1	STATE OF OKLAHOMA
2	2nd Session of the 59th Legislature (2024)
3	COMMITTEE SUBSTITUTE
4	FOR ENGROSSED SENATE BILL NO. 1341 By: Howard and Bullard of the Senate
5	
6	and
7	Newton of the House
8	
9	COMMITTEE SUBSTITUTE
10	[water and water rights - groundwater - reporting
11	requirements - fines and penalties - exclusions -
12	usage complaint - notice - metering and measurement
13	- rule promulgation - duties - codification -
14	effective date]
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17	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
18	SECTION 1. AMENDATORY 82 O.S. 2021, Section 1020.12, is
19	amended to read as follows:
20	Section 1020.12. A. Holders of permits shall be required to
21	report to the Oklahoma Water Resources Board <u>at least</u> annually their
22	use of water pursuant to their permits. Holders of permits shall
23	remit the report not later than January 31 of the year following the
24	permitted use and the report shall contain usage data based on the

provisions of Section 1020.19 of this title and Section 5 of this act. Willful failure to report annual usage may result in penalties, fines, or cancellation of the permit by the Board upon proper notice and hearing as provided in the Administrative Procedures Act. Nonuse, conservation, or usage practices that result in less usage than the permitted equal proportional share shall not result in diminishment of the permit holder's future permitted equal proportional share.

- B. Holders of permits which use groundwater in connection with an animal feeding operation which houses swine and primarily uses a liquid waste management system where animals are primarily housed in a roof-covered structure shall be required to indicate such use in their annual water use report. Such holders shall also indicate whether or not the animal feeding operation is licensed pursuant to the Oklahoma Concentrated Animal Feeding Operations Act.
- C. The Board shall notify the State Oklahoma Department of Agriculture, Food, and Forestry of the names and addresses of all permit holders who report usage of groundwater in connection with an animal feeding operation which houses swine and which primarily uses a liquid waste management system where animals are primarily housed in a roof-covered structure and who are not licensed pursuant to the Oklahoma Concentrated Animal Feeding Operations Act.

SECTION 2. AMENDATORY 82 O.S. 2021, Section 1020.15, is amended to read as follows:

Section 1020.15. A. The Oklahoma Water Resources Board shall not permit any groundwater user to commit waste by:

- 1. Drilling a well, taking, or using groundwater without a permit, except for domestic use as defined in this title;
 - 2. Taking more groundwater than is authorized by the permit;
- 3. Taking or using groundwater in any manner so that the water is lost for beneficial use;
- 4. Transporting groundwater from a well to the place of use in such a manner that there is an excessive loss in transit;
- 5. Using groundwater in such an inefficient manner that excessive losses occur;
- 6. Allowing any groundwater to reach a pervious stratum and be lost into cavernous or otherwise pervious materials encountered in a well;
- 7. Permitting or causing the pollution of a fresh water strata or basin through any act which will permit fresh groundwater polluted by minerals or other waste to filter or otherwise intrude into such a basin or subbasin. The Board shall be precluded from determining whether waste by pollution will occur pursuant to the provisions of this paragraph if the activity for which the applicant or water user intends to or has used the water as specified under Section 1020.9 of this title is required to comply with rules and requirements of or is within the jurisdictional areas of environmental responsibility of the Department of Environmental

Quality or the Oklahoma Department of Agriculture, Food, and Forestry;

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- 8. Drilling wells and producing groundwater therefrom except in accordance with the well spacing previously determined by the Board;
- 9. Using groundwater for air conditioning or cooling purposes without providing facilities to aerate and reuse such water; or
- 10. Failure to properly plug abandoned water wells in accordance with rules of the Board and file reports thereof.
- В. Complaints by any individual in violation of the provisions of subsection A of this section shall be made to the Board and to the local groundwater irrigation district, if such district is established pursuant to the laws of this state. Investigation of such complaints by the Board shall be made in collaboration with the local groundwater irrigation district. Except as otherwise provided by paragraph 7 of subsection A of this section, any employee of the Board having evidence that an act of waste is being committed in his or her presence, or after investigation of a complaint filed by another individual, shall take steps to assure that the waste ceases upon review of reporting, audits of usage, an investigation of a complaint filed by any person, or by the Board's own independent determination, the Board shall take action to cease such waste and impose fines and penalties on such user as provided in Section 1020.22 of this title. Such steps shall include, but shall not be limited to pursuing voluntary compliance, obtaining the issuance of

a cease and desist order by the Executive Director of the Oklahoma Water Resources Board, imposing progressive fines and penalties related to the severity and frequency of waste, instituting action in a court of competent jurisdiction to enjoin the waste, pursuing a suspension of suspending or revoking any permit or other administrative remedies by the Board, and filing a complaint in the district court of the county wherein such violation has occurred, and it shall be the duty of the district attorney of said such county to prosecute such complaint.

C. In cases of waste by pollution pursuant to paragraph 7 of subsection A of this section, any complaint or investigation, or any enforcement matter other than an individual proceeding involving the suspension of an Oklahoma Water Resources Board permit shall be referred to and subject to the jurisdiction of the Department of Environmental Quality or other appropriate state environmental agency or state agency with limited environmental responsibility.

SECTION 3. AMENDATORY 82 O.S. 2021, Section 1020.16, is amended to read as follows:

Section 1020.16. A. All persons engaged in the commercial drilling or commercial plugging of groundwater wells, monitoring wells, observation wells, wells utilized for heat exchange purposes, including but not limited to heat pump wells and geothermal wells, and in the commercial drilling or plugging of geotechnical borings and all persons engaged in the commercial installation of water well

pumps in this state shall make application for and become licensed
with the Oklahoma Water Resources Board. Persons required to be
licensed pursuant to this section shall pay an annual fee as
required by the Board. The fees shall be deposited and expended as
provided in subsection D of this section.

- B. The Board may prepare examinations and establish other requirements for applicants to obtain, maintain, and renew licenses and operator certifications. The examinations shall test the knowledge and skills of:
- 1. Water well drillers in the construction, alteration, and repair of wells and boreholes, including proper sealing and abandonment of wells and boreholes, and the rules promulgated by the Board regarding water well and borehole drilling and plugging; and
- 2. Pump installers in the planning, installation, operation, and repair of pumping equipment and water wells including sealing and abandonment, pumping efficiency, and the rules promulgated by the Board regarding pump installation.
- C. The Board may inspect any water well, monitoring well, boring, water well pump, or abandoned well and borehole. Upon consent of notice to the owner of the land on which the well or borehole is located or as allowed by district court order, authorized representatives of the Board may enter upon and shall be given access to the premises for the purpose of inspection. If the Board finds noncompliance with applicable laws or rules or that a

- health hazard exists, the Board may disapprove use of the well and shall provide notice to the owner of the land on which the well is located and to the well driller, if known, of the disapproval. If a well has been disapproved, it shall not be used until brought into compliance and any health hazard is eliminated. Any person aggrieved by the disapproval of a well may request a hearing before the Board.
 - D. 1. There is hereby created within the Oklahoma Water
 Resources Board the Well Drillers and Pump Installers Remedial
 Action Indemnity Fund. The Indemnity Fund shall be administered by
 the Board.

2. The Indemnity Fund shall be excluded from budget and expenditure limitations. Except as otherwise provided by subsection E of this section, the monies deposited in the Indemnity Fund shall at no time become part of the general budget of the Oklahoma Water Resources Board or any other state agency. Except as otherwise provided by subsection E of this section, no monies from the Indemnity Fund shall be transferred for any purpose to any other state agency or any account of the Board or be used for the purpose of contracting with any other state agency or reimbursing any other state agency for any expenses. Monies in the Indemnity Fund shall only be expended for remedial actions necessary, without notice and hearing, to protect groundwater from pollution or potential pollution from wells, or boreholes under the jurisdiction of the

Board that do not meet minimum standards for construction or that have been abandoned or as may be recommended by the Well Drillers and Pump Installers Advisory Council.

- 3. The fees collected pursuant to subsection A of this section shall be first credited to the Well Drillers and Pump Installers

 Remedial Action Indemnity Fund. The Indemnity Fund shall be maintained at Fifty Thousand Dollars (\$50,000.00).
- 4. Expenditures from the Indemnity Fund required pursuant to the provisions of this section shall be made pursuant to the provisions of The the Oklahoma Central Purchasing Act upon terms and conditions established by the Office of Management and Enterprise Services and shall not exceed Ten Thousand Dollars (\$10,000.00) for each well, borehole or pump for which action is taken.
- 5. Except in situations where the Board has assessed and declared a health or safety emergency and a claim by the owner of the well or borehole for costs of remedial action is not paid by private insurance or other relief, the Board shall seek reimbursement as recommended by the Well Drillers and Pump Installers Advisory Council for any remedial action taken or required by the Board. Any monies received as reimbursement shall be deposited in the Well Drillers and Pump Installers Remedial Action Indemnity Fund except as otherwise provided in subsection C of this section.

E. When the Well Drillers and Pump Installers Remedial Action Indemnity Fund reaches Fifty Thousand Dollars (\$50,000.00), the fees, monies received as reimbursement, and administrative penalties recovered under paragraph 1 of subsection G of this section shall be deposited in a separate account in the Water Resources Board OWRB Revolving Fund designated as the Well Drillers and Pump Installers Regulation Account, which shall be a continuing account not subject to fiscal year limitations. Monies in said such account shall be used by the Board for inspections, licensing, enforcement and education, reimbursing per diem and travel costs for members of the Well Drillers and Pump Installers Advisory Council pursuant to the State Travel Reimbursement Act, and as otherwise determined to be necessary to implement the provisions of this section.

- F. Before any person or firm licensed pursuant to this section shall commence the commercial drilling or plugging of any well or borehole or commence commercial installation of any pump, the person or firm shall file with the Board all data or information as the Board may by rule require to assure the protection of the groundwater in the well or borehole. After completion, the driller shall file a completion report showing all such data together with a log of the well and pumping test data if applicable.
- G. 1. The Board may, after notice and hearing, impose on any person administrative penalties of up to Five Thousand Dollars (\$5,000.00) and may revoke, suspend or deny renewal of any license

or operator certification for each violation of the rules of the
Board regarding license or certification requirements, the
requirement to obtain a license or certification, or minimum
construction or installation standards. The administrative
penalties shall be deposited in the Well Drillers and Pump
Installers Remedial Action Indemnity Fund except as otherwise
provided in subsection E of this section.

- 2. In addition to imposing administrative penalties, the Board may issue orders prohibiting actions by holders of valid licenses and operator certifications and by persons who are required to become licensed under the provisions of this section that constitute violations of rules promulgated pursuant to this section and requiring actions to remedy violations or other noncompliance with minimum standards rules for the construction of wells and borings, the plugging of wells and borings, and the commercial installation of water well pumps.
- H. If a respondent fails, refuses or neglects to comply with an order of the Board to pay an administrative penalty or to take certain action, the Board may present the matter to the Attorney General who is empowered to take action to collect the administrative penalty or to compel compliance with the order of the Board. One-half (1/2) of all penalties collected by the Attorney General shall be deposited in the Well Drillers and Pump Installers Regulation Account established pursuant to subsection E of this

section and one-half (1/2) shall be deposited in the Attorney

General's Revolving Fund created in Section 20 of Title 74 of the

Oklahoma Statutes.

- I. The Board is authorized to create a Well Drillers and Pump Installers Advisory Council. The Board shall establish rules stating the qualifications for membership and organization of the Council. Meetings of the Council shall be held at the call of the Executive Director of the Board. The Council shall have the following duties:
- 1. To recommend rules to the Board, provided such written recommendations have been concurred upon by a majority of the membership of the Council; and
- 2. To review and recommend approval or denial of use of monies in the Well Drillers and Pump Installers Remedial Action Indemnity
 - a. remedial actions to protect groundwater from pollution or potential pollution from wells, or boreholes under the jurisdiction of the Board which do not meet minimum standards for construction or that have been abandoned, and
 - b. inspections, licensing, the pursuit of enforcement action with the proper authorities and education by the Board.

2 amended to read as follows: Section 1020.19. Upon request of a majority of the landowners 3 residing within a basin or subbasin, the Board is authorized to 4 5 require that water wells be metered and that such meters as the Board shall approve be utilized by the applicant and placed under 6 seal, subject to reading by the agents of the Board at any time. 7 The Board may also require that the applicant report the reading of such meters at reasonable intervals A. The Oklahoma Water Resources 9 10 Board shall require that all water wells requiring a permit to take and use groundwater from the Oklahoma Water Resources Board be 11 12 equipped with water well flow meters or an alternative measuring 13 system as defined by the Board. The water well flow meter or alternative measuring system shall have contemporary, verifiable 14 records, as defined by the Board. The meter or alternative 15 measuring system shall remain on the well and in proper operating 16 17 condition at all times when groundwater is being produced. Data from the meter or alternative measuring system shall be transmitted 18 to the Board annually or as otherwise required by the Board. Data 19 from the measuring system shall be utilized for the annual 20 groundwater use report. The meter and measurement requirements of 21 this section shall be implemented pursuant to the provisions of 22 Section 5 of this act. 23

SECTION 4. AMENDATORY 82 O.S. 2021, Section 1020.19, is

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B. Beginning August 1, 2025, a five-year allocation of the maximum annual yield of the basin or subbasin may be approved for a regular permit. An applicant for a five-year allocation shall be required to submit annual usage as determined by a water well flow meter and pay the annual permit fee. If approved by the Board, the applicant may exceed the maximum annual yield in any year of the five-year allocation; provided, the applicant shall adhere to the cumulative maximum annual yield for the basin or subbasin over the five-year period.

- C. Except as otherwise provided in this act, the Oklahoma Water

 Resources Board shall promulgate any rules necessary to implement

 the provisions of Sections 1 through 8 of this act no later than

 August 1, 2025.
- SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1020.19A of Title 82, unless there is created a duplication in numbering, reads as follows:
- A. The Oklahoma Water Resources Board shall promulgate rules to establish a phase-in schedule and plan for the meter and measurement requirements established in Section 1020.19 of Title 82 of the Oklahoma Statutes to ensure that the requirements are implemented statewide not later than eight (8) years following the effective date of this act. The phase-in schedule and plan shall be submitted as proposed permanent rulemaking to the Legislature not later than February 1, 2025.

B. The Board is authorized to promulgate rules and procedures regarding the spacing of wells within groundwater basins. The determinations made on the spacing of wells within a basin shall be specific to that basin.

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SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1020.19B of Title 82, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Water Resources Board shall promulgate rules and implement policies for the purposes of focusing agents, employees, and systems to:

- Accept, audit, and review reporting on a timely basis from permitted groundwater users;
- 2. Modernize its data collection system with respect to permitted groundwater users and implement a program to receive and index usage reports by an online or electronic system that can accept real-time data collection;
- 3. Investigate any claims of waste pursuant to Section 1020.15 of Title 82 of the Oklahoma Statutes; and
- 4. Impose fines and penalties for overuse of water allotments
 by any permitted well user or waste pursuant to Section 1020.15 of
 Title 82 of the Oklahoma Statutes.
- 22 SECTION 7. AMENDATORY 82 O.S. 2021, Section 1085.2, as 23 last amended by Section 3, Chapter 164, O.S.L. 2023 (82 O.S. Supp.

2023, Section 1085.2), is amended to read as follows:

Section 1085.2. In addition to any and all other authority conferred upon it by law, the Oklahoma Water Resources Board shall also have authority:

- 1. Generally to do all such things as in its judgment may be necessary, proper or expedient in the accomplishment of its duties;
- 2. To make such contracts and execute such instruments as in the judgment of the Board are necessary or convenient to the exercise of any of the powers conferred upon it by law. Provided, however, no contract shall be made conveying the title or use of any waters of the State of Oklahoma this state to any person, firm, corporation or other state or subdivision of government, for sale or use in any other state, unless such contract be is specifically authorized by an act of the Oklahoma Legislature and thereafter as approved by it;
- 3. To negotiate contracts and other agreements with the federal government to arrange for the development of water resources and for the storage and distribution of water for beneficial purposes; provided, however, that the Board shall act in such capacity only as an intermediary in assisting others, and under no circumstances shall the Board have any power or authority to build, construct or finance any waterways, dams or other such projects for itself, except as may be otherwise specifically provided by the laws of this state;

- 4. To develop statewide and local plans to assure the best and most effective use and control of water to meet both the current and long-range needs of the people of Oklahoma this state; to cooperate in such planning with any public or private agency, entity or person interested in water, and is directed to prepare such plans for consideration and approval by the Legislature; and to aid, at all times, counties, incorporated cities and towns and special purpose districts in the state in promoting and developing flood control and water conservation in the state;
- 5. To employ and fix the compensation of such officers, agents, attorneys, technical personnel and employees of the Board as it shall deem necessary to the proper performance of its duties;
 - 6. To adopt and use an official seal;

- 7. To promulgate such rules and make orders as it may deem necessary or convenient to the exercise of any of the powers or the performance of any of the duties conferred or imposed upon it by this or any other law;
- 8. To institute and maintain, or to intervene in, any actions or proceedings in or before any court, board, commission or officer of this or any other state or of the United States to stop or prevent any use, misuse, appropriation or taking of any of the waters of this state which is in whole or in part in violation of any law, or of any rules, orders, judgments or decrees of any court, board, commission or officer of this or any state or of the United

- States; and to institute and maintain or intervene in any other

 action or proceeding where the Board deems it necessary to the

 proper execution and discharge of any of the powers or duties

 conferred or imposed upon it by law;
 - 9. To determine, charge and receive fees to be collected in advance for the filing and examination of applications for permits to:
 - a. construct water use works,

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- b. appropriate groundwater,
- c. appropriate stream water,
- d. establish vested rights,
- e. inspect water use works,
- f. file other papers,
- g. make copies of documents,
- h. make prints of maps and drawings,
- i. certify copies of documents, maps and drawings,
- j. file transfers of water rights,
- k. gauge wells and ditches, changes in point of diversion and changes in place of use of water,
- 1. test wells, and
- m. hold hearings, make records and provide transcripts of hearings.
- Such fees shall not be collected from any state agency or state institution;

10. To negotiate contracts or water compacts with the federal government or any department or bureau thereof, or with any other state for the purpose of obtaining assistance and cooperation in the accomplishment of the purpose of flood control and water conservation and use in the state. To that end, the Board may match funds with the federal government and with other states upon such terms as shall be agreed upon and approved by the Governor of the state, with the limitation that contracts or water compacts with other states for the division and apportionment of the cost and use of the water controlled by interstate projects shall be submitted to and approved by the Legislature of the state and the Governor of the state, and Congress and the President of the United States conformable to the State Oklahoma Constitution and Federal Constitutions the United States Constitution;

- 11. To accept gifts and grants of money and property or any interest therein;
- 12. To provide funding from federal and state monies for water and wastewater project purposes to eligible entities for preliminary engineering reports and planning and feasibility studies;
- 13. To sell or dispose of real or personal property held by the Board when no longer needed in such manner as provided by law;
- 14. To make appropriations of water to all special purpose districts;

15. To execute and deliver, without actual consideration therefor, a written release of any easement or easement deed heretofore given to the Oklahoma Conservation Commission of the State of Oklahoma, the Planning and Resources Board or the Oklahoma Water Resources Board on lands situated in this state, whenever it shall appear to said the Oklahoma Water Resources Board that the need for such easement or easement deed no longer exists; provided, the owner of the lands affected shall file a written application for such release with the Oklahoma Water Resources Board;

- 16. To review disputes involving service areas or territories, rates for raw or treated water, and abrogation clauses in contracts among municipalities and rural water districts or not-for-profit rural water corporations; to recommend mediation and refer parties in appropriate disputes to mediators and provide technical information to such mediators; and to recommend other means of resolving disputes; provided, that no party to such dispute may initiate action in any district court regarding the dispute until written notice of the dispute has been filed with the Board; provided further, that the provisions of this paragraph shall not be construed to diminish any right of access to the court granted to a party by law;
- 17. To provide workshop training sessions for board members of rural water districts and not-for-profit rural water corporations throughout the year on a regional basis for the purpose of study and

instruction in the areas of financing, law and the ethics, duties and responsibilities of such board members. Such training shall be provided by the Board in conjunction with the Oklahoma Rural Water Association as required by law. To the extent possible, the Board shall attempt to schedule training workshops in three-hour segments to be held in any public facility at a time convenient to the attendees;

- 18. To establish an agency special account through the Office of Management and Enterprise Services and the State Treasurer's

 Office of the State Treasurer as necessary for the collection and distribution of funds, including funds of sponsors and registration fees related to conferences, meetings and training sessions; and
- 19. To accredit persons having requisite knowledge in floodplain management and in minimization and prevention of flood hazards and losses:
- 20. To impose fines and penalties for overuse of water allotments by any permitted well user or any unpermitted well user who is not a domestic user pursuant to this title. Such fines and penalties shall be progressive in nature related to severity and frequency of overuse or unpermitted use and shall result in suspension or revocation of a permit upon multiple infractions by any permitted user over the entirety of the user's permits; and
- 21. To perform audits and spot checks on permitted users during production of water or to enter into and negotiate the terms of a

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    memorandum of understanding between the Board and other state
    agencies or districts concerning the contemporary verification of
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    such usage.
        SECTION 8.
                                  82 O.S. 2021, Section 1085.11, is
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                       AMENDATORY
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    amended to read as follows:
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        Section 1085.11. The Oklahoma Water Resources Board shall
    compile, index and publish all available data concerning the water
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    resources of this state in forms that will be accessible for use by
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    any citizen of this state. Such information shall include rainfall
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    reports and other precipitation data; records of public and private
    water storage facilities; data on quantity and rate of stream flow;
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    locations of natural and artificial springs; data on water insoak
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    and runoff; extent and depth of underground water reservoirs;
    reports from well-drilling logs; reports of annual permits and usage
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    within groundwater basins; reports on quality of water found in
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    various parts of Oklahoma this state; and an up-to-date compilation
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    of all Oklahoma Statutes, rules and regulations pertaining to the
    conservation, storage, use and distribution of water resources.
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        SECTION 9. This act shall become effective November 1, 2024.
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