

Part 5 Financing and Cost Recovery

73-26-502 Analysis of benefits and costs -- Allocation of costs.

The division shall:

- (1) identify the uses and calculate the economic benefits and costs of the developed water; and
- (2) allocate project costs according to the following purposes:
 - (a) municipal and industrial;
 - (b) agricultural;
 - (c) hydropower;
 - (d) recreation;
 - (e) fish and wildlife; and
 - (f) flood control.

Enacted by Chapter 251, 1991 General Session

73-26-503 Payment of project costs.

- (1) Construction and environmental mitigation costs allocated to municipal or industrial uses shall be entirely repaid by the entities contracting for water designated for those uses.
- (2) Twenty-five percent of construction and environmental mitigation costs allocated to agricultural use shall be repaid by entities contracting for agricultural water.
- (3) The full costs of operation, maintenance, repair, and replacement allocated to municipal, industrial, and agricultural uses shall be charged to the entities contracting for water for those uses.
- (4) Project costs allocated to recreation, fish and wildlife, and flood control are not reimbursable and shall be paid entirely by the state.
- (5)
 - (a) The division shall negotiate charges with any person receiving hydropower benefits from a project.
 - (b) The charges shall, at a minimum, be sufficient to pay all project costs allocated to hydropower.
 - (c) Charges in excess of the amount necessary to pay project costs allocated to hydropower shall be deposited in the Water Resources Conservation and Development Fund.

Amended by Chapter 334, 1995 General Session

73-26-504 Agreement for delivery -- Period for repayment of construction and environmental mitigation costs.

- (1) The division and the contracting entity shall, by contractual agreement, establish when and in what amount water developed by the project will be delivered to the contracting entity.
- (2) If a contract was made before completion of the project, the contracting entity shall repay the construction and environmental mitigation costs as follows:
 - (a) any developed water taken by the contracting entity during the first 10 years after the project is completed shall be repaid within 50 years from the date the developed water is delivered to the contracting entity; and
 - (b) any developed water taken by the contracting entity after the tenth anniversary date of the project's completion shall be repaid within 50 years from the date the project was completed.

- (3) If a contract was made after the project was completed, the contracting entity shall repay the construction and environmental mitigation costs within a period not to exceed 50 years from the date the contract was made.

Amended by Chapter 102, 1997 General Session

73-26-505 Interest.

Interest on the unpaid balance of reimbursable construction and environmental mitigation costs shall be charged at a rate set by the board.

Enacted by Chapter 251, 1991 General Session

73-26-506 Water charges.

The division shall set prices for the sale or lease of developed water sufficient to:

- (1) recover the reimbursable construction and environmental mitigation costs within the time period specified in Section 73-26-504 and pay for the interest on those costs;
- (2) pay for operation and maintenance costs; and
- (3) accumulate an adequate reserve for repair and replacement.

Amended by Chapter 102, 1997 General Session

73-26-507 Repayments returned to Water Resources Conservation and Development Fund -- Deposit of remaining revenue -- Division of Finance authorized to establish accounts.

- (1) Repayments of construction and environmental mitigation costs, the interest charged, and excess hydropower charges shall be deposited in the Water Resources Conservation and Development Fund.
- (2) The Division of Finance shall establish an enterprise fund, in accordance with Section 51-5-4 and generally accepted accounting principles, for the deposit of revenues designated for operation, maintenance, repair, and replacement.
- (3) The Division of Finance may establish accounts as necessary or desirable to accomplish the purposes of this chapter.

Amended by Chapter 334, 1995 General Session