

SB0251S03 compared with SB0251S02

~~text~~ shows text that was in SB0251S02 but was deleted in SB0251S03.

text shows text that was not in SB0251S02 but was inserted into SB0251S03.

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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;

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- 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;
- ▶ modifies the membership of the State Water Development Commission; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2016-2017:

- ▶ to the Division of Water Resources, as a one-time appropriation:
 - from the Water Infrastructure Restricted Account, \$1,000,000, to fulfill the duties described in Section 73-10g-105.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

73-27-102, as last amended by Laws of Utah 2014, Chapter 387

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

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

Section 1. 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 for:

(1) the development of the state's undeveloped share of the Bear and Colorado [~~Rivers~~] rivers, pursuant to existing interstate compacts governing both rivers as described in [~~Title 73,~~] Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell Pipeline Development Act; [~~and~~]

(2) repair, replacement, or improvement of federal water projects for local sponsors in the state of Utah when federal funds are not available[~~;~~]; and

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(3) study and development of rules, criteria, targets, processes, and plans, as described in Subsection 73-10g-105(3).

Section 2. 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 from available funds to repair, replace, or improve underfunded federal water infrastructure projects.

(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 from available funds to develop the state's undeveloped share of the Bear and Colorado rivers.

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

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

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

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

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

(e) require all applicants for a loan to apply on forms 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 State 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

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

(b) After October 30, 2016, 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 3. Section 73-27-102 is amended to read:

73-27-102. State Water Development Commission created.

(1) The State Water Development Commission is created to determine the state's role in the protection, conservation, and development of the state's water resources.

(2) The commission membership shall include:

(a) five members of the Senate, appointed by the president of the Senate, no more than four of whom may be from the same political party;

(b) eight members of the House of Representatives, appointed by the speaker of the House of Representatives, no more than six of whom may be from the same political party;
{and

—(c)} [and]

(c) the state treasurer, who shall be a nonvoting member; and

[~~(c)~~] (d) the following nonvoting members, appointed by the governor:

(i) [a representative] two representatives of the Office of the Governor, including one representative from the Governor's Office of Management and Budget;

(ii) a representative of the Green River District;

(iii) a representative of the Upper Colorado River District;

(iv) a representative of the Lower Colorado River District;

(v) a representative of the Lower Sevier River District;

(vi) a representative of the Upper Sevier River District;

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- (vii) a representative of the Provo River District;
- (viii) a representative of the Salt Lake District;
- (ix) a representative of the Weber River District;
- (x) a representative of the Bear River District;
- (xi) the executive director of the Department of Natural Resources;
- (xii) the executive director of the Department of Environmental Quality;
- (xiii) the commissioner of agriculture and food;
- (xiv) a member of the Board of Water Resources;
- (xv) a representative of an organized environmental group; ~~and~~
- (xvi) a representative of agricultural production~~;~~ and
- (xvii) a representative with experience in finance and economics.

(3) (a) Except as required by Subsection (3)(b), the members appointed by the governor under Subsection (2) ~~(c)~~ (d) shall be appointed or reappointed to a four-year term.

(b) The governor shall, at the time of appointment or reappointment, adjust the length of terms to ensure that the terms of board members are staggered so that approximately half of the nonvoting members of the commission are appointed every two years.

(c) When a vacancy occurs in the membership for any reason, the governor shall appoint a replacement for the unexpired term.

(4) The president of the Senate and the speaker of the House of Representatives shall, to the extent possible, appoint members under Subsections (2)(a) and (b) that represent both rural and urban areas of the state.

(5) (a) The president of the Senate shall designate a member of the Senate appointed under Subsection (2)(a) as a cochair of the commission.

(b) The speaker of the House of Representatives shall designate a member of the House of Representatives appointed under Subsection (2)(b) as a cochair of the commission.

(6) Attendance by at least 50% of one legislative house and more than 50% of the other legislative house constitutes a quorum.

(7) (a) Compensation and expenses of a member of the commission who is a legislator are governed by Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.

(b) Commission members who are employees of the state shall receive no additional

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compensation.

(c) Other commission members shall receive no compensation or expenses for their service on the commission.

(8) The Office of Legislative Research and General Counsel shall provide staff support to the commission.

Section ~~(3)~~4. Section **73-27-103** is amended to read:

73-27-103. Duties of commission.

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

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

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

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

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

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

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

(2) The commission shall:

(a) consult with the Division of Water Resources and the Board of Water Resources regarding:

(i) recommendations for rules, criteria, targets, processes, and plans described in Subsection 73-10g-105(3); and

(ii) whether the Division of Water Resources and Board of Water Resources shall issue a request for proposals to assist in creating the rules, criteria, targets, processes, and plans described in Subsection 73-10g-105(3); and

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

(3) The commission may form one or more working groups from the membership of the commission to consider and study the issues described in this section.

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Section ~~4~~5. Appropriation.

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

To Department of Natural Resources - Division of Water Resources

From Water Infrastructure Restricted Account, one-time \$1,000,000

Schedule of Programs:

Administration \$1,000,000

The Legislature intends that the appropriation of \$1,000,000 to the Division of Water Resources be used by the division, in cooperation and consultation with the Board of Water Resources and the State Water Development Commission, in fulfilling the division's responsibilities under Section 73-10g-105, including the possibility of issuing a request for proposals, in accordance with Title 63G, Chapter 6a, Utah Procurement Code. The Legislature intends that, before the division issues a request for proposals, the division seeks the approval of the Legislative Management Committee. Under the terms of Subsection 63J-1-603(3)(a), the Legislature intends that the appropriation provided in this bill not lapse at the close of fiscal year 2017. The use of any nonlapsing funds is limited to fulfilling the duties described in Section 73-10g-105, with the Division of Water Resources and the Board of Water Resources providing the Legislative Management Committee with regular updates on how the money is being spent.