First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 23-0199.01 Richard Sweetman x4333

SENATE BILL 23-262

SENATE SPONSORSHIP

Priola,

Ricks and Soper,

HOUSE SPONSORSHIP

Senate Committees Agriculture & Natural Resources Appropriations

House Committees

A BILL FOR AN ACT

101	CONCERNING REQUIRING THE COLORADO WATER CONSERVATION
102	BOARD TO STUDY THE FEASIBILITY OF WATER DESALINATION AS
103	A POTENTIAL CONTRIBUTING SOLUTION TO THE CRISIS OF
104	water scarcity in the Colorado river <u>basin, and, in</u>
105	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 <u>http://leg.colorado.gov.</u>)

The bill requires the Colorado water conservation board (CWCB) to perform a comprehensive literature review of existing research on the

challenges and opportunities of desalination facilities in California or Mexico. The literature review must include a summary of the current status of research on desalination, including quantification of certain costs of and benefits that could be realized from the construction and perpetual operation of one or more water desalination facilities in California or Mexico, or both.

On or before July 1, 2025, the CWCB must complete the study and submit a report of the CWCB's findings and recommendations to:

- The Colorado legislative committees of reference that consider water matters;
- The governor; and
- The bureau of reclamation in the federal department of the interior.

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

2 SECTION 1. In Colorado Revised Statutes, add 37-60-136 as
 2 follows:

3 follows:

37-60-136. Study regarding feasibility of water desalination
solutions for the Colorado river basin - legislative declaration required considerations - report - repeal. (1) Legislative declaration.

7 (a) THE GENERAL ASSEMBLY FINDS THAT:

8 (I) THE COLORADO RIVER SYSTEM, WHICH SUPPLIES NEARLY 9 FORTY MILLION PEOPLE ACROSS THE WESTERN UNITED STATES WITH 10 DRINKING WATER AND IRRIGATES APPROXIMATELY FIVE MILLION ACRES OF 11 FARMLAND, IS FACING HISTORIC LOWS AS A RESULT OF SUSTAINED 12 DROUGHT CONDITIONS; AND

(II) THE SEVEN STATES OF THE COLORADO RIVER BASIN ARE
STRUGGLING TO CONCEIVE AND IMPLEMENT ADEQUATE MEASURES TO
REDUCE WATER USAGE, CONSERVE AVAILABLE WATER SUPPLIES, AND PLAN
FOR A NEAR FUTURE WITH INCREASINGLY SCARCE WATER SUPPLIES.

17 (b) THE GENERAL ASSEMBLY ALSO FINDS THAT:

18 (I) DESALINATION FACILITIES HAVE BEEN SUCCESSFULLY

CONSTRUCTED AND DEPLOYED IN THE UNITED STATES AND MANY OTHER
 NATIONS, INCLUDING AUSTRALIA, ISRAEL, QATAR, SINGAPORE, AND
 SAUDI ARABIA;

4 (II) THESE FACILITIES LOCATED ALONG COASTAL COMMUNITIES
5 HAVE DEMONSTRATED THAT DESALINATION OF SEAWATER IS A VIABLE
6 AND COST-EFFECTIVE WAY TO DEVELOP NEW SUPPLIES OF WATER THAT
7 CAN BE SAFELY USED AS DRINKING WATER AND FOR OTHER BENEFICIAL
8 PURPOSES;

9 (III) CALIFORNIA CURRENTLY HAS TWELVE WATER DESALINATION 10 FACILITIES OPERATING OFF ITS COAST AND RECENTLY APPROVED THE 11 INVESTMENT OF ONE HUNDRED FORTY MILLION DOLLARS TO CONSTRUCT 12 A THIRTEENTH FACILITY CALLED THE DOHENY OCEAN DESALINATION 13 PROJECT, WHICH IS EXPECTED TO SUPPLY FIVE MILLION GALLONS OF 14 DRINKING WATER PER DAY FOR FORTY THOUSAND PEOPLE IN ORANGE 15 COUNTY AND IS EXPECTED TO REDUCE THE COUNTY'S RELIANCE ON WATER 16 IMPORTED THROUGH THE CALIFORNIA STATE WATER PROJECT AND FROM 17 THE COLORADO RIVER BY UP TO SEVENTY PERCENT;

(IV) DESALINATION OPERATIONS IN CALIFORNIA AND MEXICO
19 COULD REDUCE THE DEMANDS PLACED ON THE COLORADO RIVER BY
20 LOWER BASIN STATES, INCLUDING CALIFORNIA AND ARIZONA, WHERE
21 DESALINATED WATER CAN BE PUT TO BENEFICIAL USES; AND

(V) ALTHOUGH DESALINATION OF SEAWATER WILL NOT
SINGLE-HANDEDLY SOLVE THE CURRENT COLORADO RIVER CRISIS, ITS
POTENTIAL AS A CONTRIBUTING SOLUTION HAS NOT BEEN FULLY
DEVELOPED AND UTILIZED AND IS WORTH EXPLORING AND QUANTIFYING.
(c) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT IT IS
IMPORTANT THAT THE BOARD STUDY AND REPORT ON THE FEASIBILITY OF

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BASIN-WIDE COOPERATION TO BUILD ADDITIONAL WATER DESALINATION
 FACILITIES AS A POTENTIAL CONTRIBUTING SOLUTION TO THE PROBLEM OF
 WATER SCARCITY IN THE COLORADO RIVER BASIN AND SHARE THAT
 INFORMATION WITH NEIGHBORING STATES IN THE BASIN.

5 (2) Literature review required. The BOARD SHALL PERFORM A 6 COMPREHENSIVE LITERATURE REVIEW OF EXISTING RESEARCH ON THE 7 CHALLENGES AND OPPORTUNITIES OF DESALINATION FACILITIES IN 8 CALIFORNIA OR MEXICO. THE LITERATURE REVIEW MUST INCLUDE A 9 SUMMARY OF THE CURRENT STATUS OF RESEARCH AND IDENTIFICATION OF 10 GAPS IN EXISTING RESEARCH ON THE FOLLOWING TOPICS AS THEY RELATE 11 TO DESALINATION:

12 (a) COSTS ASSOCIATED WITH THE CONSTRUCTION OF WATER13 DESALINATION FACILITIES IN CALIFORNIA OR MEXICO;

14 (b) ANALYSIS OF THE ANNUAL COSTS OF OPERATING AND15 MAINTAINING WATER DESALINATION FACILITIES;

16 (c) THE AMOUNT OF SEAWATER THAT COULD BE DESALINATED
17 ANNUALLY AND PUT TO BENEFICIAL USES IN CALIFORNIA AND ARIZONA;
18 (d) AN ESTIMATE OF THE AMOUNTS BY WHICH CALIFORNIA,
19 ARIZONA, AND MEXICO COULD REDUCE THEIR RESPECTIVE USE OF WATER
20 FROM THE COLORADO RIVER AS A RESULT OF IMPLEMENTING AND
21 OPERATING DESALINATION FACILITIES;

(e) THE ROLE THAT RENEWABLE ENERGY MAY PLAY IN OPERATING
AND BENEFITTING FROM DESALINATION FACILITIES;

24 (f) THE ENVIRONMENTAL EFFECTS OF DESALINATION OF25 SEAWATER; AND

26 (g) IDENTIFICATION OF POTENTIAL FUNDING SOURCES TO PAY
27 START-UP COSTS, INCLUDING COSTS FOR THE CONSTRUCTION OF

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FACILITIES, INCLUDING CONSIDERATION OF PUBLIC AND PRIVATE FUNDING
 SOURCES IN EACH STATE WITHIN THE UPPER AND LOWER COLORADO RIVER
 BASINS.

4 (3) **Report required.** ON OR BEFORE JULY 1, 2025, THE BOARD
5 SHALL COMPLETE THE LITERATURE REVIEW DESCRIBED IN SUBSECTION (2)
6 OF THIS SECTION AND SUBMIT A REPORT OF THE BOARD'S FINDINGS AND
7 RECOMMENDATIONS TO:

8 (a) THE AGRICULTURE, WATER, AND NATURAL RESOURCES 9 COMMITTEE OF THE HOUSE OF REPRESENTATIVES, THE AGRICULTURE AND 10 NATURAL RESOURCES COMMITTEE OF THE SENATE, AND THE WATER 11 RESOURCES AND AGRICULTURE REVIEW COMMITTEE, OR TO ANY 12 SUCCESSOR COMMITTEES;

13 (b) THE GOVERNOR; AND

14 (c) THE BUREAU OF RECLAMATION IN THE FEDERAL DEPARTMENT
15 OF THE INTERIOR.

(4) Repeal. THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.
 SECTION 2. Appropriation. For the 2023-24 state fiscal year,
 \$50,000 is appropriated to the department of natural resources for use by
 the Colorado water conservation board. This appropriation is from the
 Colorado water conservation board construction fund created in section
 37-60-121 (1)(a), C.R.S. To implement this act, the board may use this
 appropriation for operating expenses.

23 **SECTION <u>3.</u>** Act subject to petition - effective date. This act 24 takes effect at 12:01 a.m. on the day following the expiration of the 25 ninety-day period after final adjournment of the general assembly; except 26 that, if a referendum petition is filed pursuant to section 1 (3) of article V 27 of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take
 effect unless approved by the people at the general election to be held in
 November 2024 and, in such case, will take effect on the date of the
 official declaration of the vote thereon by the governor.