

Part 4 Financing and Cost Recovery

73-28-401 Analysis of benefits and costs -- Allocation of costs.

- (1) The board shall allocate project costs based on the economic costs and benefits of the developed water and electricity among the following water uses:
 - (a) municipal and industrial;
 - (b) electricity;
 - (c) public recreation; and
 - (d) fish and wildlife.
- (2) The state shall pay the nonreimbursable project costs allocated to recreation and fish and wildlife.

Enacted by Chapter 216, 2006 General Session

73-28-402 Agreement for delivery -- Period for repayment of costs.

- (1) The board and each district shall establish by contract the timing and amount of developed water to be delivered to the district.
- (2) If a contract was made before the project's completion, the district shall repay the preconstruction and construction costs within 50 years from the date of:
 - (a) the delivery of developed water to the district during the first 10 years after the project is completed; or
 - (b) the project's completion for any developed water delivered to the district after the tenth anniversary date of the project's completion.
- (3) If a contract was made after the project's completion date, the district shall repay the preconstruction and construction costs within a period not to exceed 50 years from the date that the contract was made.
- (4) The board shall establish and charge a reasonable interest rate for the unpaid balance of reimbursable preconstruction and construction costs.

Enacted by Chapter 216, 2006 General Session

73-28-403 Water and electricity charges.

The board, in consultation with the committee, shall establish prices for the developed water sold to the districts and electricity sufficient to:

- (1) recover the reimbursable preconstruction costs, construction costs, and interest on those costs within the time period specified in Section 73-28-402;
- (2) pay for operation and maintenance costs;
- (3) accumulate an adequate reserve for repair and replacement; and
- (4) allocate the proportionate cost of the project facilities required to deliver the developed water to each district.

Enacted by Chapter 216, 2006 General Session

73-28-404 Repayments returned to Water Resources Conservation and Development Fund -- Establishment of an enterprise fund.

- (1) The board shall deposit, in accordance with Section 51-4-1, into the Water Resources Conservation and Development Fund:
 - (a) repayments of preconstruction and construction costs; and
 - (b) the interest charged.
- (2)
 - (a) There is created an enterprise fund, as defined in Subsection 51-5-4(8), entitled the "Lake Powell Pipeline Project Operation and Maintenance Fund."
 - (b) The fund consists of:
 - (i) revenues received from the sale of developed water that is designated for project operation, maintenance, repair, and replacement costs;
 - (ii) revenues received from the sale of electricity that are deposited in the fund in accordance with Subsection 73-28-203(3); and
 - (iii) all interest earned by the fund.
- (3) Notwithstanding Section 63J-1-211, the Legislature may not appropriate any money from the Lake Powell Pipeline Project Operation and Maintenance Fund.
- (4) The state treasurer shall:
 - (a) invest the money in the enterprise fund by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and
 - (b) deposit all interest or other earnings derived from those investments into the Lake Powell Pipeline Operation and Maintenance Fund.
- (5) The committee shall approve the expenditure of fund money to cover the project operation, maintenance, repair, and replacement costs, subject to:
 - (a) money available in the fund; and
 - (b) rules established by the board under Subsection 73-28-104(2).
- (6) If title to the project is transferred under Section 73-28-405, the agreement shall direct the disposition of the money remaining in the fund.

Amended by Chapter 303, 2011 General Session

Amended by Chapter 342, 2011 General Session

73-28-405 Transfer of title to project and water rights to districts.

- (1) The board shall convey the project's title and its associated water rights to the districts if:
 - (a) the state has been fully compensated for all of its reimbursable costs;
 - (b) the board finds that the conveyance of the project's title would be in the best interest of the state, the districts, and those receiving developed water; and
 - (c) the districts enter into an agreement with each other and the board that would ensure the continued operation, maintenance, repair, and replacement of the project.
- (2) The board shall convey the project's title and its associated water rights to the districts in proportion to the amount each district paid for the developed water it received.

Enacted by Chapter 216, 2006 General Session