CHAPTER 314

## WATER AND IRRIGATION

HOUSE BILL 05-1177

BY REPRESENTATIVE(S) Penry, Buescher, Decker, Liston, Massey, White, Berens, Clapp, Crane, Gallegos, Hall, Hoppe, Jahn, Kerr, Knoedler, Paccione, Rose, Stafford, Stengel, Sullivan, Romanoff, Boyd, Brophy, Coleman, Frangas, Harvey, King, Madden, May M., McCluskey, Merrifield, and Todd;

also SENATOR(S) Isgar, Tapia, Taylor, Entz, Grossman, Kester, Fitz-Gerald, Groff, Teck, and Tupa.

## AN ACT

CONCERNING THE NEGOTIATION OF INTERBASIN COMPACTS REGARDING THE EQUITABLE DIVISION OF THE STATE'S WATERS, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

**SECTION 1.** Title 37, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

## ARTICLE 75 Interbasin Compacts

- **37-75-101. Short title.** This article shall be known and may be cited as the "Colorado Water for the 21st Century Act".
- 37-75-102. Water rights protections. (1) It is the policy of the general assembly that the current system of allocating water within Colorado shall not be superseded, abrogated, or otherwise impaired by this article. Nothing in this article shall be interpreted to repeal or in any manner amend the existing water rights adjudication system. The general assembly affirms the state constitution's recognition of water rights as a private usufructuary property right, and this article is not intended to restrict the ability of the holder of a water right to use or to dispose of that water right in any manner permitted under Colorado law.
- (2) THE GENERAL ASSEMBLY AFFIRMS THE PROTECTIONS FOR CONTRACTUAL AND PROPERTY RIGHTS RECOGNIZED BY THE CONTRACT AND TAKINGS PROTECTIONS UNDER THE STATE CONSTITUTION AND RELATED STATUTES. THIS ARTICLE SHALL NOT BE

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

IMPLEMENTED IN ANY WAY THAT WOULD DIMINISH, IMPAIR, OR CAUSE INJURY TO ANY PROPERTY OR CONTRACTUAL RIGHT CREATED BY INTERGOVERNMENTAL AGREEMENTS, CONTRACTS, STIPULATIONS AMONG PARTIES TO WATER CASES, TERMS AND CONDITIONS IN WATER DECREES, OR ANY OTHER SIMILAR DOCUMENT RELATED TO THE ALLOCATION OR USE OF WATER. THIS ARTICLE SHALL NOT BE CONSTRUED TO SUPERSEDE, ABROGATE, OR CAUSE INJURY TO VESTED WATER RIGHTS OR DECREED CONDITIONAL WATER RIGHTS. THE GENERAL ASSEMBLY AFFIRMS THAT THIS ARTICLE DOES NOT IMPAIR, LIMIT, OR OTHERWISE AFFECT THE RIGHTS OF PERSONS OR ENTITIES TO ENTER INTO AGREEMENTS, CONTRACTS, OR MEMORANDA OF UNDERSTANDING WITH OTHER PERSONS OR ENTITIES RELATING TO THE APPROPRIATION, MOVEMENT, OR USE OF WATER UNDER OTHER PROVISIONS OF LAW.

- **37-75-103. Director of compact negotiations.** (1) WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS ARTICLE, THE GOVERNOR SHALL APPOINT A DIRECTOR OF COMPACT NEGOTIATIONS, WHO SHALL ACT AS THE OVERSEER AND CARETAKER OF THE COMPACT NEGOTIATIONS PROCESS ESTABLISHED IN THIS ARTICLE.
- (2) THE DIRECTOR OF COMPACT NEGOTIATIONS SHALL HAVE THE FOLLOWING RESPONSIBILITIES:
- (a) Provide support and assistance to applicable local stakeholders in the formation of permanent basin roundtables established pursuant to section 37-75-104;
- (b) OVERSEE AND DIRECT THE EXPENDITURE OF MONEYS APPROPRIATED PURSUANT TO THIS ARTICLE; AND
- (c) Serve as the chairperson of the interbasin compact committee and oversee implementation of the interbasin compact committee's responsibilities consistent with section 37-75-105, including the timely completion and referral of the interbasin compact charter.
- **37-75-104.** Basin roundtables. (1) (a) To facilitate continued discussions within and between basins on water management issues, and to encourage locally driven collaborative solutions to water supply challenges, permanent basin roundtables are hereby created in Colorado's eight water basins and in a demographically unique subregion within water division 1 as specified in subsection (3) of this section.
- (b) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF NATURAL RESOURCES SHALL TAKE SUCH ACTIONS AS MAY BE NECESSARY TO ENSURE PROPER INTEGRATION AND NONDUPLICATION OF ACTIVITIES OCCURRING PURSUANT TO THE STATEWIDE WATER SUPPLY INITIATIVE AND THIS ARTICLE.
- (2) EACH BASIN ROUNDTABLE SHALL HAVE THE FOLLOWING POWERS AND RESPONSIBILITIES:
- (a) (I) AS SOON AS PRACTICABLE FOLLOWING THE EFFECTIVE DATE OF THIS ARTICLE, EACH BASIN ROUNDTABLE SHALL ESTABLISH BYLAWS, OPERATING PROCEDURES, GOALS, AND OBJECTIVES TO GOVERN THE ACTIONS AND DECISIONS OF THE APPLICABLE ROUNDTABLE. BASIN ROUNDTABLES AND THEIR REPRESENTATIVES

ON THE INTERBASIN COMPACT COMMITTEE MAY OPT OUT OF THE PROCEDURES ESTABLISHED IN THIS ARTICLE AT ANY TIME.

- (II) AS DEEMED APPROPRIATE BY THE EXECUTIVE DIRECTOR, THE ROUNDTABLES ESTABLISHED PURSUANT TO THIS SECTION MAY TAKE ON THE DUTIES AND FUNCTIONS OF THE ROUNDTABLES CREATED PURSUANT TO THE STATEWIDE WATER SUPPLY INITIATIVE.
- (b) Select two basin representatives to represent the views and interests of the basin on the interbasin compact committee established pursuant to section 37-75-105. Basin representatives need not be members of the basin roundtable.
- (c) USING DATA AND INFORMATION FROM THE STATEWIDE WATER SUPPLY INITIATIVE AND OTHER APPROPRIATE SOURCES AND IN COOPERATION WITH THE ON-GOING STATEWIDE WATER SUPPLY INITIATIVE, DEVELOP A BASIN-WIDE CONSUMPTIVE AND NONCONSUMPTIVE WATER SUPPLY NEEDS ASSESSMENT, CONDUCT AN ANALYSIS OF AVAILABLE UNAPPROPRIATED WATERS WITHIN THE BASIN, AND PROPOSE PROJECTS OR METHODS, BOTH STRUCTURAL AND NONSTRUCTURAL, FOR MEETING THOSE NEEDS AND UTILIZING THOSE UNAPPROPRIATED WATERS WHERE APPROPRIATE. BASIN ROUNDTABLES SHALL ACTIVELY SEEK THE INPUT AND ADVICE OF AFFECTED LOCAL GOVERNMENTS, WATER PROVIDERS, AND OTHER INTERESTED STAKEHOLDERS AND PERSONS IN ESTABLISHING ITS NEEDS ASSESSMENT, AND SHALL PROPOSE PROJECTS OR METHODS FOR MEETING THOSE NEEDS. RECOMMENDATIONS FROM THIS ASSESSMENT SHALL BE FORWARDED TO THE INTERBASIN COMPACT COMMITTEE AND OTHER BASIN ROUNDTABLES FOR ANALYSIS AND CONSIDERATION AFTER THE GENERAL ASSEMBLY HAS APPROVED THE INTERBASIN COMPACT CHARTER.
- (d) Serve as a forum for education and debate regarding methods for meeting water supply needs; and
- (e) AS NEEDED, ESTABLISH ROUNDTABLE SUBCOMMITTEES OR OTHER MECHANISMS TO FACILITATE DIALOGUE AND RESOLUTION OF ISSUES AND CONFLICTS WITHIN THE BASIN.
- (3) (a) AS USED IN THIS SUBSECTION (3), UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (I) "Water division" has the same meaning as set forth in section 37-92-201.
- (II) "Water management district" means those districts established by the division of water resources and depicted on maps published by the division.
  - (b) THE FOLLOWING BASIN ROUNDTABLES ARE HEREBY CREATED:
- (I) The South Platte basin roundtable, consisting of water division 1 excepting those portions of water division 1 listed in subparagraphs (VIII) and (IX) of this paragraph (b);

- (II) THE ARKANSAS BASIN ROUNDTABLE, CONSISTING OF WATER DIVISION 2;
- (III) THE RIO GRANDE BASIN ROUNDTABLE, CONSISTING OF WATER DIVISION 3;
- (IV) THE GUNNISON BASIN ROUNDTABLE, CONSISTING OF WATER DIVISION 4;
- (V) THE COLORADO BASIN ROUNDTABLE, CONSISTING OF WATER DIVISION 5;
- (VI) THE YAMPA-WHITE ROUNDTABLE, CONSISTING OF WATER DIVISION 6 EXCEPTING WATER MANAGEMENT DISTRICT 47;
- (VII) THE DOLORES, SAN MIGUEL, AND SAN JUAN BASINS ROUNDTABLE, CONSISTING OF WATER DIVISION 7:
- (VIII) THE METRO ROUNDTABLE, CONSISTING OF THE FOLLOWING AREAS IN WATER DIVISION 1: THOSE PORTIONS OF WATER MANAGEMENT DISTRICTS 7 TO 9 THAT LIE EAST OF THE BOUNDARY BETWEEN RANGES 71 AND 72 WEST AND THAT PORTION OF WATER MANAGEMENT DISTRICT 2 THAT LIES SOUTH OF THE BOUNDARY BETWEEN TOWNSHIP 1 NORTH AND TOWNSHIP 1 SOUTH; AND
- (IX) THE NORTH PLATTE ROUNDTABLE, CONSISTING OF WATER MANAGEMENT DISTRICTS 47, 48, AND 76.
- (4) (a) EACH BASIN ROUNDTABLE SHALL CONSIST OF THE FOLLOWING MEMBERS, EACH OF WHOM SHALL RESIDE WITHIN THE BORDERS OF THE ROUNDTABLE, EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH (a):
- (I) ONE MEMBER APPOINTED BY THE GOVERNING BODY OF EACH COUNTY OR CITY AND COUNTY WITHIN THE BORDERS OF THE BASIN ROUNDTABLE. A COUNTY OR CITY AND COUNTY SHALL BE ENTITLED TO A MEMBER ON EACH BASIN ROUNDTABLE THAT OVERLAPS ITS BOUNDARIES.
- (II) ONE MUNICIPAL MEMBER FOR EACH COUNTY LOCATED IN WHOLE OR IN PART WITHIN THE BASIN ROUNDTABLE, WHO SHALL BE APPOINTED JOINTLY BY THE GOVERNING BODIES OF ALL MUNICIPALITIES WITHIN THAT PORTION OF THE COUNTY THAT IS LOCATED WITHIN THE ROUNDTABLE;
- (III) ONE MEMBER APPOINTED BY THE BOARD OF DIRECTORS OF EACH WATER CONSERVANCY AND WATER CONSERVATION DISTRICT WITHIN THE BORDERS OF THE ROUNDTABLE. A WATER CONSERVANCY OR WATER CONSERVATION DISTRICT SHALL BE ENTITLED TO ONE MEMBER ON EACH BASIN ROUNDTABLE THAT OVERLAPS ITS JURISDICTION.
- (IV) ONE MEMBER APPOINTED BY MUTUAL AGREEMENT OF THE CHAIRPERSON OF THE HOUSE AGRICULTURE, LIVESTOCK, AND NATURAL RESOURCES COMMITTEE AND THE CHAIRPERSON OF THE SENATE AGRICULTURE, NATURAL RESOURCES, AND ENERGY COMMITTEE;
- (V) TEN AT LARGE MEMBERS APPOINTED BY THE ROUNDTABLE MEMBERS APPOINTED PURSUANT TO SUBPARAGRAPHS (I) TO (IV) OF THIS PARAGRAPH (a) IN CONSULTATION WITH THE DIRECTOR OF COMPACT NEGOTIATIONS, ONE OF WHOM

SHALL REPRESENT ENVIRONMENTAL INTERESTS AND WHO SHALL BE SELECTED FROM NOMINEES SUBMITTED BY ONE OR MORE REGIONALLY, STATE-WIDE, OR NATIONALLY RECOGNIZED ENVIRONMENTAL CONSERVATION ORGANIZATIONS THAT HAVE OPERATED IN COLORADO FOR AT LEAST FIVE YEARS, ONE OF WHOM SHALL REPRESENT AGRICULTURAL INTERESTS, ONE OF WHOM SHALL REPRESENT LOCAL DOMESTIC WATER PROVIDER INTERESTS, ONE OF WHOM SHALL REPRESENT INDUSTRIAL INTERESTS, AND AT LEAST FIVE OF WHOM SHALL OWN ADJUDICATED WATER RIGHTS, INCLUDING OWNERS OF SHARES IN A DITCH OR RESERVOIR COMPANY OR THEIR AGENTS, OR SHALL HAVE A CONTRACT FOR WATER WITH THE FEDERAL BUREAU OF RECLAMATION OR THEIR AGENTS. ANY SUCH AGENT SHALL BE APPOINTED BY THE MEMBER THE AGENT REPRESENTS AND SHALL RESIDE WITHIN THE BORDERS OF THE MEMBER'S ROUNDTABLE.

- (VI) (A) Three nonvoting members shall be selected by the roundtable members appointed pursuant to subparagraphs (I) to (V) of this paragraph (a), who shall represent entities outside of the basin that own water rights within the basin. Members appointed pursuant to this subparagraph (VI) shall not be required to reside within the borders of the roundtable.
- (B) If no one qualifies for selection pursuant to sub-subparagraph (A) of this subparagraph (VI), three nonvoting members shall be selected from outside the basin who have interests in and are knowledgeable about water matters.
- (b) Members shall serve for a term of five years; except that initial terms shall be staggered pursuant to each roundtable's bylaws. Vacancies shall be filled pursuant to the same criteria as the original appointment.
- (c) The member of the Colorado water conservation board who resides within the borders of the basin roundtable shall act as the board's liaison to the basin roundtable and to the interbasin compact committee for the purpose of ensuring the proper coordination of Colorado water conservation board information, policies, and resources. Such coordination shall be subject to available staff resources as determined by the director of the board and the executive director of the department of natural resources.
- (5) A BASIN ROUNDTABLE SHALL BE DEEMED TO BE A LOCAL PUBLIC BODY FOR PURPOSES OF THE OPEN MEETINGS LAW, PART 4 OF ARTICLE 6 OF TITLE 24, C.R.S.
- 37-75-105. Interbasin compact committee report repeal. (1) (a) TO FACILITATE THE PROCESS OF INTERBASIN COMPACT NEGOTIATIONS, A TWENTY-SEVEN-MEMBER INTERBASIN COMPACT COMMITTEE IS HEREBY CREATED. THE INTERBASIN COMPACT COMMITTEE SHALL INCLUDE TWO REPRESENTATIVES FROM EACH BASIN ROUNDTABLE, AT LEAST ONE OF WHOM SHALL RESIDE WITHIN THE BORDERS OF THE ROUNDTABLE AND AT LEAST ONE OF WHOM SHALL OWN ADJUDICATED WATER RIGHTS, INCLUDING OWNERS OF SHARES IN A DITCH OR RESERVOIR COMPANY OR THEIR AGENTS, SIX AT-LARGE MEMBERS APPOINTED BY THE GOVERNOR, ONE MEMBER APPOINTED BY THE CHAIRPERSON OF THE HOUSE AGRICULTURE, LIVESTOCK, AND NATURAL RESOURCES COMMITTEE, ONE MEMBER

APPOINTED BY THE CHAIRPERSON OF THE SENATE AGRICULTURE, NATURAL RESOURCES, AND ENERGY COMMITTEE, AND THE DIRECTOR OF COMPACT NEGOTIATIONS. THE GOVERNOR'S APPOINTMENTS SHALL COME FROM GEOGRAPHICALLY DIVERSE PARTS OF THE STATE AND SHALL INCLUDE INDIVIDUALS WITH EXPERTISE IN ENVIRONMENTAL, RECREATIONAL, LOCAL GOVERNMENTAL, INDUSTRIAL, AND AGRICULTURAL MATTERS. NO MORE THAN THREE OF THE GOVERNOR'S APPOINTEES SHALL BE AFFILIATED WITH THE SAME POLITICAL PARTY. ANY SUCH AGENT SHALL BE APPOINTED BY THE MEMBER THE AGENT REPRESENTS AND SHALL RESIDE WITHIN THE BORDERS OF THE MEMBER'S ROUNDTABLE.

- (b) AS SOON AS PRACTICABLE FOLLOWING THE EFFECTIVE DATE OF THIS ARTICLE, THE COMMITTEE SHALL ESTABLISH BYLAWS TO GOVERN ITS ACTIONS, INCLUDING A PROCEDURE WHEREBY BASIN ROUNDTABLES THAT OPT OUT OF THE PROCEDURES ESTABLISHED IN THIS ARTICLE ARE NO LONGER REPRESENTED ON THE COMMITTEE BUT MAY OPT BACK IN.
- (2) Not later than July 1, 2006, the interbasin compact committee shall establish and refer to the general assembly an interbasin compact charter that shall govern and guide all negotiations between basin roundtables under this article. If the committee does not so refer the charter by July 1, 2006, this article is repealed, effective July 1, 2006. Upon receipt, consideration, and approval of the charter by the general assembly acting by bill, negotiations between basin roundtables may commence. Any compact or other agreement established using the procedures established in this article shall fully comply with the terms, requirements, and procedures established in the interbasin compact charter as approved pursuant to this subsection (2).
- (3) AT A MINIMUM, THE INTERBASIN COMPACT CHARTER SHALL INCLUDE THE FOLLOWING:
- (a) A NEGOTIATING FRAMEWORK AND FOUNDATIONAL PRINCIPLES TO GUIDE VOLUNTARY NEGOTIATIONS BETWEEN BASIN ROUNDTABLES, INCLUDING PRESENT AND FUTURE CONSUMPTIVE AND NONCONSUMPTIVE WATER USES AND SUCH POLICIES AS MAY BE NECESSARY TO ENSURE THAT COMPACTS OR OTHER AGREEMENTS BETWEEN ROUNDTABLES DO NOT CONFLICT OR OTHERWISE NOT CONFORM WITH ONE ANOTHER;
- (b) Subject to the principles established in Section 37-75-102, procedures for ratifying compacts or other agreements between basin roundtables, including the requirement that every basin roundtable whose waters are affected by a proposed compact or other agreement shall provide its affirmative support for such proposed compact or other agreement before such compact or agreement is final or binding;
- (c) As deemed appropriate by the interbasin compact committee but subject to the principles established in section 37-75-102, authorities and procedures for making compacts or other agreements between roundtables legally binding and enforceable; and
- (d) As deemed appropriate by the interbasin compact committee, procedures for integrating the processes established in this article with

EXISTING PLANNING, PERMITTING, AND PUBLIC PARTICIPATION PROCESSES RELATED TO THE CONSERVATION AND DEVELOPMENT OF WATER WITHIN COLORADO; EXCEPT THAT NO PROVISION OF THE CHARTER SHALL SUPERCEDE, IMPAIR, OR OTHERWISE MODIFY THE AUTHORITY, JURISDICTION, OR PERMITTING POWERS OF COUNTIES OR OTHER LOCAL GOVERNMENT ENTITIES.

- (4) Commencing in 2006, the committee shall submit an annual report to the house of representatives committee on agriculture, livestock, and natural resources and the senate committee on agriculture, natural resources, and energy by October 31 concerning the status of compact negotiations.
- (5) THE COMMITTEE SHALL BE DEEMED TO BE A STATE PUBLIC BODY FOR PURPOSES OF THE OPEN MEETINGS LAW, PART 4 OF ARTICLE 6 OF TITLE 24, C.R.S.
- **37-75-106. Public education outreach.** (1) The interbasin compact committee shall develop a public education, participation, and outreach working group.
- (2) The public education, participation, and outreach working group shall:
- (a) Create a process to inform, involve, and educate the public on the interbasin compact committee's activities and progress of the interbasin compact negotiations; and
- (b) CREATE A MECHANISM BY WHICH PUBLIC INPUT AND FEEDBACK CAN BE RELAYED TO THE INTERBASIN COMPACT COMMITTEE AND COMPACT NEGOTIATORS.
- **SECTION 2. Appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the operational account of the severance tax trust fund established pursuant to section 39-29-109 (1) (a) (II), Colorado Revised Statutes, not otherwise appropriated, to the department of natural resources, Colorado water conservation board, for the fiscal year beginning July 1, 2005, the sum of two hundred forty-seven thousand forty-four dollars (\$247,044) and 0.5 FTE, or so much thereof as may be necessary, for the implementation of this act.
- **SECTION 3. 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: June 7, 2005