

Senator J. Stuart Adams proposes the following substitute bill:

WATER INFRASTRUCTURE FUNDING AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies the duties of the Board of Water Resources, the Division of Water Resources, and the State Water Development Commission.

Highlighted Provisions:

This bill:

- ▶ requires the Board of Water Resources and the Division of Water Resources, in conjunction with the State Water Development Commission, when making rules regarding the funding of a water infrastructure project, to:
 - establish criteria for better water data and data reporting;
 - establish new conservation targets;
 - institute a process for the independent verification of water data and a proposed project;
 - invite public involvement; and
 - set appropriate financing and repayment terms;
- ▶ requires a report, no later than October 30, 2016, to the Natural Resources, Agriculture, and Environment Interim Committee and the Legislative Management Committee; and
- ▶ makes technical changes.

1st Sub. S.B. 251



26 **Money Appropriated in this Bill:**

27 This bill appropriates in fiscal year 2016-2017:

28 ▶ to the Division of Water Resources, as a one-time appropriation:

29 • from the Water Infrastructure Restricted Account, \$750,000, to fulfill the duties

30 described in Section 73-10g-105.

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **73-10g-104**, as enacted by Laws of Utah 2015, Chapter 458

36 **73-10g-105**, as enacted by Laws of Utah 2015, Chapter 458

37 **73-27-103**, as enacted by Laws of Utah 2000, Chapter 124



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

40 Section 1. Section **73-10g-104** is amended to read:

41 **73-10g-104. Authorized use of the Water Infrastructure Restricted Account.**

42 Money in the restricted account is to be used for:

43 (1) the development of the state's undeveloped share of the Bear and Colorado Rivers,

44 pursuant to existing interstate compacts governing both rivers as described in [~~Title 73,~~

45 Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development

46 Act; ~~and~~]

47 (2) repair, replacement, or improvement of federal water projects for local sponsors in

48 the state of Utah when federal funds are not available[-]; and

49 (3) study and development of rules, criteria, targets, processes, and plans, as described

50 in Subsection **73-10g-105**(3).

51 Section 2. Section **73-10g-105** is amended to read:

52 **73-10g-105. Loans -- Rulemaking.**

53 (1) (a) The division and the board shall make rules, in accordance with Title 63G,

54 Chapter 3, Utah Administrative Rulemaking Act, in preparation to make loans from available

55 funds to repair, replace, or improve underfunded federal water infrastructure projects.

56 (b) Subject to Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell

57 Pipeline Development Act, the division and the board shall make rules, in accordance with
58 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in preparation to make loans from
59 available funds to develop the state's undeveloped share of the Bear and Colorado Rivers.

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

61 (a) specify the amount of money that may be loaned;

62 (b) specify the criteria the division and the board shall consider in prioritizing and
63 awarding loans;

64 (c) specify the minimum qualifications for an individual who, or entity that, receives a
65 loan, including the amount of cost-sharing to be the responsibility of the individual or entity
66 applying for a loan;

67 (d) specify the terms of the loan, including the terms of repayment; and

68 (e) require all applicants for a loan to apply on forms provided by the division and in a
69 manner required by the division.

70 (3) The division and the board shall, in making the rules described in Subsection (1)
71 and in consultation with the State Water Development Commission created in Section
72 73-27-102:

73 (a) establish criteria for better water data and data reporting;

74 (b) establish new conservation targets based on the data described in Subsection (3)(a);

75 (c) institute a process for the independent verification of the data described in
76 Subsection (3)(a);

77 (d) establish a plan for an independent review of:

78 (i) the proposed construction plan for an applicant's qualifying water infrastructure
79 project; and

80 (ii) the applicant's plan to repay the loan for the construction of the proposed water
81 infrastructure project;

82 (e) invite and recommend public involvement; and

83 (f) set appropriate financing and repayment terms.

84 (4) (a) The division, board, and State Water Development Commission shall, no later
85 than October 30, 2016, report to the Natural Resources, Agriculture, and Environment Interim
86 Committee and Legislative Management Committee on the rules established pursuant to
87 Subsections (1) and (3).

88 (b) After October 30, 2016, the division and the board shall provide regular updates to
89 the Legislative Management Committee on the progress made under this section.

90 Section 3. Section **73-27-103** is amended to read:

91 **73-27-103. Duties of commission.**

92 (1) The commission shall consider and make recommendations to the Legislature and
93 governor on the following issues:

94 [~~1~~] (a) how the water needs of the state's growing municipal and industrial sectors
95 will be met;

96 [~~2~~] (b) what the impact of federal regulations and legislation will be on the ability of
97 the state to manage and develop its compacted water rights;

98 [~~3~~] (c) how the state will fund water projects;

99 [~~4~~] (d) whether the state should become an owner and operator of water projects;

100 [~~5~~] (e) how the state will encourage the implementation of water conservation
101 programs; and

102 [~~6~~] (f) other water issues of statewide importance.

103 (2) The commission shall:

104 (a) consult with the Division of Water Resources and the Board of Water Resources
105 regarding recommendations for rules, criteria, targets, processes, and plans described in
106 Subsection 73-10g-105(3); and

107 (b) report the recommendations described in Subsection (2)(a) to the Natural
108 Resources, Agriculture, and Environment Interim Committee and the Legislative Management
109 Committee by October 30, 2016.

110 Section 4. **Appropriation.**

111 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for
112 the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following sums of money
113 are appropriated from resources not otherwise appropriated, or reduced from amounts
114 previously appropriated, out of the funds or amounts indicated. These sums of money are in
115 addition to amounts previously appropriated for fiscal year 2017.

116 To Department of Natural Resources, Division of Water Resources

117 From Water Infrastructure Restricted Account, one-time \$750,000

118 Schedule of Programs:

119 Administration \$750,000
120 The Legislature intends that the appropriation of \$750,000 to the Division of Water
121 Resources be used by the division, in cooperation and consultation with the Board of Water
122 Resources and the State Water Development Commission, in fulfilling the division's
123 responsibilities under Section [73-10g-105](#). Under the terms of Subsection [63J-1-603\(3\)\(a\)](#), the
124 Legislature intends that the appropriation provided in this bill not lapse at the close of fiscal
125 year 2017. The use of any nonlapsing funds is limited to fulfilling the duties described in
126 Section [73-10g-105](#), with the Division of Water Resources and the Board of Water Resources
127 providing the Legislative Management Committee with regular updates on how the money is
128 being spent.