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WATER RELATED CHANGES
2024 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Casey Snider
Senate Sponsor: Scott D. Sandall

LONG TITLE

General Description:

This bill addresses issues related to water.

Highlighted Provisions:

This bill:

- ▶ modifies provisions related to the formulation of a state water plan;
- ▶ requires a study of the financing of water infrastructure projects and provides a sunset date for the study;
- ▶ modifies provisions related to the Water Development Coordinating Council;
- ▶ defines terms;
- ▶ creates the Water Infrastructure Fund;
- ▶ modifies provisions of the Watershed Councils Act;
- ▶ provides for rulemaking;
- ▶ enacts planning and prioritization provisions, including:
 - defining terms;
 - requiring a unified water infrastructure plan;
 - providing for ranking and prioritizing of water infrastructure projects;
 - addressing duties; and
 - requiring reserve studies and capital asset management; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2025:

- ▶ to Department of Natural Resources - Water Infrastructure Fund as a one-time appropriation:
 - from the General Fund, One-time, \$2,500,000

28 **Other Special Clauses:**

29 None

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **63I-1-273**, as last amended by Laws of Utah 2023, Chapters 205, 26133 **73-10c-3**, as last amended by Laws of Utah 2023, Chapter 23834 **73-10g-102**, as enacted by Laws of Utah 2015, Chapter 45835 **73-10g-301**, as enacted by Laws of Utah 2020, Chapter 30936 **73-10g-302**, as enacted by Laws of Utah 2020, Chapter 30937 **73-10g-304**, as last amended by Laws of Utah 2022, Chapter 6538 **73-10g-305**, as enacted by Laws of Utah 2020, Chapter 30939 **73-10g-306**, as enacted by Laws of Utah 2020, Chapter 309

40 ENACTS:

41 **73-10-39**, Utah Code Annotated 195342 **73-10g-107**, Utah Code Annotated 195343 **73-10g-601**, Utah Code Annotated 195344 **73-10g-602**, Utah Code Annotated 195345 **73-10g-603**, Utah Code Annotated 195346 **73-10g-604**, Utah Code Annotated 195347 **73-10g-605**, Utah Code Annotated 1953

48 REPEALS AND REENACTS:

49 **73-10-15**, as last amended by Laws of Utah 1967, Chapter 176

50 REPEALS:

51 **73-10-17**, as enacted by Laws of Utah 1963, Chapter 178

52

53 *Be it enacted by the Legislature of the state of Utah:*54 Section 1. Section **63I-1-273** is amended to read:55 **63I-1-273 . Repeal dates: Title 73.**56 (1) Title 73, Chapter 27, Legislative Water Development Commission, is repealed January
57 1, 2031.58 (2) Section 73-10-39, which requires a study related to financing water infrastructure, is
59 repealed July 1, 2027.60 [~~2~~] (3) Title 73, Chapter 10g, Part 2, Agricultural Water Optimization, is repealed July 1,
61 2028.

62 ~~[(3)]~~ (4) Section 73-18-3.5, which authorizes the Division of Outdoor Recreation to appoint
63 an advisory council that includes in the advisory council's duties advising on boating
64 policies, is repealed July 1, 2024.

65 ~~[(4)]~~ (5) In relation to Title 73, Chapter 31, Water Banking Act, on December 31, 2030:

- 66 (a) Subsection 73-1-4(2)(e)(xi) is repealed;
- 67 (b) Subsection 73-10-4(1)(h) is repealed; and
- 68 (c) Title 73, Chapter 31, Water Banking Act, is repealed.

69 ~~[(5)]~~ (6) Sections 73-32-302 and 73-32-303, related to the Great Salt Lake Advisory
70 Council, are repealed July 1, 2027.

71 Section 2. Section **73-10-15** is repealed and reenacted to read:

72 **73-10-15 . State water plan -- Entities to cooperate in formulation of plan.**

73 (1) As used in this section:

- 74 (a) "Division" means the Division of Water Resources created under Section 73-10-18.
- 75 (b) "State water plan" means a comprehensive framework that identifies available water
76 resources, recommends strategies for water resource optimization, and guides efforts
77 to manage available water supplies.

78 (2) (a) Beginning on or before December 31, 2026, the division shall publish a state
79 water plan that:

- 80 (i) is consistent with the state water policy established in Section 73-1-21;
- 81 (ii) references the state unified water infrastructure plan created by the Water
82 Development Coordinating Council under Section 73-10g-602;
- 83 (iii) fosters communities and businesses;
- 84 (iv) facilitates local agriculture;
- 85 (v) addresses outdoor recreation; and
- 86 (vi) provides for a healthy environment.
- 87 (b) The state water plan may include recommendations for policy, fiscal support,
88 implementation of findings by governmental and private institutions, and public
89 engagement.
- 90 (c) In formulating the state water plan, the division shall seek input from a wide range of
91 stakeholders, including representatives from agriculture and other water dependent
92 businesses, conservationists, recreation interests, government entities, academia, and
93 Utah residents in general.
- 94 (d) The division shall update the state water plan no less frequently than every ten years.
- 95 (3) The following shall cooperate with the division in the formulation of the state water

96 plan:

97 (a) the following state entities:

98 (i) the Governor's Office of Planning and Budget;

99 (ii) the Department of Agriculture and Food;

100 (iii) within the Department of Natural Resources:

101 (A) the Division of Water Rights;

102 (B) the Utah Geological Survey;

103 (C) the Division of Wildlife Resources;

104 (D) the Division of Forestry, Fire, and State Lands; and

105 (E) the Public Lands Policy Coordinating Office;

106 (iv) within the Department of Environmental Quality:

107 (A) the Division of Drinking Water; and

108 (B) the Division of Water Quality;

109 (v) the Office of the Great Salt Lake Commissioner; and

110 (vi) the Colorado River Authority of Utah;

111 (b) the following local entities:

112 (i) a water conservancy district created under Title 17B, Chapter 2a, Part 10, Water
113 Conservancy District Act; and

114 (ii) a local watershed council created under Chapter 10g, Part 3, Watershed Councils
115 Act; and

116 (c) any other state or local entity that the division considers necessary.

117 (4) A state entity identified in Subsection (3)(a) shall designate an individual to assist and
118 advise the division in the formulation of a state water plan.

119 (5) The division shall use information, including water resources data, that has been or will
120 be assembled by state entities, the United States government, various colleges and
121 universities of the state, or any other source that can profitably contribute to the
122 development of the state water plan.

123 (6) In accordance with this section, an entity described in Subsection (3) shall cooperate
124 with the division unless the cooperation would directly impair the authority granted to
125 the entity by statute.

126 (7) The Utah Watersheds Council shall advise the division concerning state water planning
127 activities.

128 Section 3. Section **73-10-39** is enacted to read:

129 **73-10-39 . Study and recommendations related to the financing of water**

130 **infrastructure.**

131 (1) As used in this section:

132 (a) "Division" means the Division of Water Resources.

133 (b) "Water infrastructure projects" means the same as that term is defined in Section
134 73-10g-102.

135 (2) (a) The division shall study and make recommendations, to be completed by October
136 31, 2024, concerning:

137 (i) which funds or accounts used to finance water infrastructure projects should be
138 tied to the planning and prioritization process in Chapter 10g, Part 6, Planning and
139 Prioritization;

140 (ii) whether any funds or accounts should be consolidated; and

141 (iii) whether changes to the membership of the Water Development Coordinating
142 Council, created by Sections 79-2-201 and 73-10c-3, are needed to fulfill the
143 purposes of Chapter 10g, Part 6, Planning and Prioritization.

144 (b) The division shall study and make recommendations, to be completed by October 31,
145 2025, concerning whether to impose a new fee to fund water infrastructure projects
146 identified in the unified water infrastructure plan adopted under Section 73-10g-602
147 and consistent with the planning and prioritization process in Chapter 10g, Part 6,
148 Planning and Prioritization. The study shall consider:

149 (i) who is assessed the fee;

150 (ii) how to calculate the fee amount, including any adjustments to the fee amount
151 over time;

152 (iii) the process for collecting the fee;

153 (iv) where the money collected should be deposited;

154 (v) whether the revenue stream should be configured as a tax rather than a fee;

155 (vi) how the money collected should be spent;

156 (vii) the affordability of the fee for end users; and

157 (viii) how to assure that the revenue is distributed equitably statewide.

158 (3) In conducting a study described in Subsection (2), the division shall:

159 (a) work cooperatively with the Water Development Coordinating Council; and

160 (b) consult with a wide range of stakeholders with diverse interests, including those with
161 expertise in water development and delivery, tax policy, and water funding.

162 (4) The division shall report the division's findings and recommendations to the Natural
163 Resources, Agriculture, and Environment Interim Committee by no later than:

- 164 (a) for the study described in Subsection (2)(a), the November 2024 interim meeting of
 165 the Natural Resources, Agriculture, and Environment Interim Committee; and
 166 (b) for the study described in Subsection (2)(b), the November 2025 interim meeting of
 167 the Natural Resources, Agriculture, and Environment Interim Committee.

168 Section 4. Section **73-10c-3** is amended to read:

169 **73-10c-3 . Water Development Coordinating Council created -- Purpose --**
 170 **Members.**

- 171 (1) (a) There is created within the Department of Natural Resources a Water
 172 Development Coordinating Council. The council is comprised of:
- 173 (i) the director of the Division of Water Resources;
 - 174 (ii) the executive secretary of the Water Quality Board;
 - 175 (iii) the executive secretary of the Drinking Water Board;
 - 176 (iv) the director of the Housing and Community Development Division or the
 177 director's designee;
 - 178 (v) the state treasurer or the state treasurer's designee; [~~and~~]
 - 179 (vi) the commissioner of the Department of Agriculture and Food, or the
 180 commissioner's designee[-] ; and
 - 181 (vii) an individual appointed by the governor with the advice and consent of the
 182 Senate who is:
 - 183 (A) familiar with water infrastructure projects, including planning, financing,
 184 construction, or operation; and
 - 185 (B) employed by a water conservancy district that is subject to the asset
 186 management criteria of Section 17B-2a-1010.
- 187 (b) The council shall choose a chair and vice chair from among the council's own
 188 members, except the chair and vice chair may not be from the same department.
- 189 (c) A member may not receive compensation or benefits for the member's service, but
 190 may receive per diem and travel expenses in accordance with:
- 191 (i) Section 63A-3-106;
 - 192 (ii) Section 63A-3-107; and
 - 193 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 194 63A-3-107.
- 195 (2) The purposes of the council are to:
- 196 (a) coordinate the use and application of the [~~funds~~] money available to the state to give
 197 financial assistance to political subdivisions of this state so as to promote the

- 198 conservation, development, treatment, restoration, and protection of the waters of this
 199 state;
- 200 (b) promote the coordination of the financial assistance programs administered by the
 201 state and the use of the financing alternative most economically advantageous to the
 202 state and its political subdivisions;
- 203 (c) promote the consideration by the Board of Water Resources, Drinking Water Board,
 204 and Water Quality Board of regional solutions to the water and wastewater needs of
 205 individual political subdivisions of this state;
- 206 (d) assess the adequacy and needs of the state and its political subdivisions with respect
 207 to water-related infrastructures and advise the governor and the Legislature on those
 208 funding needs; [~~and~~]
- 209 (e) conduct reviews and reports on water-related infrastructure issues as directed by
 210 statute[-] ;
- 211 (f) engage in planning and prioritization of water infrastructure projects in accordance
 212 with Chapter 10g, Part 6, Planning and Prioritization; and
- 213 (g) expend money from the Water Infrastructure Fund in accordance with Section
 214 73-10g-107.

215 Section 5. Section **73-10g-102** is amended to read:

216 **73-10g-102 . Definitions.**

217 As used in this chapter:

- 218 (1) "Board" means the Board of Water Resources[~~;~~] .
- 219 (2) "Division" means the Division of Water Resources[~~;~~and] .
- 220 (3) "Restricted account" means the Water Infrastructure Restricted Account created in
 221 Section 73-10g-103.
- 222 (4) "Water Infrastructure Fund" means the enterprise fund created in Section 73-10g-107.
- 223 (5) "Water infrastructure project" means:
- 224 (a) the following for the supply, control, measurement, treatment, distribution, storage,
 225 or transport of water:
- 226 (i) planning;
- 227 (ii) design;
- 228 (iii) construction;
- 229 (iv) reconstruction;
- 230 (v) improvement;
- 231 (vi) renovation;

- 232 (vii) acquisition; or
- 233 (viii) seismic upgrade; or
- 234 (b) a project to engage in planning consistent with Part 6, Planning and Prioritization.

235 Section 6. Section **73-10g-107** is enacted to read:

236 **73-10g-107 . Water Infrastructure Fund.**

237 (1) There is created an enterprise fund known as the "Water Infrastructure Fund," which is
238 referred to in this section as the "fund."

239 (2) The fund shall consist of:

- 240 (a) appropriations from the Legislature;
- 241 (b) money from the federal government;
- 242 (c) grants or donations from a person;
- 243 (d) money made available to the state for purposes of water infrastructure projects from
244 any source;
- 245 (e) money received for the repayment of loans made from the fund; and
- 246 (f) interest and earnings on the fund.

247 (3) The state treasurer shall invest the money in the fund according to Title 51, Chapter 7,
248 State Money Management Act, except that interest or other earnings derived from those
249 investments shall be deposited into the fund.

250 (4) (a) The Water Development Coordinating Council may use money in the fund to pay
251 for the costs of administering Part 6, Planning and Prioritization, including staff
252 directly related to the activities of the Water Development Coordinating Council
253 under Part 6, Planning and Prioritization.

254 (b) The division may use money in the fund to pay for the costs of the study required by
255 Section 73-10-39.

256 (c) Fund money may be used to issue loans or grants prioritized in accordance with
257 Section 73-10g-603.

258 Section 7. Section **73-10g-301** is amended to read:

259 **Part 3. Watershed Councils Act**

260 **73-10g-301 . Implementation of part.**

261 [~~(1)~~] This part is known as the "Watershed Councils Act." ~~(2)~~] This part shall be liberally
262 construed to:

263 [~~(a)~~] (1) provide input to the Water Development Coordinating Council regarding
264 infrastructure planning on a watershed and state level in accordance with Part 6,

265 Planning and Prioritization:

266 [(b)] (2) use local expertise and resources found in universities and other research
267 institutions or in regional, state, and federal agencies.

268 (3) develop diverse and balanced stakeholder forums for discussion of water policy and
269 resource issues at watershed and state levels that are not vested with regulatory,
270 infrastructure financing, or enforcement powers or responsibilities; and

271 Section 8. Section **73-10g-302** is amended to read:

272 **73-10g-302 . Definitions.**

273 As used in this part:

274 (1) "Council" means the state council or a local council created under this part.

275 (2) "Local council" means a local [~~watershed~~]council created in accordance with Section
276 73-10g-306.

277 (3) "State council" means the Utah Watersheds Council created in Section 73-10g-304.

278 (4) "Utah Water Task Force" means a task force created by the Department of Natural
279 Resources to review and make recommendations regarding water issues.

280 Section 9. Section **73-10g-304** is amended to read:

281 **73-10g-304 . Utah Watersheds Council -- Creation and governance.**

282 (1) Within the Department of Natural Resources, there is created the "Utah Watersheds
283 Council" consisting of the following members who are residents of the state:

284 (a) the executive director of the Department of Natural Resources;

285 (b) the executive director of the Department of Environmental Quality;

286 (c) the commissioner of the Department of Agriculture and Food;

287 (d) the director of the Utah Division of Indian Affairs;

288 (e) the Utah State University Extension vice president;

289 (f) the director of the Division of Emergency Management within the Department of
290 Public Safety;

291 (g) a representative designated by the Utah Association of Counties;

292 (h) a representative designated by the Utah League of Cities and Towns;

293 (i) a representative designated by the Utah Association of Special Districts;

294 (j) a representative of reclamation projects located in the state selected by the governor
295 from a list of three persons nominated jointly by the local sponsors of reclamation
296 projects located in the state and the executive director of the Department of Natural
297 Resources;

298 (k) a representative of agricultural interests selected by the governor from a list of three

- 299 persons nominated jointly by the commissioner of the Department of Agriculture and
 300 Food, the president of the Utah Farm Bureau, and the Utah State University
 301 Extension vice president;
- 302 (l) a representative of environmental conservation interests selected by the governor
 303 from a list of three persons nominated jointly by the executive directors of the
 304 Department of Environmental Quality and Department of Natural Resources;
- 305 (m) a representative of business and industry water interests selected by the governor
 306 from a list of three individuals nominated jointly by the Utah Manufacturers
 307 Association, Utah Mining Association, and Utah Petroleum Association;
- 308 (n) an attorney who is authorized to practice law in the state, who has recognized
 309 expertise in water law, and is selected by the governor from a list of three individuals
 310 nominated jointly by the executive director of the Department of Natural Resources,
 311 the executive director of the Department of Environmental Quality, and the
 312 commissioner of the Department of Agriculture and Food; ~~and~~
- 313 (o) the state engineer, as a nonvoting member;
- 314 (p) the director of the division, as a nonvoting member; and
- 315 ~~(q)~~ (q) the designated individual selected by a local ~~[watershed]~~ council certified under
 316 Section 73-10g-306.
- 317 (2) (a) The state council shall:
- 318 (i) organize the state council as provided in this part;
- 319 (ii) select a chair and at least one vice-chair from among the members of the state
 320 council to have powers and duties provided in the organizing documents adopted
 321 by the state council; and
- 322 (iii) adopt policies to govern the state council's activities, including policies for the
 323 creation of subcommittees that may be less than a quorum of the state council and
 324 may include persons of suitable expertise who are not state council members.
- 325 (b) The state council shall make the organizing documents and policies created under
 326 Subsection (2)(a) available:
- 327 (i) to the public;
- 328 (ii) at each meeting of the state council; and
- 329 (iii) on a public website maintained by the division for council business.
- 330 (3) The state council may invite federal agencies to name representatives as liaisons to the
 331 state council.
- 332 (4) The state council shall stagger the initial terms of the state council members listed in

- 333 Subsections (1)(g) through (n), after which members will be replaced according to
334 policies adopted by the state council.
- 335 (5) After the state council's initial organization, the state council may hold regular and
336 special meetings at such locations within the state and on a schedule as the state council
337 determines, provided that the state council shall meet at least semi-annually.
- 338 (6) A majority of the voting members of the state council constitutes a quorum.
- 339 (7) The action of the majority of the voting members of the state council constitutes the
340 action of the state council.
- 341 (8) (a) The state council policies may allow that a properly authorized representative of a
342 voting member of the state council may act in the place of that voting member if the
343 voting member is absent or unable to act.
- 344 (b) The state council shall enter in the record of a meeting proper documentation of a
345 representative's authority to act on behalf of the voting member under this Subsection
346 (8).
- 347 (c) Authorization to act on behalf of a voting member may be given for more than one
348 meeting.
- 349 (d) Authorization to act on behalf of a voting member shall comply with the policies
350 adopted by the state council.
- 351 (9) (a) The division shall staff the state council.
- 352 (b) The division may make rules in accordance with Title 63G, Chapter 3, Utah
353 Administrative Rulemaking Act, to facilitate the creation and operation of the state
354 council.
- 355 Section 10. Section **73-10g-305** is amended to read:
- 356 **73-10g-305 . Role of the state council -- Reporting.**
- 357 (1) The state council [~~is directed to~~] shall:
- 358 (a) serve as a forum to encourage and facilitate discussion and collaboration by and
359 among the stakeholders relative to the water-related interests of the state and the
360 state's people and institutions;
- 361 (b) facilitate communication and coordination between the Department of Natural
362 Resources, the Department of Agriculture and Food, the Department of
363 Environmental Quality, and other state and federal agencies in the administration and
364 implementation of water-related activities;
- 365 (c) facilitate the establishment of local [~~watershed~~]councils by certifying a local council:
- 366 (i) for the watersheds defined in Section 73-10g-303; and

367 (ii) after reviewing the proceedings and documents submitted by proposed local
 368 councils, to ensure that the local council meets the certification requirements in
 369 Section 73-10g-306;

370 (d) provide resources and support for the administration of local councils;

371 (e) consult and seek guidance from local councils; [~~and~~]

372 (f) advise the Water Development Coordinating Council regarding a unified water
 373 infrastructure plan in accordance with Section 73-10g-602; and

374 [~~f~~] (g) provide advice to the governor and Legislature on water issues.

375 (2) The state council shall provide updates on the state council's activities annually, or as
 376 invited, to:

377 (a) the Natural Resources, Agriculture, and Environment Interim Committee;

378 (b) the Legislative Water Development Commission; and

379 (c) the Utah Water Task Force.

380 Section 11. Section **73-10g-306** is amended to read:

381 **73-10g-306 . Local councils -- Creation.**

382 (1) A proposed local [~~watershed~~]council may be certified by the Utah Watersheds Council
 383 under Subsection 73-10g-305(1)(c) if:

384 (a) the organizing documents and policies of the proposed local[~~watershed~~] council:

385 (i) provide for an open and equitable system of governance;

386 (ii) encourage participation by a water user or group of water users, other watershed
 387 groups, mutual irrigation companies, distribution system committees, and other
 388 stakeholders within the watershed; and

389 (iii) require that:

390 (A) a majority of the members of the local council constitutes a quorum; and

391 (B) an action of the local council be approved by no less than a majority of the
 392 members of the local council;

393 (b) in a balance appropriate for the watershed, the proposed local council membership
 394 includes watershed stakeholders who reside or work within the watershed or own or
 395 control the right to divert or use water within the watershed and is representative,
 396 where feasible, of at least these interests:

397 (i) agriculture;

398 (ii) industry;

399 (iii) Indian tribes;

400 (iv) public water suppliers, as defined in Section 73-1-4;

- 401 (v) water planning and research institutions;
- 402 (vi) water quality;
- 403 (vii) fish and wildlife;
- 404 (viii) water dependent habitat and environments;
- 405 (ix) watershed management, such as distribution system committees functioning
- 406 within the watershed;
- 407 (x) mutual irrigation companies;
- 408 (xi) land use planning agencies; and
- 409 [(xi)] (xii) local sponsors of [reclamation] Bureau of Reclamation projects;
- 410 (c) for each of the five watersheds that drain into Great Salt Lake, the proposed local
- 411 council includes a person designated by the Great Salt Lake local watershed council,
- 412 if the Great Salt Lake local ~~[watershed]~~council is certified; and
- 413 (d) for the Great Salt Lake watershed, the proposed local council includes a person
- 414 designated by each of the five watersheds that drain into Great Salt Lake that has a
- 415 certified local watershed council.
- 416 (2) A local council may invite state and federal agencies to name representatives as liaisons
- 417 to the local council.

418 Section 12. Section **73-10g-601** is enacted to read:

419 **Part 6. Planning and Prioritization**

420 **73-10g-601 . Definitions.**

421 As used in this part:

- 422 (1) "Agency plan" means a water infrastructure plan adopted by a relevant agency.
- 423 (2) "Executive director" means the executive director of the Department of Natural
- 424 Resources.
- 425 (3) "Relevant agency" means:
 - 426 (a) the Division of Water Resources;
 - 427 (b) the Division of Drinking Water;
 - 428 (c) the Division of Water Quality;
 - 429 (d) the Housing and Community Development Division; and
 - 430 (e) the Department of Agriculture and Food.
- 431 (4) "State council" means the Water Development Coordinating Council created in Sections
- 432 73-10c-3 and 79-2-201.
- 433 (5) "Utah Watersheds Council" means the Utah Watersheds Council created in Section

434 73-10g-304.

435 (6) "Water infrastructure fund money" means money in the Water Infrastructure Fund
436 created by Section 73-10g-107.

437 Section 13. Section **73-10g-602** is enacted to read:

438 **73-10g-602 . Unified water infrastructure plan -- Annual reporting.**

439 (1) (a) The state council shall adopt a unified water infrastructure plan in accordance
440 with this section by no later than March 1, 2026.

441 (b) The state council shall update the unified water infrastructure plan as needed, but at
442 least every four years.

443 (c) A relevant agency may request that the state council amend the unified water
444 infrastructure plan.

445 (2) A unified water infrastructure plan shall:

446 (a) describe water infrastructure projects:

447 (i) needed to maintain the reliable supply of safe and clean water within the state; and

448 (ii) organized in 10-year phases up to at least a 20-year plan;

449 (b) be consistent with the policies, goals, and recommendations of the state water plan;
450 and

451 (c) be based primarily on agency plans submitted by the relevant agencies.

452 (3) Beginning on June 30, 2025, a relevant agency shall:

453 (a) annually adopt a water infrastructure agency plan that describes and ranks needed
454 water infrastructure projects under the jurisdiction of the relevant agency;

455 (b) include in the agency plan ranking justifications and descriptions of whether a water
456 infrastructure project is:

457 (i) ready for construction;

458 (ii) planning for construction; or

459 (iii) a future project;

460 (c) organize an agency plan under this section in 10-year phases up to at least a 20-year
461 plan; and

462 (d) annually submit the agency plan to the state council by no later than June 30.

463 (4) Before adopting or amending a unified water infrastructure plan, the state council shall
464 provide a draft of the proposed unified water infrastructure plan to the Utah Watersheds
465 Council and the Utah Watersheds Council may advise the state council concerning the
466 unified water infrastructure plan.

467 (5) (a) Beginning September 1, 2024, a relevant agency shall annually prepare a report

- 468 and submit it to the state council concerning the funds or accounts that the relevant
469 agency administers.
- 470 (b) The report required by this Subsection (5) shall provide for the fund or account:
471 (i) the balance at the beginning of the fiscal year of the report;
472 (ii) revenues received from any source during the fiscal year;
473 (iii) the ending balance after the close of the fiscal year; and
474 (iv) projected revenues and disbursements for the coming fiscal year.
- 475 (c) The state council shall compile the reports submitted pursuant to this Subsection (5)
476 by no later than October 1 and distribute the compiled report to:
477 (i) the governor;
478 (ii) the Legislative Management Committee;
479 (iii) the Natural Resources, Agriculture, and Environment Interim Committee; and
480 (iv) the Natural Resources, Agriculture, and Environmental Quality Appropriations
481 Subcommittee.

482 Section 14. Section **73-10g-603** is enacted to read:

483 **73-10g-603 . Ranking and prioritizing water infrastructure projects.**

- 484 (1) The state council, in consultation with the relevant agencies, shall develop a written
485 prioritization process for ranking and prioritizing water infrastructure projects that are or
486 will be funded by water infrastructure fund money beginning with fiscal year 2027. The
487 written prioritization process shall:
- 488 (a) identify water infrastructure projects listed in the unified water infrastructure plan
489 described in Section 73-10g-602; and
- 490 (b) rank the water infrastructure projects identified under Subsection (1)(a).
- 491 (2) The following shall be included in the written prioritization process under Subsection
492 (1):
- 493 (a) subject to Subsection (3), categories of the types of water infrastructure projects
494 against which other water infrastructure projects are prioritized;
- 495 (b) exclusion of the following types of water infrastructure projects:
496 (i) an emergency water infrastructure project; or
497 (ii) a small water infrastructure project that receives less than an amount of water
498 infrastructure fund money established by rule made by the state council in
499 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 500 (c) hardship criteria that at a minimum refer to the hardship criteria of the Division of
501 Drinking Water and the Division of Water Quality;

- 502 (d) criteria related to the public interest, including conservation and the protection of
503 public health and safety;
- 504 (e) criteria to ensure that the project is adequately designed based on sound engineering
505 and geologic considerations;
- 506 (f) criteria for ranking or prioritizing a local water infrastructure project based on:
507 (i) a local water infrastructure plan that is consistent with this section; and
508 (ii) consultation with local entities about local water infrastructure projects;
- 509 (g) criteria for ranking or prioritizing a water infrastructure project when water
510 infrastructure fund money will be used to match federal funding;
- 511 (h) a requirement that a person who receives water infrastructure fund money for a water
512 infrastructure project:
513 (i) engage in long-term planning consistent with Section 73-10g-602; and
514 (ii) comply with Section 73-10g-605; and
515 (i) any other provision the state council considers appropriate.
- 516 (3) When including categories of types of water infrastructure projects used in the written
517 prioritization process, the state council shall consider:
518 (a) whether to apply percentages of water infrastructure fund money assigned to each
519 category;
520 (b) the size and resources of recipients; and
521 (c) the potential purposes of the different types of water infrastructure projects, such as
522 agricultural, municipal, or industrial uses.
- 523 (4) In developing the written prioritization process, the state council shall seek and consider
524 public comment related to developing the written prioritization process by holding
525 public meetings at locations throughout the state in accordance with Title 52, Chapter 4,
526 Open and Public Meetings Act.
- 527 (5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
528 the state council shall make rules establishing the written prioritization process under
529 Subsection (1).
530 (b) The state council shall submit a proposed rule to a committee or commission
531 designated by the Legislative Management Committee for review before taking final
532 action on the proposed rule or a proposed amendment to the rule described in this
533 Subsection (5).
- 534 (6) In determining priorities and funding levels of water infrastructure projects, the state
535 council shall use the ranked list of water infrastructure projects based on the criteria

536 adopted in the written prioritization process under Subsection (1).
537 (7) A relevant agency shall annually report to the state council on the status of new water
538 infrastructure projects, including water infrastructure projects that are funded by the
539 Legislature in an appropriation act.

540 (8) For a fiscal year before fiscal year 2027, a relevant agency shall prioritize water
541 infrastructure projects within the jurisdiction of the relevant agency and not the state
542 council.

543 Section 15. Section **73-10g-604** is enacted to read:

544 **73-10g-604 . State council's general duties related to prioritizing -- Reporting --**
545 **Relevant agency actions.**

546 (1) The state council shall:

547 (a) beginning with fiscal year 2027, determine priorities and funding levels of water
548 infrastructure projects for each fiscal year based on ranked water infrastructure
549 projects;

550 (b) hold public meetings in accordance with Title 52, Chapter 4, Open and Public
551 Meetings Act, and otherwise provide for public input on funding of water
552 infrastructure projects; and

553 (c) make rules in accordance with Title 63G, Chapter 3, Utah Administrative
554 Rulemaking Act, necessary to perform the state council's duties related to:

555 (i) adopting the unified water infrastructure plan;

556 (ii) adopting a written prioritization plan; and

557 (iii) prioritizing and setting funding levels for water infrastructure projects.

558 (2) (a) For water infrastructure projects prioritized with funding provided under this title,
559 the state council shall annually report, by no later than the October interim meeting of
560 the Legislature, to a committee or commission designated by the Legislative
561 Management Committee:

562 (i) a prioritized list of the water infrastructure projects and the funding levels
563 available for those water infrastructure projects; and

564 (ii) the unfunded water infrastructure projects and maintenance needs within the state.

565 (b) The committee or commission designated by the Legislative Management
566 Committee under Subsection (2)(a) shall:

567 (i) review the list reported by the state council; and

568 (ii) recommend to the Legislature:

569 (A) the amount of additional funding to allocate to water infrastructure projects;

570 and
571 (B) the source of revenue for the additional funding allocation under Subsection
572 (2)(b)(ii)(A).

573 (3) A relevant agency shall administer money prioritized under this part in a manner
574 consistent with this part.

575 Section 16. Section **73-10g-605** is enacted to read:

576 **73-10g-605 . Capital asset management and reserve analysis -- Assistance for**
577 **person seeking state funds.**

578 (1) As a condition of receiving water infrastructure fund money for a water infrastructure
579 project by a loan or grant, a recipient shall:

580 (a) conduct a reserve study showing how the recipient shall:

581 (i) repay the loan if the recipient receives a loan; and

582 (ii) collect money for repair and replacement of the water infrastructure project;

583 (b) if the recipient receives a loan, update the reserve study described in Subsection

584 (1)(a) every five years or until the loan is repaid; and

585 (c) comply with the relevant capital asset management requirements under:

586 (i) Section 19-5-202 for a water infrastructure project related to wastewater or sewage
587 infrastructure; or

588 (ii) Section 73-10g-502 for a water provider's, as defined in Section 73-10g-501,
589 water infrastructure project that is not described in Subsection (1)(c)(i).

590 (2) A reserve study required under this section shall include:

591 (a) a list of the components identified in the reserve analysis that will reasonably require
592 reserve funds;

593 (b) a statement of the probable remaining useful life, as of the date of the reserve
594 analysis, of each component identified in the reserve analysis;

595 (c) an estimate of the cost to repair, replace, or restore each component identified in the
596 reserve analysis;

597 (d) an estimate of the total annual contribution to a reserve fund necessary to meet the
598 cost to repair, replace, or restore each component identified in the reserve analysis
599 during the component's useful life and at the end of the component's useful life; and

600 (e) a reserve funding plan that recommends how the system may fund the annual
601 contribution described in Subsection (2)(d).

602 (3) If a person seeking water infrastructure fund money under this part establishes a need to
603 the satisfaction of a relevant agency, the relevant agency may provide the person:

- 604 (a) water infrastructure fund money to assist the recipient in complying with the
- 605 planning, reserve analysis, and capital asset management requirements of this part; or
- 606 (b) technical assistance with the planning, reserve analysis, or capital asset management
- 607 requirements of this part.

608 Section 17. **Repealer.**

609 This bill repeals:

610 Section **73-10-17, State water plan -- Authority of other agencies not impaired.**

611 Section 18. **FY 2025 Appropriation.**

612 The following sums of money are appropriated for the fiscal year beginning July 1,
613 2024, and ending June 30, 2025. These are additions to amounts previously
614 appropriated for fiscal year 2025.

615 Subsection 18(a) **Business-like Activities**

616 The Legislature has reviewed the following proprietary funds. Under the terms and
617 conditions of Utah Code 63J-1-410, for any included Internal Service Fund, the
618 Legislature approves budgets, full-time permanent positions, and capital acquisition
619 amounts as indicated, and appropriates to the funds, as indicated, estimated revenue
620 from rates, fees, and other charges. The Legislature authorizes the State Division of
621 Finance to transfer amounts between funds and accounts as indicated.

622 ITEM 1 To Department of Natural Resources - Water Infrastructure Fund

From General Fund, One-time	\$2,500,000
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624 Schedule of Programs:

Water Infrastructure Fund	\$2,500,000
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626 Section 19. **Effective date.**

627 This bill takes effect on May 1, 2024.