

Water Project Management Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Scott D. Sandall

House Sponsor:

LONG TITLE**General Description:**

This bill creates an office within the Division of Water Resources for managing state water projects.

Highlighted Provisions:

This bill:

- defines terms;
- creates the Office of Water Management (office) within the Division of Water Resources (division);
- establishes the duties of the office;
- provides for a water manager to administer the office;
- establishes the role of the water manager;
- requires the Division of Water Resources Board to create a process for a political subdivision, special district, or state agency to nominate a water project for management by the office;
- requires the office to:
 - adopt a capital asset management plan; and
 - report to two legislative committees on the capital asset management plan no later than July 1, 2030, and every five years thereafter; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

73-10-4 (Effective 05/06/26) (Partially Repealed 12/31/30), as last amended by Laws of Utah 2025, Chapter 119

ENACTS:

73-10h-101 (Effective 05/06/26), Utah Code Annotated 1953

73-10h-102 (Effective 05/06/26), Utah Code Annotated 1953

73-10h-103 (Effective 05/06/26), Utah Code Annotated 1953

73-10h-104 (Effective 05/06/26), Utah Code Annotated 1953

73-10h-105 (Effective 05/06/26), Utah Code Annotated 1953

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

Section 1. Section **73-10-4** is amended to read:

73-10-4 (Effective 05/06/26) (Partially Repealed 12/31/30). Powers and duties of board.

(1) The board shall have the following powers and duties to:

(a) authorize studies, investigations, and plans for the full development, use, and promotion of the water and power resources of the state, including preliminary surveys, stream gauging, examinations, tests, and other estimates either separately or in consultation with federal, state and other agencies;

(b) enter into contracts subject to the provisions of this chapter for the construction or purchase of a project that in the opinion of the board will conserve and use for the best advantage of the people of this state the water and power resources of the state, including projects beyond the boundaries of the state of Utah located on interstate waters when the benefit of such projects accrues to the citizens of the state;

(c) sue and be sued in accordance with applicable law;

(d) enter into a contract that the Utah water agent, appointed under Section 73-10g-702, recommends for a water augmentation project under Section 73-10g-703;

(e) cooperate with the Utah water agent, appointed under Section 73-10g-702, in matters affecting interstate compact negotiations and the administration of the compacts affecting the waters of interstate rivers, lakes and other sources of supply, with the exception of:

(i) the waters of the Colorado River system that are governed by Title 63M, Chapter 14, Colorado River Authority of Utah Act; or

(ii) state representation under the Bear River Compact as provided in Section 73-16-4;

~~[(ii) state representation under:]~~

~~[(A) the Bear River Compact as provided in Section 73-16-4; or]~~

~~[(B) the Columbia Interstate Compact as provided in Section 73-19-9;]~~

(f) delegate management of a project approved or overseen by the board to the Office of Water Management created in Section 73-10h-102;

(g) create a written process for a state political subdivision, special district, or state agency to nominate a water project for management by the Office of Water Management in accordance with Section 73-10h-104;

~~[(f)]~~ (h) contract with federal and other agencies and with the National Water Resources Association and to make studies, investigations and recommendations and do all other things on behalf of the state for any purpose that relates to the development, conservation, protection and control of the water and power resources of the state;

~~[(g)]~~ (i) consult and advise with the Utah Water Users' Association and other organized water users' associations in the state;

~~[(h)]~~ (j) consider and make recommendations on behalf of the state of reclamation projects or other water development projects for construction by any agency of the state or United States and in so doing recommend the order in which projects shall be undertaken; or

~~[(i)]~~ (k) review, approve, and revoke an application to create a water bank under Chapter 31, Water Banking Act, collect an annual report, maintain the water banking website, and conduct any other function related to a water bank as described in Chapter 31, Water Banking Act.

(2) Nothing contained in this section shall be construed to impair or otherwise interfere with the authority of the state engineer granted by this title, except as specifically otherwise provided in this section.

Section 2. Section **73-10h-101** is enacted to read:

CHAPTER 10h. Office of Water Management

73-10h-101 (Effective 05/06/26). Definitions.

As used in this chapter:

(1) "Board" means the Board of Water Resources created in Section 73-10-1.5.

(2)(a) "Capital asset" means an essential component or essential property owned by the office that is used to provide a service related to a water project.

(b) "Capital asset" includes:

(i) a facility;

(ii) infrastructure;

(iii) equipment; or

(iv) a communications network.

- (3) "Council" means the Water District Water Development Council created in Section 11-13-228.
- (4) "Department" means the Department of Natural Resources created in Section 79-2-201.
- (5) "Director" means the director of the division.
- (6) "Division" means the Division of Water Resources created in Section 73-10-18.
- (7) "Executive director" means the executive director of the department.
- (8) "Office" means the Office of Water Management created in Section 73-10h-102.
- (9) "Special district" means the same as that term is defined in Section 17B-1-102.
- (10) "Water agent" means the Utah water agent appointed by the governor under Section 73-10g-702.
- (11) "Water augmentation project" means the same as that term is defined in Section 73-10g-701.
- (12) "Water project" means a facility, works, or other real or personal property that:
- (a) conserves or develops the water resources of the state;
 - (b) contributes to the hydroelectric power resources of the state; or
 - (c) controls flooding in the state.
- Section 3. Section **73-10h-102** is enacted to read:
- 73-10h-102 (Effective 05/06/26). Office of Water Management -- Creation -- Duties.**
- (1)(a) There is created within the division the Office of Water Management under:
- (i) the administration and general supervision of the director; and
 - (ii) the policy direction of the board.
- (b) The executive and administrative head of the office is the water manager appointed under Section 73-10h-103.
- (2) The office shall assist the director in managing:
- (a) a water project constructed or operated under the approval of the board;
 - (b) a water augmentation project negotiated by the water agent under Section 73-10g-703;
 - and
 - (c) a water project nominated and approved under Section 73-10h-104.
- (3) The office may, with approval from the board:
- (a) acquire or lease any real or personal property or acquire any interest in real or personal property;
 - (b) acquire or construct works, facilities, or improvements;
 - (c) acquire water, works, water rights, and sources of water and encumber, sell, lease,

transfer an interest in, or dispose of the water, works, water rights, and sources of water;

(d) contract with a political subdivision of the state, another state, or other person for:

(i) the joint operation or use of works owned by any party to the contract; or

(ii) the sale, purchase, lease, exchange, or loan of water, water rights, works, or related services;

(e) fix rates and terms for the sale, lease, or other disposal of water;

(f) acquire rights to the use of water from works constructed or operated by the office or division, or constructed or operated under a contract to which the office or division is a party, and sell rights to the use of water from those works;

(g) fix rates for the sale, lease, or other use of water, at rates that are equitable, though not necessarily equal or uniform, for similar classes of service;

(h) adopt and modify plans and specifications for a water project;

(i) investigate and promote water conservation and development;

(j) appropriate and otherwise acquire water and water rights inside or outside the state;

(k) develop, store, treat, and transport water;

(l) acquire stock in canal companies, water companies, and water users' associations;

(m) acquire, construct, operate, or maintain works for the irrigation of land;

(n) sell water and water services to individual customers and charge sufficient rates for the water and water services supplied; and

(o) coordinate water resource planning among public entities.

Section 4. Section **73-10h-103** is enacted to read:

73-10h-103 (Effective 05/06/26). Water manager -- Appointment -- Removal --

Role.

(1)(a) The executive director shall appoint a water manager to administer the office.

(b) The executive director may remove the water manager at the executive director's discretion.

(2) The water manager shall administer the office:

(a) for the long-term benefit of the public; and

(b) to increase the reliable supply of water within the state.

(3) To implement the provisions of this part, the water manager may:

(a) coordinate with a political subdivision of the state, special district, or state agency to identify and propose to the board a water project for management by the office; and

(b) hire and employ personnel subject to:

(i) approval by the director; and

(ii) available funding.

Section 5. Section **73-10h-104** is enacted to read:

73-10h-104 (Effective 05/06/26). Nomination of water project -- Board approval.

(1)(a) The board, in consultation with the director and executive director, shall develop a written process for:

(i) a state political subdivision, special district, or state agency to nominate a water project for management by the office; and

(ii) evaluating and approving a water project nominated for management by the office.

(b) A state political subdivision, special district, or state agency may nominate a water project for management by the office in accordance with the process established by the board in rule.

(c) Before approving a water project for management by the office, the board shall consider:

(i) the funding available to construct and operate the project;

(ii) whether the water project increases the long-term reliable supply of water within the state; and

(iii) whether a state entity other than the office is better suited to manage the water project.

(2) If a state political subdivision, special district, or state agency nominates a water project for management by the office, the state political subdivision, special district, or state agency shall provide to the office any information required by the office to estimate an operational or construction cost of the water project.

Section 6. Section **73-10h-105** is enacted to read:

73-10h-105 (Effective 05/06/26). Office management of capital assets -- Capital asset plan -- Report.

(1) The office shall adopt a written plan that provides for the assessment, maintenance, and replacement of a capital asset under each water project managed by the office.

(2) The written plan shall require the office to:

(a) complete an inventory of each capital asset, including for each capital asset:

(i) an engineering description;

(ii) location;

(iii) physical dimensions and condition;

- (iv) documentation of the capital asset's standard features;
(v) warranties;
(vi) maintenance history;
(vii) replacement costs;
(viii) market value;
(ix) original useful life; and
(x) remaining useful life; and
- (b) assess the physical condition of the capital asset in accordance with a method established under Subsection (3)(a)(i) at least once every five years.
- (3)(a) The written plan described in Subsection (1) shall establish:
- (i) a method to assess the physical condition of each capital asset;
(ii) performance and condition standards for each capital asset;
(iii) a process for the office to evaluate an existing capital asset for efficiency and expected service delivery; and
(iv) objective criteria for the office to prioritize maintenance or replacement of capital assets.
- (b) A performance and condition standard described in Subsection (3)(a)(ii) may include:
- (i) a mandated safety standard;
(ii) a standard condition of receiving federal, state, or local funding; or
(iii) an applicable engineering or other professional standard.
- (4)(a) The office shall submit a capital asset report no later than July 1, 2030, and every five years thereafter, to:
- (i) the Natural Resources, Agriculture, and Environment Interim Committee; and
(ii) the Legislative Water Development Commission.
- (b) The capital asset report shall:
- (i) describe the proposed replacement time frame for each capital asset;
(ii) account for the funding source for each capital asset and include any restrictions a funding source may impose on the use or disposal of a capital asset;
(iii) account for any change in a capital asset's value since the previous capital asset report submitted by the office; and
(iv) provide a statement of actual expenditures and performance data for each capital asset compared to budgeted expenditures.

Section 7. Effective Date.

This bill takes effect on May 6, 2026.