



## HB18-1073

**SHORT TITLE:** Water District Ability Contract Water Assets

**LONG TITLE:** Concerning Water districts' Ability to Enter into Contracts Regarding Their Water-Related Assets.

**SPONSORS:** Rep. Gray and Sen. Gardner

**COMMITTEES:** House Committees – Agriculture, Livestock, & Natural Resources; Finance. Senate Committees – Agriculture, Natural Resources, & Energy.

**PURPOSE OF THE BILL:** To allow water districts to contract for their water or capacity in works with other defined districts and utilities for municipal, industrial, or other authorized uses as well as irrigation and domestic use previously allowed by statute.

**PROponents OF THE BILL:** Northern Water Conservancy District

**POTENTIAL STAKEHOLDERS:** Water districts, water utilities and municipalities, other water users

**BACKGROUND:** The Northern Colorado Water Conservancy District is developing the Northern Integrated Supply Project (NISP) on behalf of 15 project participants. The Municipal subdistrict of the Northern Colorado Water Conservancy District is developing the Windy Gap Firming Project on behalf of 12 project participants. Each project has formed a water activity enterprise under existing statute under which it will issue contracts to project participants. Northern believes it necessary to clarify and confirm in the Water Conservancy Act that both water supply and water capacity may be contracted for under the statute.

**Is this bill necessary this year?** It is unclear whether there are any actual deadlines that the proponents need to meet but they wish to assure statutory authority this year as they move forward with two important projects.

**How does the bill change current law?** The bill clarifies the contracting authority under the water activity enterprise statute. It adds the words “capacity in works” and uses broad language to allow the district board to set the security it will accept under the contract. The broad range of contract terms includes those found under the statutes governing municipal water and sewer contracts. The bill adds language to the water activity enterprise statute to expressly allow water districts and water activity enterprises to contract with other such entities, including activities and entities of other water districts..

**Does the bill affect the prior appropriations system?** It should not because water stored in each project must be covered by appropriate Water Court decree and exercised in accordance with those decrees.

**How is the bill implemented?** The bill appears to be self-executing, i.e., no additional action or rulemaking would be required to implement it. The purpose is simply to confirm contracting authority. Each contracting entity would negotiate its own terms regarding benefits and obligations. The bill is effective August 8 unless a referendum petition is filed.

**Practical considerations:** If for some reason the bill is not enacted, does its failure suggest that the authority sought to be confirmed does not exist and would this be a bar to moving forward with contracts?

**Fiscal Impact:** None identified