilitation of the Rio Grande reservoir.

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



1 remain available for the designated purposes until completion of the  
2 project.

3           **SECTION 12. Chatfield reservoir reallocation project -**  
4 **appropriation.** (1) In addition to any other appropriation, there is hereby  
5 appropriated, out of any moneys in the Colorado water conservation  
6 board construction fund not otherwise appropriated, to the department of  
7 natural resources, for allocation to the Colorado water conservation  
8 board, for the fiscal year beginning July 1, 2012, the sum of \$5,000,000,  
9 or so much thereof as may be necessary, for the board to participate in the  
10 implementation of the Chatfield reservoir reallocation project, pursuant  
11 to section 37-60-120.1, Colorado Revised Statutes.

12           (2) The moneys appropriated in subsection (1) of this section  
13 remain available for the designated purposes until completion of the  
14 project.

15           **SECTION 13. Purchase of Colorado's allotment of Animas-La**  
16 **Plata project water - appropriation.** (1) In addition to any other  
17 appropriation, there is hereby appropriated, out of any moneys in the  
18 Colorado water conservation board construction fund not otherwise  
19 appropriated, to the department of natural resources, for allocation to the  
20 Colorado water conservation board, for the fiscal year beginning July 1,  
21 2012, the sum of \$12,000,000, or so much thereof as may be necessary,  
22 for the purchase of all or a portion of Colorado's allotment of Animas-La  
23 Plata project water, pursuant to section 39-29-109 (2) (a) (VIII) (B),  
24 Colorado Revised Statutes.

25           (2) The moneys appropriated in subsection (1) of this section  
26 remain available for the designated purposes until they are fully expended  
27 or until July 30, 2015, whichever comes first.

1           **SECTION 14. Provision of legal support and funding for**  
2 **litigation involving the abandonment list - appropriation.** (1) In  
3 addition to any other appropriation, there is hereby appropriated, out of  
4 any moneys in the Colorado water conservation board construction fund  
5 not otherwise appropriated, to the department of natural resources, for  
6 allocation to the Colorado water conservation board, for the fiscal year  
7 beginning July 1, 2012, the sum of \$300,000, or so much thereof as may  
8 be necessary, for the board to provide legal support and funding for  
9 litigation of protests of individual water rights that the state engineer has  
10 placed on the abandonment list.

11           (2) The moneys appropriated in subsection (1) of this section  
12 remain available for the designated purposes until they are fully  
13 expended.

14           **SECTION 15. Management of the national hydrography**  
15 **dataset in Colorado - appropriation.** (1) In addition to any other  
16 appropriation, there is hereby appropriated, out of any moneys in the  
17 Colorado water conservation board construction fund not otherwise  
18 appropriated, to the personal services line item of the Colorado division  
19 of water resources, for the fiscal year beginning July 1, 2012, the sum of  
20 \$75,857, or so much thereof as may be necessary, for the division of  
21 water resources to continue management of the national hydrography  
22 dataset in Colorado and to provide geographic information system  
23 analysis support related to consumptive use analysis, water rights, dam  
24 break inundation, and interstate compacts.

25           (2) The moneys appropriated in subsection (1) of this section  
26 remain available for the designated purposes until June 30, 2013. All  
27 funds not expended by June 30, 2013, remain part of the Colorado water

1 conservation board construction fund.

2 **SECTION 16.** In Colorado Revised Statutes, 37-60-121, **add** (4)

3 (d) as follows:

4 **37-60-121. Colorado water conservation board construction**  
5 **fund - creation of - nature of fund - funds for investigations -**

6 **contributions - use for augmenting the general fund - funds created**

7 **-repeal.** (4) (d) (I) NOTWITHSTANDING ANY PROVISION OF THIS SECTION

8 TO THE CONTRARY, THE BOARD MAY EXPEND UP TO SEVENTY-FIVE

9 THOUSAND EIGHT HUNDRED FIFTY-SEVEN DOLLARS FOR THE PERSONAL

10 SERVICE EXPENSES OF THE DIVISION OF WATER RESOURCES IN MANAGING

11 THE NATIONAL HYDROGRAPHY DATASET AND PROVIDING GEOGRAPHIC

12 INFORMATION SYSTEM SUPPORT FOR ACTIVITIES OF THE DIVISION OF

13 WATER RESOURCES.

14 (II) THIS PARAGRAPH (d) IS REPEALED, EFFECTIVE JUNE 30, 2013.

15 **SECTION 17.** In Colorado Revised Statutes, 37-75-105, **amend**

16 (4) as follows:

17 **37-75-105. Interbasin compact committee - report.**

18 (4) Commencing in 2006, the committee shall submit an annual report to

19 the house of representatives committee on agriculture, livestock, and

20 natural resources and the senate committee on agriculture, natural

21 resources, and energy, or their successor committees, by October 31

22 concerning the status of compact negotiations and, in consultation with

23 the Colorado water conservation board created in section 37-60-102, how

24 moneys from the water supply reserve ~~account~~ FUND created in section

25 39-29-109 (2) (c), C.R.S., were allocated during the previous twelve

26 months for water activities approved by basin roundtables.

27 **SECTION 18.** In Colorado Revised Statutes, 37-80-102, **amend**

1 (1) introductory portion; and **add** (1) (l) as follows:

2 **37-80-102. General duties of state engineer - supervision and**  
3 **utilization of employees - satellite monitoring system.** (1) The state  
4 engineer ~~shall be~~ IS the executive officer in charge of supervising the  
5 work of all division engineers and may direct ~~them as to~~ their supervision  
6 of ~~all~~ THEIR employees. ~~of the state responsible to them. He~~ THE STATE  
7 ENGINEER has executive responsibility and authority with respect to:

8 (l) RECEIVING AND EXPENDING CONTRIBUTIONS OF MONEY,  
9 PROPERTY, AND EQUIPMENT FROM THE COLORADO WATER CONSERVATION  
10 BOARD FOR USE IN MAKING INVESTIGATIONS, CONTRACTING PROJECTS, OR  
11 OTHERWISE CARRYING OUT THE PURPOSES OF THIS ARTICLE. THE  
12 CONTRIBUTIONS FROM THE COLORADO WATER CONSERVATION BOARD ARE  
13 CONTINUOUSLY APPROPRIATED TO THE STATE ENGINEER FOR THE  
14 PURPOSES SET FORTH IN THIS SECTION.

15 **SECTION 19.** In Colorado Revised Statutes, 39-29-109, **amend**  
16 (2) introductory portion, (2) (a) (VIII) (A), and (2) (c); and **add** (2) (a)  
17 (X) and (2) (a) (XI) as follows:

18 **39-29-109. Severance tax trust fund - created - administration**  
19 **- distribution of moneys - repeal.** (2) State severance tax receipts shall  
20 be credited to the severance tax trust fund as provided in section  
21 39-29-108. Except as otherwise set forth in section 39-29-109.5, all  
22 income derived from the deposit and investment of the moneys in the  
23 fund shall be credited to the fund. At the end of any fiscal year, all  
24 unexpended and unencumbered moneys in the fund ~~shall~~ remain therein  
25 and shall not be credited or transferred to the general fund or any other  
26 fund. All moneys in the fund ~~shall be~~ ARE subject to appropriation by the  
27 general assembly for the following purposes:

1           (a) **The perpetual base account.** (VIII) (A) Notwithstanding any  
2 provision of this paragraph (a) to the contrary, the state treasurer shall  
3 transfer to the Colorado water conservation board construction fund, for  
4 use by the Colorado water conservation board, also referred to in this  
5 subparagraph (VIII) as the "board", thirty-six million dollars for the  
6 purchase of all or a portion of Colorado's allotment of Animas-La Plata  
7 project water. The state treasurer shall make the transfer mandated by this  
8 sub-subparagraph (A) in three consecutive ~~annual~~ installments of twelve  
9 million dollars on ~~June 30 of each year, commencing~~ June 30, 2011, JUNE  
10 30, 2012, AND JULY 1, 2012.

11           (X) (A) NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH  
12 (a) TO THE CONTRARY, THE STATE TREASURER SHALL TRANSFER TO THE  
13 COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND, FOR USE  
14 BY THE COLORADO WATER CONSERVATION BOARD, ALSO REFERRED TO IN  
15 THIS SUBPARAGRAPH (X) AS THE "BOARD", THIRTY MILLION DOLLARS FOR  
16 THE PLANNING, DESIGN, AND CONSTRUCTION OF THE RIO GRANDE  
17 COOPERATIVE PROJECT. OF THIS AMOUNT, THE BOARD SHALL ALLOCATE  
18 UP TO TEN MILLION DOLLARS FOR IMPROVEMENTS ASSOCIATED WITH THE  
19 BEAVER PARK RESERVOIR, OWNED AND OPERATED BY THE DIVISION OF  
20 PARKS AND WILDLIFE, AND UP TO TWENTY MILLION DOLLARS FOR  
21 IMPROVEMENTS TO THE RIO GRANDE RESERVOIR, OWNED AND OPERATED  
22 BY THE SAN LUIS VALLEY IRRIGATION DISTRICT. THE STATE TREASURER  
23 SHALL TRANSFER THE MONEYS IN TWO CONSECUTIVE ANNUAL  
24 INSTALLMENTS OF FIFTEEN MILLION DOLLARS ON JULY 1, 2012, AND JULY  
25 1, 2013.

26           (B) PURSUANT TO SECTION 37-60-122 (1) (b), C.R.S., THE BOARD  
27 MAY LOAN MONEYS IN AN AMOUNT UP TO TEN MILLION DOLLARS TO THE

1 DIVISION OF PARKS AND WILDLIFE AND UP TO FIFTEEN MILLION DOLLARS  
2 TO THE SAN LUIS VALLEY IRRIGATION DISTRICT.

3 (C) PURSUANT TO SECTION 37-60-121 (1) (b) (IV), C.R.S., THE  
4 BOARD MAY DETERMINE THE AMOUNT OF LOAN, OR LOAN-TO-GRANT  
5 RATIO, FOR THE SECOND FIFTEEN-MILLION-DOLLAR INSTALLMENT, AS SET  
6 FORTH IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (X),  
7 COMMENCING ON JULY 1, 2013.

8 (D) ALL INTEREST EARNED FROM THE INVESTMENT OF MONEYS IN  
9 THE FUND SHALL BE CREDITED TO, AND MADE A PART OF, THE COLORADO  
10 WATER CONSERVATION BOARD CONSTRUCTION FUND. ALL FUNDS NOT  
11 EXPENDED REMAIN AND ARE PART OF THE COLORADO WATER  
12 CONSERVATION BOARD CONSTRUCTION FUND.

13 (XI) (A) NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH  
14 (a) TO THE CONTRARY, THE STATE TREASURER SHALL TRANSFER TO THE  
15 COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND, FOR USE  
16 BY THE COLORADO WATER CONSERVATION BOARD, ALSO REFERRED TO IN  
17 THIS SUBPARAGRAPH (XI) AS THE "BOARD", THIRTEEN MILLION DOLLARS  
18 FOR THE IMPLEMENTATION OF THE CHATFIELD RESERVOIR REALLOCATION  
19 PROJECT, PURSUANT TO SECTION 37-60-120.1, C.R.S. THE STATE  
20 TREASURER SHALL TRANSFER THE MONEYS IN TWO CONSECUTIVE  
21 INSTALLMENTS OF FIVE MILLION DOLLARS ON JANUARY 1, 2013, AND  
22 EIGHT MILLION DOLLARS ON JULY 1, 2014.

23 (B) THIS SUBPARAGRAPH (XI) IS REPEALED, EFFECTIVE JULY 1,  
24 2015.

25 (c) **The water supply reserve fund.** (I) There is hereby created  
26 IN THE OFFICE OF THE STATE TREASURER the water supply reserve ~~account~~  
27 FUND, also referred to in this paragraph (c) as the "~~account~~" "FUND",

1 which shall be administered by the ~~state treasurer~~. ~~Moneys shall be~~  
2 ~~transferred by~~ COLORADO WATER CONSERVATION BOARD. The STATE  
3 treasurer SHALL TRANSFER MONEYS to the ~~account~~ FUND from the  
4 operational account of the severance tax trust fund as specified in section  
5 39-29-109.3 (2) (a). The moneys in the ~~account~~ FUND are hereby  
6 continuously appropriated, for purposes authorized by this paragraph (c),  
7 to the Colorado water conservation board, also referred to in this  
8 paragraph (c) as the "board". All interest derived from the investment of  
9 moneys in the ~~account~~ FUND shall be credited to the STATEWIDE account  
10 OF THE FUND, WHICH ACCOUNT IS HEREBY CREATED. Repayments of both  
11 the principal and interest on loans from the ~~account~~ FUND shall be  
12 credited to the ~~account~~ FUND. Any balance remaining in the ~~account~~ FUND  
13 at the end of any fiscal year shall remain in the ~~account~~ FUND. The board  
14 shall allocate moneys by grant or loan from the ~~account~~ FUND only for  
15 water activities approved by a roundtable pursuant to article 75 of title 37,  
16 C.R.S. The approving roundtable ~~shall be~~ IS the roundtable for the basin  
17 in which a proposed water diversion or nonstructural activity would  
18 occur. If the applicant is a covered entity, as defined in section 37-60-126,  
19 C.R.S., the board shall allocate moneys by grant or loan from the ~~account~~  
20 FUND only if the applicant has adopted a water conservation plan, as  
21 defined in section 37-60-126, C.R.S. The board, in consultation with the  
22 interbasin compact committee created in section 37-75-105, C.R.S., shall  
23 ~~jointly~~ establish criteria and guidelines for allocating moneys from the  
24 ~~account~~. ~~The~~ FUND, INCLUDING criteria ~~shall~~ THAT ensure that the  
25 allocations will assist in meeting water supply needs identified under  
26 section 37-75-104 (2) (c), C.R.S., in a manner consistent with section  
27 37-75-102, C.R.S., and shall facilitate both structural and nonstructural

1 projects or methods. Eligible water activities include ~~but are not limited~~  
2 ~~to~~, the following:

3 (A) Competitive grants for environmental compliance and  
4 feasibility studies;

5 (B) Technical assistance regarding permitting, feasibility studies,  
6 and environmental compliance;

7 (C) Studies or analyses of structural, nonstructural, consumptive,  
8 and nonconsumptive water needs, projects, or activities; and

9 (D) Structural and nonstructural water projects or activities.

10 (II) On or before October 31 of each year, commencing with the  
11 year 2010, the board shall consult with the interbasin compact committee  
12 to produce the annual report required by section 37-75-105 (4), C.R.S.,  
13 regarding how moneys in the ~~account~~ FUND were allocated in the previous  
14 twelve-month period.

15 **SECTION 20.** In Colorado Revised Statutes, 39-29-109.3,  
16 **amend** (2) (a) (I) introductory portion as follows:

17 **39-29-109.3. Operational account of the severance tax trust**  
18 **fund - repeal.** (2) Subject to the requirements of subsections (3) and (4)  
19 of this section, if the general assembly chooses not to spend up to one  
20 hundred percent of the moneys in the operational account as specified in  
21 subsection (1) of this section, the state treasurer shall transfer the  
22 following:

23 (a) (I) To the water supply reserve ~~account~~ FUND created in  
24 section 39-29-109 (2) (c), the following amounts:

25 **SECTION 21. Safety clause.** The general assembly hereby finds,  
26 determines, and declares that this act is necessary for the immediate  
27 preservation of the public peace, health, and safety.