

Effective 1/1/2021

Article XI, Section 6 [Municipal water rights and sources of water supply.]

- (1) A municipality that owns, acquires, or controls water rights or sources of water supply to supply water to the public:
 - (a) may not directly or indirectly lease, sell, alienate, or dispose of any of those water rights or sources of water supply;
 - (b) shall preserve and maintain those water rights and sources of water supply to supply water to the municipality's inhabitants and others within the municipality's designated water service area; and
 - (c) may by ordinance designate the geographic limits of the municipality's water service area and define the terms of service, including water service charges that are reasonable.
- (2) Nothing in Subsection (1) may be construed to prevent a municipality from:
 - (a) supplying water to retail consumers outside the municipality's boundary but within the municipality's designated water service area for reasonable charges established by ordinance;
 - (b) contractually committing to supply water outside the municipality's designated water service area, if the water supplied is in excess of the water needed for the municipality's designated water service area; or
 - (c) exchanging water rights or sources of water supply for other water rights or sources of water supply that the municipality determines will equally enable the municipality to meet the needs of its designated water service area.