



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Memorandum

July 31, 2026

## 2026 Water Resources and Agriculture Review Committee Activities

Pursuant to Section 37-98-102, C.R.S., the Water Resources and Agriculture Review Committee's (WRARC) purpose is to oversee the conservation, use, development, and financing of Colorado's water resources and to identify, monitor, and address Colorado agriculture issues. The committee is also required to review statewide planning for water resources. The WRARC reviews and proposes legislation to further its purpose. In conducting its review, the WRARC consults with experts in the fields of water conservation, quality, use, finance, and development, and in the field of agriculture. While the committee is considered a year-round committee, it follows interim committee guidelines for drafting and requesting legislation.

[House Bill 26-1331](#) limited the committee's meetings and ability to request legislation. The committee met one time during the 2026 interim and did not take any field trips or request any legislation. This memorandum includes a summary of the topics that the committee discussed in 2026.

## Committee Activities

The committee held one meeting, which included presentations from a variety of panelists. The topics included:

- agricultural water conservation;
- Colorado's interruptible water supply agreement statute;
- the federal Farm Bill;
- the Future of Severance Tax Task Force Report;
- the Lesser Prairie Chicken;
- the Republican River Economic Study Final Report; and
- water use in large load data centers.

These topics are discussed in greater detail in the following sections.



## **Agricultural Water Conservation**

The committee heard from the Protect Colorado Ag Water Coalition about the challenges facing its members and the Coalition's top priorities for responding to the drought in Colorado.

Members of the Coalition include the Colorado Farm Bureau, Colorado Cattlemen's Association, Colorado Livestock Association, and the Rocky Mountain Farmers Union. Their top priorities include protecting private property rights; ensuring agricultural producers remain productive and profitable; ensuring conservation efforts are voluntary and temporary; seeking regionally balanced water conservation efforts; and protecting the rights, obligations, and mechanisms for equitable water apportionment established by the Colorado River Compact.

## **Colorado's Interruptible Water Supply Agreement Statute**

The State Engineer within the Department of Natural Resources (DNR) provided the committee with an overview of the interruptible water supply agreement (IWSA) statute and discussed how water transfers are permitted without a need to permanently change water right ownership under the law. The committee discussed the restrictions within the IWSA program and its historically low participation.

Additionally, the committee heard presentations from panelists from Tyner Engineering and Sciences, Mauch Farms, a Super Ditch board member, Lubber Farms, and the Lower Arkansas Water Conservancy District. Panelists discussed aspects of the program and the benefits of leasing agricultural water.

## **Federal Farm Bill**

The committee heard from Senator Michael Bennett's Office and Colorado Farm Bureau about the status of the federal Farm Bill in Congress. Panelists discussed the state policy priorities, including Western water issues, forest and watershed health, climate change, clean energy, and local food systems. Additionally, the discussion focused on crop price decreases, loan demand, and challenges with the Supplemental Nutrition Assistance Program.

## **Future of Severance Tax Task Force Report**

Pursuant to [Senate Bill 25-040](#), the Future of Severance Tax Task Force was required to present the final report to the committee. Although the final report was not yet complete, task force members presented on the draft final report and its findings. Panelists from the Colorado Water Center and Colorado State University gave an overview of the task force's findings. They discussed current severance tax sources, funding for water projects from severance taxes, and



funding sweeps used to backfill the General Fund. The panelists discussed possible future funding options, including replenishing past sweeps to the funds, preventing future sweeps, and identifying new funding sources. More information about the report can be found on the [Department of Natural Resources website](#), and the [final report](#) has been published.

### **Lesser Prairie-Chicken**

The [Lesser Prairie-Chicken](#) is a state-threatened species found in small populations in the grasslands of southeast Colorado. The committee discussed the species with American Clean Power Association, Colorado Energy Office (CEO), Colorado Parks and Wildlife (CPW), a Colorado rancher, a county commissioner, the State Land Board (SLB), and Westervelt Ecological Services. Panelists from CEO, CPW, and SLB discussed the state's efforts to preserve the species and its habitat in partnership with energy and agricultural stakeholders. Panelists from the energy sector discussed the power development requirements and considerations for the species. The committee discussed required transmission mitigation money, CPW's relationship with the community, and funding for habitat management.

### **Republican River Groundwater Economic Impact Study**

Pursuant to [House Bill 23-1220](#), the Colorado Water Center was required to present a final report to the committee regarding the findings of the Republican River Groundwater Economic Impact Study. Panelists from the Colorado Water Center and the Republican River Water Conservation District presented the report. They discussed the curtailment of groundwater pumping in the Republican River Basin, how counties are affected by curtailment, the revenue impact to counties, employment changes, and impacts to neighboring states. The committee also discussed curtailment negotiations and the region's agricultural economies.

### **Large Load Data Center Water Use**

Panelists from the National Conference of State Legislators (NCSL), the University of Colorado Boulder, and Western Resource Advocates discussed large load data centers. Specifically, NCSL informed the committee about the legislative landscape across the United States regarding large-load data centers. Panelists from the CU Boulder and Western Resource Advocates discussed how water is used for data centers and associated challenges involving data centers in Colorado.