Colorado Water Congress State Affairs Committee Meeting Report prepared by the Southwestern Water Conservation District

## March 27, 2019 Water Legislation Report #11 (2019 Legislative Session)

The State Affairs Committee of the Colorado Water Congress met on March 25 to discuss water-related legislation, and has not yet taken a position on <u>HB19-1218</u> (Loaned Water for Instream Flows to Improve Environment). HB19-1218 passed out of the House Energy and Environment Committee on March 25 with three amendments: 1) to remove the provision that would allow a temporary instream flow loan on reaches without a decreed instream flow, 2) clarify that a new application to the CWCB is needed upon 10-year renewal of the loan, and 3) limit the number of consecutive years a temporary ISF loan could be used.

Since the last report, the following bills have been introduced: <u>HB19-1231 (New Appliance Energy and Water Efficiency</u> <u>Standards</u>), <u>HB19-1247 (Study Agricultural Applications for Blockchain</u>), <u>HB19-1259 (Species Conservation Trust Fund Projects</u>), and <u>HB19-1271 (Augmentation of Instream Flows</u>). For more details, see the table below. The State Affairs Committee again postponed action on <u>SB19-186 (Expand Agricultural Chemical Management Program Protect Surface Water</u>), and a stakeholder meeting will be held to further review the potential impacts of the bill.

The Joint Budget Committee is proposing legislation to appropriate \$10 million to be used in fiscal year 2019 to implement the state water plan, which is \$20 million less than requested by the governor. Of that \$10 million, \$1.7 million will be dedicated to the exploration of a state demand management program and implementation of the drought contingency plan.

All the bills SWCD is currently supporting, along with recent reports, can be found at <u>https://swwcd.org/resources/legislative-updates/</u>. The table below provides a detailed summary of water-related legislation introduced during the current session. The format of each bill includes five columns and a following <u>Summary</u> cell. The 1<sup>st</sup>, 2<sup>nd</sup>, 4<sup>th</sup>, & 5<sup>th</sup> column each contain two information items as follows: 1<sup>st</sup> column has both the <u>Bill No.</u> and the <u>Short Title</u>. The 2<sup>nd</sup> column has both the <u>Sponsors</u> and the assigned <u>Committee</u>. The 3<sup>rd</sup> column contains only the <u>Concerning</u> statement, copied directly from the bill. The 4<sup>th</sup> column will show important <u>Amendments</u> and <u>Comments</u> provided by SWCD staff. The 5<sup>th</sup> column shows both <u>When Introduced</u>, <u>CWC Action</u>, and <u>SWCD</u> <u>Position</u>. Once a bill no longer requires SA Comm action I will include it in a summary table, which will also show its progress. Until CWC takes action, the bill will remain in this format. I will however, highlight in yellow changes in any of the cells, compared to the prior report. Once, CWC has acted on a bill, I will move it to the <u>Status table</u>, where its progress can be more easily monitored.

If you are aware of other entities that would like to receive these reports, please contact the Southwestern Water Conservation District office at 970-247-1302 with e-mail contact information. Once introduced, copies of bills are available at <u>www.leg.state.co.us</u>. Additional info is available at the CWC web site: <u>http://www.cowatercongress.org/stateaffairs/</u>

FYI: Legislator Contact Information

Senator Don Coram (SD 6):	303-866-4884	don.coram.senate@state.co.us
Representative Barbara McLachlan (HD 59):	303-866-2914	barbara.mclachlan.house@state.co.us
Representative Marc Catlin (HD 58):	303-866-2955	marc.catlin.house@state.co.us

Bill No. Title	Sponsors Committee	Concerning	Amendments Comments	When Introduced CWC Action / SWCD Position
HB19 1218 Loaned Water For Instream Flows to Improve Environment	H Roberts Energy & Environment	WATER CONSERVATION BOARD'S AUTHORITY TO USE WATER THAT A WATER RIGHT OWNER VOLUNTARILY LOANS TO THE BOARD FOR INSTREAM FLOW PURPOSES.	ill passed out of the House Energy & conment Committee with three dments: 1) to remove the provision would allow a temporary instream oan on reaches <u>without</u> a decreed am flow, 2) clarify that a new cation to the CWCB is needed upon ar renewal of the loan, and 3) limit umber of consecutive years a prary ISF loan could be used.	03/04/2019 DISCUSSION SWCD Position: DISCUSSION

**SUMMARY:** Under current law, the Colorado Water Conservation Board (board), subject to procedural requirements established to prevent injury to water rights or decreed conditional water rights, may use loaned water for instream flows if the loaned water is used for preserving the natural environment of a stream reach that is subject to a decreed instream flow water right held by the board.

The bill **expands the number of years** within a 10-year period that a loan may be exercised from 3 years to 5 years and allows a loan to be renewed for up to 2 additional 10-year periods.

The bill also expands the board's ability to use loaned water for instream flows to allow loans to:

- Improve the natural environment to a reasonable degree pursuant to a decreed instream flow water right held by the board; or
- Preserve or improve the natural environment to a reasonable degree for a stream reach for which the board does not hold a decreed instream flow water right.

In considering whether to accept one of the new types of loans authorized by the bill, the board must evaluate the proposed loan based on a biological analysis performed by the division of parks and wildlife. The board is required to promulgate rules regarding the necessary steps for reviewing and accepting such a loan.

Bill No. Title	Sponsors Committee	Concerning	Amendments Comments	When Introduced CWC Action / SWCD Position
HB19 1231 <u>New Appliance</u> <u>Energy And Water</u> <u>Efficiency</u> <u>Standards</u>	H Froelich, Kipp Energy & Environment	CONCERNING EFFICIENCY STANDARDS FOR EQUIPMENT SOLD IN COLORADO, AND, IN CONNECTION THEREWITH, REQUIRING CERTAIN APPLIANCES, PLUMBING FIXTURES, AND OTHER PRODUCTS SOLD FOR RESIDENTIAL OR COMMERCIAL USE TO MEET ENERGY EFFICIENCY AND WATER EFFICIENCY STANDARDS.		03/08/2019 DISCUSSION SWCD Position: DISCUSSION

**SUMMARY:** The bill **updates** and **adopts** standards for water efficiency and energy efficiency that apply to a list of consumer and commercial appliances and other products. The standards are based on state standards, federal Energy Star and WaterSense specifications, and industry standards in most cases or, where a standard is not incorporated by reference, the standard is specified by statute.

The standards apply to new products sold or installed in Colorado and are phased in over a period of 3 years, with general service lamps covered beginning in 2020, air compressors and portable air conditioners covered beginning in 2022, and all other listed products covered beginning in 2021. The bill also keeps in place the water efficiency standards on certain products that were added to the Colorado statutes in 2014. The sale of a noncomplying product after the effective date of the applicable standard is defined as a deceptive trade practice under the "Colorado Consumer Protection Act".

The executive director of the department of public health and environment is **directed to collect and publish** the standards that are incorporated by reference. The executive director is also authorized, but not required, to adopt rules incorporating more recent versions of standards or test methods in order to maintain or improve consistency with other state or federal agency standards, subject to a one-year grace period between adoption and enforcement of any new or amended standards.

HB19 1247	H Valdez, Catlin	CONCERNING A STUDY BY THE COMMISSIONER OF AGRICULTURE ON THE	03/15/2019
<u>Study Agricultural</u> Applications For	S Donovan, Coram Rural Affairs &	POTENTIAL APPLICATIONS FOR BLOCKCHAIN TECHNOLOGY IN AGRICULTURAL OPERATIONS.	DISCUSSION
Blockchain	Agriculture		SWCD Position: DISCUSSION
	Appropriations		

**SUMMARY:** The bill **directs** the commissioner of agriculture to convene an advisory group to study the potential applications for blockchain technology in agricultural operations and to report to the general assembly in 2020 with its findings and recommendations for legislation, if any. The advisory group is subject to repeal July 1, 2020.

Bill No. Title	Sponsors Committee	Concerning	Amendments Comments	When Introduced CWC Action / SWCD Position
HB19 1259 Species Conservation Trust Fund Projects	H Roberts, Pelton S Donovan Rural Affairs & Agriculture	CONCERNING SUPPORT FOR SPECIES CONSERVATION TRUST FUND PROJECTS, AND, IN CONNECTION THEREWITH, MAKING TRANSFERS TO AND APPROPRIATIONS FROM THE SPECIES CONSERVATION TRUST FUND FOR PURPOSES RECOMMENDED BY THE DEPARTMENT OF NATURAL RESOURCES.		03/20/2019 DISCUSSION SWCD Position: DISCUSSION

**SUMMARY:** The bill **appropriates** \$3.9 million from the species conservation trust fund for programs submitted by the executive director of the department of natural resources that are designed to conserve native species that state or federal law list as threatened or endangered or that are candidate species or are likely to become candidate species as determined by the United States fish and wildlife service, allocated as follows:

- Native terrestrial wildlife conservation, \$615,500;
- Native aquatic wildlife conservation, \$839,000;
- Platte river recovery implementation program, \$1,940,000;
- Colorado river basin native fish recovery programs, \$205,500; and
- Federal endangered species act litigation program, \$300,000.

On July 1, 2019, the bill **transfers** \$600,000 from the Colorado water conservation board construction fund to the species conservation trust fund. For the 2019-20 fiscal year and each of the 4 subsequent fiscal years, the bill **transfers** \$5,000,000 from the severance tax operational fund to the species conservation trust fund.

HB19 1271 <u>Augmentation of</u> <u>Instream Flows</u>	H Arndt Rural Affairs & Agriculture	CONCERNING A CLARIFICATION OF THE AUTHORITY OF THE COLORADO WATER CONSERVATION BOARD TO AUGMENT STREAM FLOWS WITH ACQUIRED WATER RIGHTS THAT HAVE BEEN PREVIOUSLY DECREED FOR AUGMENTATION USE		03/25/2019 DISCUSSION SWCD Position: DISCUSSION
SUMMARY: The bill clarifies that the Colorado water conservation board may augment stream flows to preserve or improve the natural environment to a reasonable degree by use of an acquired water right that has been previously quantified and changed to include augmentation use, without a further change of the water right being required.				

Bill No. Title	Sponsors Committee	Concerning	Amendments Comments	When Introduced CWC Action / SWCD Position
SB19 186 <u>Expand</u> <u>Agricultural</u> <u>Chemical</u> <u>Management</u> <u>Program Protect</u> <u>Surface Water</u>	S Donovan H Coram, Arndt Agriculture & Natural Resources	CONCERNING THE EXPANSION OF AGRICULTURAL CHEMICAL MANAGEMENT PLANS TO PROTECT SURFACE WATER.	Farm Bureau has organized a stake holder meeting to further review the term "state waters." SA Committee action was postponed until April 1.	03/05/2019 POSTPONED SWCD Position: DISCUSSION
<b>SUMMARY:</b> Under current law, the commissioner of agriculture is responsible for the management of the use of agricultural chemicals to protect groundwater, and the commissioner adopts rules establishing agricultural management plans for this purpose. The bill <b>expands the scope</b> of the commissioner's agricultural				

management plans to include the protection of state waters, which includes surface and subsurface waters.