

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 23-0205.01 Jennifer Berman x3286

HOUSE BILL 23-1242

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A BILL FOR AN ACT

101 **CONCERNING WATER USED IN OIL AND GAS OPERATIONS, AND, IN**
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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://leg.colorado.gov>.)

The bill requires an oil and gas operator in the state (operator), on or before January 31, 2024, and at least annually thereafter, to report information to the Colorado oil and gas conservation commission (commission) regarding the operator's use of water entering, utilized at, or exiting each of the operator's oil and gas locations.

The bill also requires the commission to adopt rules requiring that:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
3rd Reading Unamended
May 4, 2023

SENATE
Amended 2nd Reading
May 3, 2023

HOUSE
3rd Reading Unamended
April 21, 2023

HOUSE
Amended 2nd Reading
April 20, 2023

- When issuing an operator a new or renewed oil and gas permit on or after June 1, 2024, the commission include as a condition of the permit a requirement that the operator use a decreasing percentage of fresh water and a corresponding increasing percentage of recycled or reused water in the operator's oil and gas operations; and
- Each oil and gas operator, on and after January 1, 2024, report on a monthly basis to the commission about the daily vehicle miles traveled for any trucks hauling water to, within, or from the operator's oil and gas operations in the state.

From the information reported to the commission under the bill, the commission is required to:

- Include the information as part of the commission's annual reporting on cumulative impacts of oil and gas operations;
- Report to the division of administration (division) in the department of public health and environment, on a per-incident basis, any indication of technologically enhanced naturally occurring radioactive material or PFAS chemicals present in produced water; and
- On a quarterly basis, submit a cumulative report to the division and the department of transportation on reported vehicle miles traveled and public roads traveled.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and determines that:

4 (a) Since the year 2000, Colorado has experienced a drought that,
5 according to the Colorado state university's Colorado water institute, is
6 the most severe drought in the southwestern United States since the year
7 800;

8 (b) The drought has affected every part of Colorado, and
9 agricultural operations throughout the state have been negatively
10 impacted due to reduced water supply for irrigation;

11 (c) In the years 2020 and 2021, the historically dry conditions led
12 to the four most destructive wildfires in recorded state history; and

1 (d) Compared to twentieth century levels, the flow of the
2 Colorado river has declined twenty percent since the year 2000.

3 (2) The general assembly further finds and determines that:

4 (a) One way to conserve water is by increasing the recycling of
5 produced water in oil and gas operations;

6 (b) To reduce the use of fresh water and increase the recycling of
7 produced water in oil and gas operations, the Colorado oil and gas
8 conservation commission, referred to in this section as the "commission",
9 should ensure that it collects robust data regarding the existing use,
10 recycling, and disposal of water in oil and gas operations;

11 (c) New rules adopted by the commission will also assist in the
12 reduction of fresh water use and concomitant increase in produced water
13 recycling; and

14 (d) A produced water consortium, consisting of individuals with
15 expertise in produced water, environmental impacts, environmental
16 justice concerns, and community perspectives, would be helpful for
17 sorting through the issues related to water use in oil and gas operations,
18 with the primary goal of the consortium being to reduce the use of fresh
19 water and increase the recycling of produced water in oil and gas
20 operations.

21 (3) Therefore, the general assembly declares that:

22 (a) The collection of oil and gas operations' water use data is
23 intended to assist stakeholders, the commission, and the public to
24 determine the best solutions for reducing the use of fresh water and
25 increasing the recycling of produced water in oil and gas operations;

26 (b) The commission should adopt new rules to require a rapid and
27 substantial reduction of the use of fresh water and the increase in the

1 recycling of produced water in oil and gas operations; and

2 (c) To assist the commission and the public, a produced water
3 consortium should be appointed and should proceed in a collaborative
4 manner, with efforts to achieve consensus among consortium members
5 whenever possible. The consortium is intended to be an informational
6 resource for the commission and the public and is not intended to be a
7 party participant in any commission rule-making proceedings.

8 **SECTION 2.** In Colorado Revised Statutes, **add** 34-60-134 and
9 34-60-135 as follows:

10 **34-60-134. Reporting of water used in oil and gas operations**
11 **- cumulative reporting - definitions - rules - repeal. (1) Definitions.**

12 **AS USED IN THIS SECTION AND IN SECTION 34-60-135, UNLESS THE**
13 **CONTEXT OTHERWISE REQUIRES:**

14 (a) "CONSORTIUM" MEANS THE COLORADO PRODUCED WATER
15 CONSORTIUM CREATED IN SECTION 34-60-135 (2)(a).

16 (b) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE
17 MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

18 (c) (I) "PRODUCED WATER" MEANS WATER, INCLUDING THE
19 WATER'S MINERAL AND CHEMICAL COMPONENTS, IN OR INTRODUCED TO A
20 GEOLOGICAL FORMATION, THAT IS COPRODUCED WITH OIL OR NATURAL
21 GAS.

22 (II) "PRODUCED WATER" INCLUDES FLOWBACK WATER, EXCLUDING
23 PROPPANTS RETURNED TO THE SURFACE.

24 (d) "RECYCLED OR REUSED PRODUCED WATER" MEANS PRODUCED
25 WATER THAT IS RECONDITIONED INTO A REUSABLE FORM OR THAT IS
26 REUSED WITHOUT RECONDITIONING.

27 (2) **Well reporting - rules.** BEGINNING SEPTEMBER 1, 2023,

1 OPERATORS SHALL REPORT TO THE COMMISSION ON A MONTHLY BASIS, IN
2 A MANNER THAT PROVIDES FOR CONCURRENT REPORTING WITH REQUIRED
3 PRODUCTION REPORTING, FOR EACH OIL AND GAS WELL:

4 (a) THE VOLUME, EXPRESSED IN BARRELS, OF ALL FRESH WATER
5 USED DOWNHOLE;

6 (b) THE VOLUME, EXPRESSED IN BARRELS, OF ALL RECYCLED OR
7 REUSED PRODUCED WATER USED DOWNHOLE;

8 (c) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED
9 WATER THAT IS PRODUCED FROM THE WELL AND THE VOLUME, EXPRESSED
10 IN BARRELS, OF THE PRODUCED WATER REMOVED FROM THE OIL AND GAS
11 LOCATION FOR DISPOSAL, INCLUDING:

12 (I) THE DISPOSAL METHOD, AS DEFINED BY THE COMMISSION BY
13 RULE; AND

14 (II) THE DISPOSAL LOCATION, INCLUDING FACILITY
15 IDENTIFICATION, IF APPLICABLE; AND

16 (d) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED
17 WATER THAT IS PRODUCED FROM THE WELL AND:

18 (I) RECYCLED OR REUSED IN ANOTHER WELL AT THE SAME OIL AND
19 GAS LOCATION; AND

20 (II) REMOVED FROM THE OIL AND GAS LOCATION FOR RECYCLING
21 OR REUSE IN OIL AND GAS OPERATIONS AT A DIFFERENT OIL AND GAS
22 LOCATION, INCLUDING FOR USE BY ANOTHER OPERATOR.

23 (3) **Oil and gas location reporting - rules.** (a) BEGINNING
24 JANUARY 1, 2024, AN OPERATOR SHALL REPORT TO THE COMMISSION, ON
25 A QUARTERLY BASIS, FOR EACH OIL AND GAS LOCATION AT WHICH THE
26 OPERATOR CONDUCTED OIL AND GAS OPERATIONS IN THE PREVIOUS
27 REPORTING PERIOD:

1 (I) THE VOLUME, EXPRESSED IN BARRELS, AND WHETHER THE
2 FRESH WATER WAS ACQUIRED FROM INDUSTRIAL, COMMERCIAL,
3 MUNICIPAL, OR AGRICULTURAL WATER SOURCES FOR USE IN OIL AND GAS
4 OPERATIONS AT THE OIL AND GAS LOCATION;

5 (II) THE VOLUME, EXPRESSED IN BARRELS, AND SOURCE OF ALL
6 RECYCLED OR REUSED WATER USED IN OIL AND GAS OPERATIONS AT THE
7 OIL AND GAS LOCATION;

8 (III) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED
9 WATER DISPOSED OF FROM THE OIL AND GAS LOCATION, INCLUDING:

10 (A) THE DISPOSAL METHOD, AS DEFINED BY THE COMMISSION BY
11 RULE; AND

12 (B) THE DISPOSAL LOCATION, INCLUDING FACILITY
13 IDENTIFICATION, IF APPLICABLE;

14 (IV) THE VOLUME, EXPRESSED IN BARRELS, OF ALL PRODUCED
15 WATER THAT IS REMOVED FROM THE OIL AND GAS LOCATION FOR
16 RECYCLING OR REUSE IN OIL AND GAS OPERATIONS, INCLUDING BY
17 ANOTHER OIL AND GAS OPERATOR; AND

18 (V) THE TOTAL VOLUME, EXPRESSED IN BARRELS, OF ALL WATER
19 PRODUCED FROM ALL WELLS AT THE OIL AND GAS LOCATION IN EACH
20 MONTH OF THE REPORTING PERIOD.

21 (b) AN OPERATOR SHALL:

22 (I) FILE THE REPORT REQUIRED UNDER SUBSECTION (3)(a) OF THIS
23 SECTION NO LATER THAN FORTY-FIVE DAYS AFTER THE END OF THE
24 PREVIOUS CALENDAR QUARTER; AND

25 (II) INCLUDE IN EACH REPORT FILED PURSUANT TO SUBSECTION
26 (3)(a) OF THIS SECTION THE TOTAL AMOUNTS OF ALL FRESH WATER,
27 PRODUCED WATER, AND RECYCLED OR REUSED PRODUCED WATER

1 MANAGED AT THE OIL AND GAS LOCATION FOR ANY PURPOSE.
2 INFORMATION REPORTED UNDER THIS SUBSECTION (3)(b)(II) DOES NOT
3 INCLUDE STORM WATER.

4 (4) **Scope of report - operational lifetime of a well.** AN
5 OPERATOR'S PRODUCED WATER REPORTS DESCRIBED IN SUBSECTIONS (2)
6 AND (3) OF THIS SECTION MUST DESCRIBE ALL WATER PRODUCED OR USED
7 THROUGHOUT THE OPERATIONAL LIFETIME OF A WELL, BEGINNING WITH
8 SITE CONSTRUCTION, DRILLING, COMPLETION, STIMULATION AND
9 PRODUCTION OPERATIONS, ASSOCIATED PLUGGING AND ABANDONMENT,
10 FACILITY DECOMMISSIONING, REMEDIATION, AND RECLAMATION.

11 (5) **Rules.** (a) FOR THE PURPOSE OF COLLECTING THE DATA
12 REQUIRED BY SUBSECTIONS (2) AND (3) OF THIS SECTION, THE COMMISSION
13 MAY ADOPT RULES AUTHORIZING OPERATORS TO INCLUDE INFORMATION
14 IN THEIR REPORTS THAT IS NOT OTHERWISE REPORTED PURSUANT TO
15 EXISTING COMMISSION RULES.

16 (b) THE COMMISSION SHALL NOT ADOPT A RULE DESIGNATING THE
17 DATA REQUIRED PURSUANT TO SUBSECTION (5)(a) OF THIS SECTION AS
18 CONFIDENTIAL INFORMATION THAT AN OPERATOR MAY REDACT WHEN
19 REPORTING THE INFORMATION TO THE COMMISSION.

20 (c) (I) ON OR BEFORE DECEMBER 31, 2024, THE COMMISSION
21 SHALL ADOPT RULES TO REQUIRE A STATEWIDE REDUCTION IN FRESH
22 WATER USAGE, AND A CORRESPONDING INCREASE IN USAGE OF RECYCLED
23 OR REUSED PRODUCED WATER, AT OIL AND GAS LOCATIONS. THE RULES
24 MUST NOT APPLY TO ACTIVITIES OCCURRING WITHIN THE EXTERIOR
25 BOUNDARIES OF AN INDIAN RESERVATION LOCATED WITHIN THE STATE.

26 (II) IN ADOPTING RULES PURSUANT TO SUBSECTION (5)(c)(I) OF
27 THIS SECTION, THE COMMISSION SHALL CONSIDER:

1 (A) THE DATA IN REPORTS FILED WITH THE COMMISSION PURSUANT
2 TO SUBSECTIONS (2) AND (3) OF THIS SECTION; AND

3 (B) RECOMMENDATIONS THAT THE CONSORTIUM DEVELOPS.

4 (d) THE RULES ADOPTED PURSUANT TO THIS SUBSECTION (5) MUST
5 INCLUDE:

6 (I) REQUIREMENTS FOR NEW OIL AND GAS DEVELOPMENT PLANS
7 AND SUBSTANTIAL MODIFICATIONS TO PREVIOUSLY APPROVED PERMITS TO
8 INCLUDE A PLAN SPECIFYING THE METHODS AND LOCATIONS FOR
9 TREATMENT OF THE PRODUCED WATER, QUANTIFYING RECYCLED OR
10 REUSED PRODUCED WATER USED IN PLACE OF FRESH WATER, DESCRIBING
11 EMISSION CONTROLS ASSOCIATED WITH PRODUCED WATER TREATMENT,
12 AND INCLUDING ANY OTHER REQUIREMENTS THE COMMISSION
13 DETERMINES ARE NECESSARY FOR IMPLEMENTATION OF THIS SECTION;

14 (II) A PROHIBITION AGAINST PLACEMENT OF A NEW CENTRALIZED
15 PRODUCED WATER STORAGE OR TREATMENT FACILITY IN A
16 DISPROPORTIONATELY IMPACTED COMMUNITY;

17 (III) A REQUIREMENT THAT AN OPERATOR QUANTIFY AND REPORT,
18 FOR EACH OIL AND GAS LOCATION, THE VEHICLE MILES TRAVELED IN
19 RELATION TO FRESH WATER AND PRODUCED WATER MANAGEMENT,
20 INCLUDING VEHICLE MILES TRAVELED FOR THE RECYCLING AND REUSE OF
21 PRODUCED WATER.

22 (e) THE RULES ADOPTED PURSUANT TO SUBSECTION (5)(c) OF THIS
23 SECTION:

24 (I) MUST:

25 (A) REQUIRE FOR EACH OIL AND GAS PRODUCTION BASIN AN
26 ITERATIVE AND CONSISTENT INCREASE IN THE USE OF RECYCLED OR
27 REUSED PRODUCED WATER WITHOUT INCREASING EMISSIONS ASSOCIATED

1 WITH OIL AND GAS OPERATIONS; AND

2 (B) ESTABLISH, BASED ON RECOMMENDATIONS OF THE
3 CONSORTIUM, AN ITERATIVE AND CONSISTENT SCHEDULE OF DATES THAT
4 WILL SIGNIFICANTLY INCREASE THE USAGE OF RECYCLED OR REUSED
5 PRODUCED WATER AND DECREASE THE AMOUNT OF FRESH WATER
6 UTILIZED IN OIL AND GAS OPERATIONS IN THE STATE, WHILE ENSURING THE
7 PROTECTION OF PUBLIC HEALTH, SAFETY, AND WELFARE; THE
8 ENVIRONMENT; AND WILDLIFE RESOURCES. THE CONSORTIUM SHALL
9 REVIEW THE DATES ANNUALLY TO ENSURE THAT THE DATES CONTINUE TO
10 REPRESENT SIGNIFICANT ADVANCEMENT OF THE GOALS OF THIS SECTION,
11 TAKING INTO CONSIDERATION POPULATION DYNAMICS, IMPROVEMENTS IN
12 TECHNOLOGY, RESEARCH, BEST MANAGEMENT PRACTICES, AND
13 INFRASTRUCTURE DEVELOPMENT AROUND PRODUCED WATER.

14 (II) MAY INCLUDE OIL-AND-GAS-BASIN-SPECIFIC BENCHMARKS TO
15 COMPLY WITH THE REQUIREMENTS ESTABLISHED BY RULE PURSUANT TO
16 SUBSECTION (5)(e)(I) OF THIS SECTION.

17 (6) **Cumulative impacts reporting.** THE COMMISSION SHALL
18 INCLUDE IN ITS ANNUAL REPORTING ON CUMULATIVE IMPACTS OF OIL AND
19 GAS OPERATIONS IN THE STATE INFORMATION REPORTED PURSUANT TO
20 THIS SECTION.

21 (7) (a) ON OR BEFORE APRIL 1, 2025, THE COMMISSION SHALL
22 SUBMIT A REPORT TO THE HOUSE OF REPRESENTATIVES ENERGY AND
23 ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND
24 ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, SUMMARIZING
25 THE REPORTS DEVELOPED PURSUANT TO THIS SECTION.

26 (b) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2025.

27 **34-60-135. Colorado produced water consortium - created -**

1 **membership - recommendations - definitions - review of functions -**

2 **repeal.** (1) (a) AS USED IN THIS SECTION, UNLESS THE CONTEXT
3 OTHERWISE REQUIRES:

4 (I) "BENEFICIAL USE" HAS THE MEANING SET FORTH IN SECTION
5 37-92-103 (4).

6 (II) "DEPARTMENT" MEANS THE DEPARTMENT OF NATURAL
7 RESOURCES.

8 (III) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
9 THE DEPARTMENT.

10 (IV) "GOVERNING BODY" MEANS THE GOVERNING BODY OF THE
11 CONSORTIUM APPOINTED PURSUANT TO SUBSECTION (3)(a) OF THIS
12 SECTION TO APPOINT MEMBERS OF THE CONSORTIUM.

13 (V) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE
14 CITY, CITY AND COUNTY, OR COUNTY.

15 (VI) "NONTRIBUTARY GROUNDWATER" HAS THE MEANING SET
16 FORTH IN SECTION 37-90-103 (10.5).

17 (VII) "STATE INSTITUTION OF HIGHER EDUCATION" HAS THE
18 MEANING SET FORTH IN SECTION 23-18-102 (10).

19 (VIII) "WATER RIGHT" HAS THE MEANING SET FORTH IN SECTION
20 37-92-103 (12).

21 (b) DEFINITIONS IN SECTION 34-60-134 (1) APPLY TO TERMS AS
22 THEY ARE USED IN THIS SECTION.

23 (2) (a) THERE IS CREATED IN THE DEPARTMENT THE COLORADO
24 PRODUCED WATER CONSORTIUM TO MAKE RECOMMENDATIONS THAT ARE
25 PROTECTIVE OF PUBLIC HEALTH, SAFETY, AND WELFARE; THE
26 ENVIRONMENT; AND WILDLIFE WITH REGARD TO:

27 (I) AN INFORMED PATH FOR THE RECYCLING AND REUSE OF

1 PRODUCED WATER WITHIN, AND POTENTIALLY OUTSIDE OF, OIL AND GAS
2 OPERATIONS IN THE STATE; AND

3 (II) MEASURES TO ADDRESS BARRIERS ASSOCIATED WITH THE
4 UTILIZATION OF PRODUCED WATER.

5 (b) THE CONSORTIUM HAS NO ROLE WITHIN THE EXTERIOR
6 BOUNDARIES OF AN INDIAN RESERVATION LOCATED WITHIN THE STATE.

7 (c) THE PRIMARY GOAL OF THE CONSORTIUM IS TO HELP REDUCE
8 THE CONSUMPTION OF FRESH WATER WITHIN OIL AND GAS OPERATIONS.

9 THE CONSORTIUM SHALL BRING TOGETHER THE FOLLOWING GROUPS TO
10 COLLABORATE ON WORKING TOWARD THAT GOAL:

11 (I) STATE AND FEDERAL AGENCIES;

12 (II) RESEARCH INSTITUTIONS;

13 (III) STATE INSTITUTIONS OF HIGHER EDUCATION;

14 (IV) AFFECTED AND INTERESTED NONGOVERNMENTAL
15 ORGANIZATIONS;

16 (V) LOCAL GOVERNMENTS;

17 (VI) AFFECTED INDUSTRIES;

18 (VII) ENVIRONMENTAL JUSTICE ORGANIZATIONS;

19 (VIII) DISPROPORTIONATELY IMPACTED COMMUNITY MEMBERS;

20 AND

21 (XI) OTHER INTERESTED PARTIES.

22 (3) (a) (I) EXCEPT AS PROVIDED IN SUBSECTION (3)(a)(IV) OF THIS
23 SECTION, A GOVERNING BODY OF THE CONSORTIUM SHALL MAKE
24 APPOINTMENTS TO THE CONSORTIUM IN ACCORDANCE WITH THIS
25 SUBSECTION (3). THE MEMBERS OF THE GOVERNING BODY ALSO SERVE AS
26 MEMBERS OF THE CONSORTIUM.

27 (II) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S

1 DESIGNEE SHALL APPOINT THE FOLLOWING THREE INDIVIDUALS TO SERVE
2 AS THE GOVERNING BODY AND MEMBERS OF THE CONSORTIUM:

3 (A) ONE REPRESENTATIVE OF THE COMMISSION;

4 (B) ONE REPRESENTATIVE OF THE DIVISION OF WATER RESOURCES
5 IN THE DEPARTMENT; AND

6 (C) ONE REPRESENTATIVE FROM THE COLORADO DEPARTMENT OF
7 PUBLIC HEALTH AND ENVIRONMENT.

8 (III) THE GOVERNING BODY SHALL APPOINT THE FOLLOWING
9 TWENTY-TWO MEMBERS OF THE CONSORTIUM:

10 (A) FOUR REPRESENTATIVES FROM A STATE OR FEDERAL AGENCY,
11 OTHER THAN A COMMISSIONER OF THE COMMISSION, ASSOCIATED WITH
12 THE REGULATION OF PRODUCED WATER, INCLUDING AT LEAST ONE
13 MEMBER FROM THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND
14 ENVIRONMENT. A STAFF PERSON FOR THE COMMISSION MAY BE APPOINTED
15 PURSUANT TO THIS SUBSECTION (3)(a)(III)(A).

16 (B) FOUR REPRESENTATIVES FROM RESEARCH INSTITUTIONS OR
17 STATE INSTITUTIONS OF HIGHER EDUCATION WITH EXPERIENCE IN
18 PRODUCED WATER;

19 (C) FOUR REPRESENTATIVES FROM ENVIRONMENTAL
20 NONGOVERNMENTAL ORGANIZATIONS THAT ENGAGE IN WORK AND
21 ADVOCATE FOR POLICIES RELATED TO PRODUCED WATER;

22 (D) FOUR REPRESENTATIVES FROM THE OIL AND GAS INDUSTRY,
23 WITH ONE MEMBER APPOINTED FROM EACH OF THE FOLLOWING BASINS:
24 THE DENVER-JULESBURG OIL AND GAS BASIN; THE PICEANCE OIL AND GAS
25 BASIN; THE SAN JUAN OIL AND GAS BASIN; AND THE RATON OIL AND GAS
26 BASIN;

27 (E) TWO REPRESENTATIVES WHO SERVE ON A GOVERNING BODY OF

1 A LOCAL GOVERNMENT, WHO SHALL BE APPOINTED WITH CONSIDERATION
2 OF THE NEED FOR GEOGRAPHIC REPRESENTATION OF AREAS OF THE STATE
3 THAT HAVE CURRENT OR ANTICIPATED RECYCLED OR REUSED PRODUCED
4 WATER; AND

5 (F) FOUR REPRESENTATIVES WITH EXPERTISE AND EXPERIENCE IN
6 PRODUCED WATER.

7 (IV) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE
8 HOUSE OF REPRESENTATIVES SHALL APPOINT SIX MEMBERS OF THE
9 CONSORTIUM AS FOLLOWS:

10 (A) THREE MEMBERS, EACH FROM A NONGOVERNMENTAL
11 ORGANIZATION IN THE STATE THAT WORKS ON AND ADVOCATES FOR
12 POLICIES RELATED TO ENVIRONMENTAL JUSTICE AND CONSERVATION, TWO
13 OF WHOM ARE APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE OF
14 WHOM IS APPOINTED BY THE SPEAKER OF THE HOUSE OF
15 REPRESENTATIVES; AND

16 (B) THREE MEMBERS, EACH OF WHOM MUST BE FROM A
17 NONGOVERNMENTAL ORGANIZATION IN THE STATE THAT WORKS WITH AND
18 ADVOCATES FOR DISPROPORTIONATELY IMPACTED COMMUNITIES AND
19 COMMUNITIES OF COLOR OR MUST RESIDE IN A DISPROPORTIONATELY
20 IMPACTED COMMUNITY, ONE OF WHOM IS APPOINTED BY THE PRESIDENT
21 OF THE SENATE AND TWO OF WHOM ARE APPOINTED BY THE SPEAKER OF
22 THE HOUSE OF REPRESENTATIVES.

23 (b) ANY VACANCY IN MEMBERSHIP OF THE CONSORTIUM SHALL BE
24 FILLED AS SOON AS PRACTICABLE IN ACCORDANCE WITH THE APPOINTMENT
25 PROCESS SET FORTH IN SUBSECTION (3)(a)(III) OR (3)(a)(IV) OF THIS
26 SECTION.

27 (c) THE GOVERNING BODY SHALL CALL THE FIRST MEETING OF

1 THE CONSORTIUM, AT WHICH MEETING THE MEMBERS OF THE CONSORTIUM
2 SHALL ELECT A MEMBER TO SERVE AS CHAIR OF THE CONSORTIUM. THE
3 CHAIR OF THE CONSORTIUM SERVES FOR TWO YEARS, AND THE MEMBERS
4 OF THE CONSORTIUM ELECT A NEW CHAIR AS NEEDED.

5 (d) (I) MEMBERS SHALL BE REIMBURSED FOR ACTUAL AND
6 NECESSARY EXPENSES INCURRED WHILE PERFORMING OFFICIAL DUTIES,
7 TOGETHER WITH MILEAGE, AT THE RATE AT WHICH MEMBERS OF THE
8 GENERAL ASSEMBLY ARE REIMBURSED PURSUANT TO SECTION 2-2-317.
9 ALL CONSORTIUM MEMBERS ARE ENTITLED TO RECEIVE FIFTY DOLLARS
10 FOR EACH MEETING ATTENDED DURING THE 2023-24 STATE FISCAL YEAR;
11 EXCEPT THAT MEMBERS WHO ARE APPOINTED UNDER SUBSECTION
12 (3)(a)(IV)(B) OF THIS SECTION AND RESIDE IN A DISPROPORTIONATELY
13 IMPACTED COMMUNITY ARE ELIGIBLE TO RECEIVE AN ADDITIONAL ONE
14 HUNDRED FIFTY DOLLARS FOR EACH MEETING ATTENDED DURING THE
15 2023-24 STATE FISCAL YEAR.

16 (II) A MEMBER OF THE CONSORTIUM WHO, AS PART OF THE
17 MEMBER'S TYPICALLY ASSIGNED, REGULAR JOB DUTIES, RECEIVES
18 PROFESSIONAL COMPENSATION FOR THE MEMBER'S PARTICIPATION IN A
19 CONSORTIUM MEETING IS NOT ELIGIBLE FOR THE ADDITIONAL PER DIEM
20 FOR REPRESENTATIVES OF A DISPROPORTIONATELY IMPACTED COMMUNITY
21 PURSUANT TO SUBSECTION (3)(d)(I) OF THIS SECTION.

22 (III) THE DIRECTOR OF THE CONSORTIUM HIRED PURSUANT TO
23 SUBSECTION (3)(e) OF THIS SECTION SHALL ANNUALLY ADJUST THE PER
24 DIEM AMOUNTS SET FORTH IN SUBSECTION (3)(d)(I) OF THIS SECTION
25 BASED ON THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES
26 DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE
27 INDEX FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY ALL

1 URBAN CONSUMERS, OR ITS SUCCESSOR INDEX.

2 (IV) THE DIRECTOR OF THE CONSORTIUM SHALL DETERMINE THE
3 FORM AND MANNER BY WHICH A CONSORTIUM MEMBER MAY REQUEST
4 EXPENSE REIMBURSEMENT, MILEAGE REIMBURSEMENT, OR A PER DIEM
5 ALLOWANCE.

6 (e) THE EXECUTIVE DIRECTOR SHALL HIRE A DIRECTOR AND A
7 DIRECTOR OF RESEARCH TO ASSIST THE CONSORTIUM AS FOLLOWS:

8 (I) THE DIRECTOR OF THE CONSORTIUM SHALL PROVIDE
9 ADMINISTRATIVE SUPPORT; COORDINATE MEETINGS AND MEMBERSHIP;
10 WRITE GRANTS; PREPARE THE CONSORTIUM BUDGET; CONTRACT FOR
11 ANALYSES AND STUDIES; AND INTERACT WITH AND REPORT TO AGENCIES
12 AND THE GENERAL ASSEMBLY REGARDING POLICIES, RULE-MAKING
13 PROCEEDINGS, AND LEGISLATION REGARDING REUSE, RECYCLING, AND
14 BENEFICIAL USE OF PRODUCED WATER.

15 (II) THE DIRECTOR OF RESEARCH FOR THE CONSORTIUM SHALL
16 MANAGE ACADEMIC ANALYSES, RESEARCH, PILOT PROJECTS, AND CASE
17 STUDIES FOR THE CONSORTIUM.

18 (4) THE CONSORTIUM SHALL:

19 (a) PROVIDE RECOMMENDATIONS TO STATE AGENCIES AND THE
20 GENERAL ASSEMBLY AS FOLLOWS:

21 (I) ON OR BEFORE MAY 1, 2024, HOW STATE AND FEDERAL
22 AGENCIES CAN BETTER COORDINATE REGULATORY POLICIES RELATED TO
23 PRODUCED WATER;

24 (II) ON OR BEFORE SEPTEMBER 1, 2024, TOPICS RELATED TO
25 PRODUCED WATER;

26 (III) ON OR BEFORE NOVEMBER 1, 2024, ANY LEGISLATION OR
27 AGENCY RULES NEEDED TO REMOVE BARRIERS TO THE SAFE RECYCLING

1 AND REUSE OF PRODUCED WATER IN THE STATE, TAKING INTO
2 CONSIDERATION:

3 (A) ENVIRONMENTAL JUSTICE ISSUES;

4 (B) ANY LEGAL ISSUES THAT MAY AFFECT THE RECYCLING AND
5 REUSE OF PRODUCED WATER;

6 (C) TESTING STANDARDS AND PROCEDURES FOR TREATMENT OF
7 PRODUCED WATER FOR BOTH CONVENTIONAL AND NONCONVENTIONAL OIL
8 AND GAS EXPLORATION AND DEVELOPMENT;

9 (D) RESEARCH GAPS ASSOCIATED WITH THE TREATMENT OF
10 PRODUCED WATER, INCLUDING GAPS IN ADDRESSING EMISSIONS FROM
11 PRODUCED WATER TREATMENT AND STORAGE AND ANY OTHER
12 DEFICIENCIES IN THE TREATMENT OF PRODUCED WATER;

13 (E) WATER SHARING AGREEMENTS; AND

14 (F) INFRASTRUCTURE AND STORAGE FOR PRODUCED WATER REUSE
15 AND RECYCLING, SPECIFICALLY ADDRESSING NEW OR EXISTING PITS.

16 (IV) ON OR BEFORE DECEMBER 1, 2024, SHORT- AND LONG-TERM
17 PRODUCED WATER REUSE AND RECYCLING GOALS FOR THE STATE AND
18 CONTEMPORANEOUS DECREASES IN FRESH WATER USE;

19 (b) PARTICIPATE IN RELEVANT STATE AGENCY RULE-MAKING
20 PROCEEDINGS REGARDING PRODUCED WATER; EXCEPT THAT THE
21 CONSORTIUM SHALL NOT PARTICIPATE AS A PARTY IN ANY RULE-MAKING
22 PROCEEDING;

23 (c) ON OR BEFORE MARCH 1, 2024, DEVELOP GUIDANCE
24 DOCUMENTS AND CASE STUDIES TO PROMOTE BEST PRACTICES FOR
25 IN-FIELD RECYCLING AND REUSE OF PRODUCED WATER THROUGHOUT THE
26 STATE;

27 (d) ON OR BEFORE JULY 1, 2024, BASED ON DATA REPORTED

1 UNDER SECTION 34-60-134, ANALYZE AND REPORT ON CURRENT
2 PRODUCED WATER INFRASTRUCTURE, STORAGE, AND TREATMENT
3 FACILITIES WITHIN THE DIFFERENT OIL AND GAS PRODUCTION BASINS IN
4 THE STATE, WITH SPECIFIC EMPHASIS ON OPPORTUNITIES WITHIN THE
5 DENVER-JULESBURG OIL AND GAS PRODUCTION BASIN;

6 (e) ON OR BEFORE AUGUST 1, 2024, ANALYZE AND REPORT ON THE
7 VOLUME OF PRODUCED WATER PRODUCED IN THE DIFFERENT OIL AND GAS
8 PRODUCTION BASINS AVAILABLE FOR REUSE AND RECYCLING IN
9 COMPARISON TO THE TOTAL VOLUME OF WATER NECESSARY FOR
10 COMPLETION ACTIVITIES IN NEW OIL AND GAS OPERATIONS;

11 (f) ON OR BEFORE SEPTEMBER 1, 2024, ANALYZE AND REPORT ON
12 THE INFRASTRUCTURE, STORAGE, AND TECHNOLOGY NECESSARY TO
13 ACHIEVE DIFFERENT LEVELS OF RECYCLING AND REUSE OF PRODUCED
14 WATER IN OIL AND GAS PRODUCTION BASINS THROUGHOUT THE STATE,
15 WITH SPECIFIC EMPHASIS ON OPPORTUNITIES WITHIN THE
16 DENVER-JULESBURG OIL AND GAS PRODUCTION BASIN;

17 (g) ON OR BEFORE JULY 1, 2025, EVALUATE ANALYTICAL AND
18 TOXICOLOGICAL METHODS EMPLOYED DURING PRODUCED WATER
19 TREATMENT AND ASSESS TOOLS USED TO EVALUATE PRODUCED WATER
20 AND ITS POTENTIAL FOR USE OUTSIDE THE OIL FIELD; AND

21 (h) ON OR BEFORE APRIL 1, 2024, IN THE 2024 LEGISLATIVE
22 SESSION AND ANNUALLY THEREAFTER, AND NOTWITHSTANDING SECTION
23 24-1-136 (11)(a)(I), THROUGH THE DIRECTOR OF THE CONSORTIUM,
24 UPDATE THE HOUSE OF REPRESENTATIVES ENERGY AND ENVIRONMENT
25 COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE,
26 OR THEIR SUCCESSOR COMMITTEES, ON THE CONSORTIUM'S WORK
27 PURSUANT TO THIS SECTION.

1 (5) (a) ON OR BEFORE JULY 1, 2023, THE GOVERNING BODY AND
2 MEMBERSHIP OF THE CONSORTIUM SHALL BE APPOINTED PURSUANT TO
3 SUBSECTION (3) OF THIS SECTION.

4 (b) THE CONSORTIUM SHALL MEET ON A MONTHLY BASIS DURING
5 THE CONSORTIUM'S FIRST YEAR AND ON A QUARTERLY BASIS IN
6 SUBSEQUENT YEARS, OR MORE OFTEN IF NEEDED AS DETERMINED BY THE
7 CHAIR OF THE CONSORTIUM.

8 (6) (a) REPORTS AND ANALYSES THAT THE CONSORTIUM PROVIDES
9 TO BOTH STATE AGENCIES AND THE GENERAL ASSEMBLY MUST BE
10 INCLUSIVE OF ALL OF THE OPINIONS OF MEMBERS OF THE CONSORTIUM ON
11 THE REPORTED TOPICS.

12 (b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
13 EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL
14 INCLUDE IN THE ANNUAL "SMART ACT" DEPARTMENTAL PRESENTATION,
15 MADE TO A JOINT COMMITTEE OF THE GENERAL ASSEMBLY, PURSUANT TO
16 SECTION 2-7-203 (2) A SUMMARY OF THE CONSORTIUM'S WORK, INCLUDING
17 THE CONSORTIUM'S RECOMMENDATIONS MADE TO THE COMMISSION AND
18 REPORTS PREPARED PURSUANT TO THIS SECTION.

19 (7) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2030.
20 BEFORE THE REPEAL, THIS SECTION IS SCHEDULED FOR REVIEW IN
21 ACCORDANCE WITH SECTION 24-34-104.

22 SECTION 3. In Colorado Revised Statutes, 24-34-104, add
23 (31)(a)(VIII) as follows:

24 24-34-104. General assembly review of regulatory agencies
25 and functions for repeal, continuation, or reestablishment - legislative
26 declaration - repeal. (31) (a) The following agencies, functions, or both,
27 are scheduled for repeal on September 1, 2030:

1 (VIII) THE COLORADO PRODUCED WATER CONSORTIUM CREATED
2 IN SECTION 34-60-135 (2)(a).

3 **SECTION 4. Appropriation.** (1) For the 2023-24 state fiscal
4 year, \$464,512 is appropriated to the department of natural resources for
5 use by the Colorado oil and gas conservation commission. This
6 appropriation is from the oil and gas conservation and environmental
7 response fund created in section 34-60-122 (5)(a), C.R.S., and is based on
8 an assumption that the commission will require an additional 4.0 FTE. To
9 implement this act, the commission may use this appropriation for
10 program costs.

11 (2) For the 2023-24 state fiscal year, \$30,169 is appropriated to
12 the department of public health and environment for use by the water
13 quality control division. This appropriation is from the perfluoroalkyl and
14 polyfluoroalkyl substances cash fund created in section 8-20-206.5 (7)(a),
15 C.R.S., and is based on an assumption that the division will require an
16 additional 0.3 FTE. To implement this act, the division may use this
17 appropriation for personal services related to the drinking water program.

18 **SECTION 5. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, or safety.