

Statewide Water Storage
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Walt Brooks
Senate Sponsor:

LONG TITLE

General Description:

This bill addresses water storage within the state.

Highlighted Provisions:

This bill:

- defines terms;
- authorizes the use of the Water Infrastructure Restricted Account for loans related to dams and reservoirs;
- addresses rulemaking related to the loans;
- provides for repayment for the loans;
- establishes the process for approving projects or proposals related to dams and reservoirs;
- requires reporting; and
- makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

73-10g-102, as last amended by Laws of Utah 2024, Chapter 335

73-10g-104, as last amended by Laws of Utah 2024, Chapter 522

73-10g-105, as last amended by Laws of Utah 2020, Chapter 28

73-10g-106, as enacted by Laws of Utah 2015, Chapter 458

ENACTS:

73-10g-108, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **73-10g-102** is amended to read:

73-10g-102 . Definitions.

As used in this chapter:

- (1) "Board" means the Board of Water Resources.
- (2) "Division" means the Division of Water Resources.
- (3) "Legislative Water Development Commission" means the commission created under Section 73-27-102.
- (4) "Local sponsor" means a state agency, a local government agency, a tribe, or other local organization that works with a federal agency or the state to plan, build, and maintain a dam and associated reservoir.
- ~~[(3)]~~ (5) "Restricted account" means the Water Infrastructure Restricted Account created in Section 73-10g-103.
- ~~[(4)]~~ (6) "Water Infrastructure Fund" means the enterprise fund created in Section 73-10g-107.
- ~~[(5)]~~ (7) "Water infrastructure project" means:
 - (a) the following for the supply, control, measurement, treatment, distribution, storage, or transport of water:
 - (i) planning;
 - (ii) design;
 - (iii) construction;
 - (iv) reconstruction;
 - (v) improvement;
 - (vi) renovation;
 - (vii) acquisition; or
 - (viii) seismic upgrade; or
 - (b) a project to engage in planning consistent with Part 6, Planning and Prioritization.

Section 2. Section **73-10g-104** is amended to read:

73-10g-104 . Authorized use of the Water Infrastructure Restricted Account.

Money in the restricted account is to be used, subject to appropriation, for:

- (1) the development of the state's undeveloped share of the Bear and Colorado rivers, pursuant to existing interstate compacts governing both rivers as described in Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development Act;
- (2) repair, replacement, or improvement of federal water projects for local sponsors in the state when federal funds are not available;
- (3) study and development of ~~[rules, criteria, targets, processes, and plans]~~ a rule, criteria,

target, process, or plan, as described in Subsection 73-10g-105(3);

- (4) a project that benefits the Colorado River drainage in Utah, including ~~[projects]~~ a project for water reuse, desalinization, building of dams, or water conservation, if a county or municipality that benefits from the project:
- (a) requires a new residential subdivision follow the regional conservation level of .59 acre-feet regardless of whether the outside water is potable, reuse, or secondary water;
 - (b) adopts and implements the local water conservancy district's emergency drought contingency plan;
 - (c) adopts and implements the local water conservancy district's grass rebate program's maximum grass restrictions;
 - (d) prohibits grass in new retail, industrial, or commercial facility landscaping;
 - (e) has reuse water be managed by the local water conservancy district;
 - (f) does not withdraw water from an aquifer in excess of the safe yield of the aquifer as defined in Section 73-5-15;
 - (g) adopts and implements excess water use surcharges;
 - (h) prohibits private water features in new development, such as a fountain, pond, or ski lake; and
 - (i) prohibits a large grassy [areas] area in new development, unless the large grassy area is open to the general public;~~[-and]~~
- (5) a project recommended to the Legislature by the Water District Water Development Council, created in Section 11-13-228, for generational water infrastructure, as defined in Section 11-13-228~~[-]~~ ; and
- (6) a project to construct or proposal to increase the capacity of water storage in this state approved under Section 73-10g-108.

Section 3. Section **73-10g-105** is amended to read:

73-10g-105 . Loans -- Rulemaking.

- (1)(a) The division and the board shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in preparation to make ~~[loans]~~ a loan from available ~~[funds]~~ money to repair, replace, or improve an underfunded federal water infrastructure ~~[projects]~~ project.
- (b) Subject to Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development Act, the division and the board shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in preparation to make ~~[loans]~~ a loan from available ~~[funds]~~ money to develop the state's undeveloped

share of the Bear and Colorado rivers.

(c) Subject to Section 73-10g-108, the division and board shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in preparation to make a loan from available money to facilitate a project to construct or proposal to increase the capacity of water storage in this state approved under Section 73-10g-108.

(2) The rules described in Subsection (1) shall:

- (a) specify the amount of money that ~~[may be loaned]~~ the board may loan;
- (b) specify the criteria the division and the board shall consider in prioritizing and awarding ~~[loans]~~ a loan;
- (c) specify the minimum qualifications for a person to receive a loan, including the amount of cost-sharing to be the responsibility of the person applying for a loan;
- (d) specify the terms of the loan, including the terms of repayment; and
- (e) require an applicant for a loan to apply on ~~[forms]~~ a form provided by the division and in a manner required by the division.

(3) The division and the board shall, in making the rules described in Subsection (1) and in consultation with the Legislative Water Development Commission~~[-created in Section 73-27-102]~~:

- (a) establish criteria for better water data and data reporting;
- (b) establish new conservation targets based on the data described in Subsection (3)(a);
- (c) institute a process for the independent verification of the data described in Subsection (3)(a);
- (d) establish a plan for an independent review of:
 - (i) the proposed construction plan for an applicant's qualifying water infrastructure project; and
 - (ii) the applicant's plan to repay the loan for the construction of the proposed water infrastructure project;
- (e) invite and recommend public involvement; and
- (f) set appropriate financing and repayment terms.

(4) The division and the board shall provide regular updates to the Legislative Management Committee on the progress made under this section, including whether the division and board intend to issue a request for proposals.

Section 4. Section **73-10g-106** is amended to read:

73-10g-106 . Requirement for repayment.

- (1) ~~[Any money utilized]~~ A person who receives money used to construct water infrastructure to develop the state's share of the Bear and Colorado Rivers [are subject to] shall repay the money in accordance with the repayment provisions of [Title 73, Chapter 26, Bear River Development Act] Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development Act.
- (2) ~~[Any money utilized]~~ A person who receives money used for the repair, replacement, or improvement of federal water infrastructure projects when federal funds are not available shall [be repaid pursuant to] repay the money in accordance with the terms and conditions established by the division and the board by rule under Section 73-10g-105.
- (3) A local sponsor who receives money used to construct or increase the capacity of water storage in this state that is approved under Section 73-10g-108 shall repay the money in accordance with the terms and conditions established by the division and the board by rule under Section 73-10g-105.

Section 5. Section **73-10g-108** is enacted to read:

73-10g-108 . Increases to water storage.

- (1) As used in this section:
- (a) "Project" means the construction of a new dam site and the associated reservoir.
- (b) "Proposal" means actions proposed by a local sponsor to increase the capacity of a reservoir that exists at the time a local sponsor applies for a loan under Subsection (4).
- (2) The board shall consider an application submitted by a local sponsor and may issue a loan to the local sponsor for a project that meets the criteria listed in Subsection (3)(b).
- (3)(a) The board shall annually evaluate projects from a list of potential dam sites prepared by the division to determine whether a project is eligible for a loan issued under Subsection (2).
- (b) The board shall use the following criteria to determine whether a project is eligible for a loan under Subsection (2):
- (i) whether there exists water rights that authorize reservoir storage at the location of the project for which a local sponsor is applying;
- (ii) whether there is a regional or state benefit to the project;
- (iii) whether there exists a local sponsor that:
- (A) is pursuing the project, including financially supporting the project; and
- (B) will own and maintain the project;
- (iv) whether construction of the project is anticipated to begin within five years of receipt of the loan;

- 167 (v) the need for and affordability of the project; and
168 (vi) any other item the board considers necessary to evaluate the potential project.
169 (4)(a) The board may award a loan under this Subsection (4) to a local sponsor that
170 applies for a loan for a proposal to increase the capacity of a reservoir that:
171 (i) exists at the time the local sponsor applies for a loan; and
172 (ii) has reduced capacity because of sedimentation.
173 (b) A local sponsor shall include with an application for a loan under this Subsection (4)
174 a feasibility study that recommends the method to increase the capacity of the
175 reservoir for which the loan is sought.
176 (c) The board may award a loan under this Subsection (4) at any time during a fiscal
177 year.
178 (5) The board shall report to the Legislative Water Development Commission each year by
179 no later than October 1 the following information for the immediately preceding fiscal
180 year:
181 (a) the number and amount of loans issued under Subsection (2);
182 (b) the progress of each project listed in Subsection (5)(a);
183 (c) a list of projects eligible for a loan under Subsection (3);
184 (d) the number and amount of loans issued under Subsection (4); and
185 (e) the progress of each proposal listed under Subsection (5)(d).

186 Section 6. **Effective Date.**

187 This bill takes effect on May 6, 2026.