

Senator Jacob L. Anderegg proposes the following substitute bill:

SECONDARY WATER METERING REQUIREMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jacob L. Anderegg

House Sponsor: _____

LONG TITLE

General Description:

This bill addresses the metering of pressurized secondary water.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires a secondary water supplier to report certain information to the Division of Water Rights each year;
- ▶ requires a secondary water provider:
 - that begins design work for new secondary water services to certain users on or after July 1, 2019, to meter the use of water;
 - to meter the use of all of the secondary water provider's commercial, industrial, institutional, and residential users by 2039;
 - to develop and submit to the Division of Water Rights a strategy for meeting the 2039 metering requirement; and
 - to provide educational material to certain users;
- ▶ authorizes the Division of Water Rights to make, in conjunction with the Division of Water Resources, rules regarding the requirements of and the procedure for submitting a required report or strategy;



26 ▶ requires a secondary water supplier to finance at least 50% of the total cost to meet
27 secondary water metering requirements through means other than those provided for
28 in this bill;

29 ▶ requires the Board of Water Resources to make \$20,000,000 in loans and grants
30 available each year for the financing of secondary water metering;

31 ▶ authorizes the Board of Water Resources and the Division of Water Resources to
32 make rules regarding loans and grants for financing secondary water metering;

33 ▶ creates the Secondary Water Metering Restricted Account (account);

34 ▶ requires the Division of Water Resources to make grants from the account to assist
35 secondary water suppliers to finance metering of the use of secondary water; and

36 ▶ authorizes the Division of Water Resources to make rules for the administration of
37 the account.

38 **Money Appropriated in this Bill:**

39 None

40 **Other Special Clauses:**

41 None

42 **Utah Code Sections Affected:**

43 ENACTS:

44 73-10-34, Utah Code Annotated 1953

45 73-10-35, Utah Code Annotated 1953



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

48 Section 1. Section 73-10-34 is enacted to read:

49 **73-10-34. Secondary water metering.**

50 (1) As used in this section:

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

52 (b) (i) "Commercial user" means a secondary water user that is a place of business.

53 (ii) "Commercial user" does not include a multi-family residence, an agricultural user,
54 or a customer that falls within the industrial or institutional classification.

55 (c) "Connection" means a connection between a pressurized secondary water supply
56 system and a user.

57 (d) (i) "Industrial user" means a secondary water user that manufactures or produces
58 materials.

59 (ii) "Industrial user" includes a manufacturing plant, an oil and gas producer, and a
60 mining company.

61 (e) (i) "Institutional user" means a secondary water user that is dedicated to public
62 service, regardless of ownership.

63 (ii) "Institutional user" includes a school, church, hospital, park, golf course, and
64 government facility.

65 (f) (i) "Residential user" means a secondary water user in a residence.

66 (ii) "Residential user" includes a single-family or multi-family home, apartment,
67 duplex, twin home, condominium, or planned community.

68 (g) "Secondary water" means water that is:

69 (i) not culinary or agricultural water; and

70 (ii) delivered to and used by an end consumer for the irrigation of landscaping or a
71 garden.

72 (h) "Secondary water supplier" means an entity that supplies pressurized secondary
73 water.

74 (2) A secondary water supplier that begins design work for new service on or after July
75 1, 2019, to a commercial, industrial, institutional, or residential user shall meter the use of
76 pressurized secondary water by the users receiving that new service.

77 (3) (a) Each secondary water supplier that supplies pressurized secondary water to a
78 commercial, industrial, institutional, or residential user shall meter the use of the pressurized
79 secondary water by December 31, 2039.

80 (b) Each secondary water supplier shall finance at least 50% of the supplier's total cost
81 to comply with this Subsection (3) without the use of:

82 (i) a loan described in Subsection (6); or

83 (ii) a grant described in Section [73-10-35](#).

84 (c) If a secondary water provider acquires a metering device that has the ability to
85 provide flow data, usage data, or both in real-time, the secondary water provider shall make the
86 data available to the user in an open-source format upon request.

87 (4) A secondary water supplier shall:

88 (a) on or before March 31 of each year, report to the Division of Water Rights:
89 (i) for commercial, industrial, institutional, and residential users whose pressurized
90 secondary water use is metered, the number of acre feet of pressurized secondary water the
91 secondary water supplier supplied to the commercial, industrial, institutional, and residential
92 users during the preceding 12-month period;
93 (ii) the number of secondary water meters within the secondary water supplier's service
94 boundary;
95 (iii) a description of the secondary water supplier's service boundary;
96 (iv) the number of connections in each of the following categories through which the
97 secondary water supplier supplies pressurized secondary water:
98 (A) commercial;
99 (B) industrial;
100 (C) institutional; and
101 (D) residential;
102 (v) for each size of connection, the number of connections in that size through which
103 the secondary water supplier supplies pressurized secondary water; and
104 (vi) the dates of service during the preceding 12-month period in which the secondary
105 water supplier supplied pressurized secondary water;
106 (b) on or before March 31, 2020, develop and submit to the Division of Water Rights
107 the secondary water supplier's strategy to comply with the metering requirement described in
108 Subsection (3); and
109 (c) each month that the secondary water supplier provides service, provide each of the
110 secondary water supplier's metered commercial, industrial, institutional, and residential users
111 with educational material regarding the user's pressurized secondary water use that shall
112 include:
113 (i) the user's pressurized secondary water use in relation to others in the area; and
114 (ii) one or more suggestions for conserving pressurized secondary water use.
115 (5) The Division of Water Rights in conjunction with the Division of Water Resources
116 shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
117 Act, establishing:
118 (a) the requirements of and the procedure for submitting a report under Subsection

119 (4)(a); and

120 (b) the requirements of and the procedure for submitting a strategy under Subsection

121 (4)(b).

122 (6) (a) Beginning July 1, 2019, and ending June 30, 2039, the board shall make at least

123 \$10,000,000 in loans available each year:

124 (i) from the Water Resources Conservation and Development Fund, created in Section

125 73-10-24; and

126 (ii) for financing, in conjunction with grants from the Secondary Water Metering

127 Restricted Account, created in Section 73-10-35, the cost of secondary water metering as

128 described in Subsection (3).

129 (b) The Division of Water Resources shall ensure that:

130 (i) in accordance with Subsection (3), the total amount available to a secondary water

131 supplier through:

132 (A) a loan described in this Subsection (6) does not exceed 50% of the supplier's total

133 cost to comply with Subsection (3);

134 (B) a grant described in Section 73-10-35 does not exceed 16.5% of the supplier's total

135 cost to comply with Subsection (3); and

136 (C) a combination of a loan described in this Subsection (6) and a grant described in

137 Section 73-10-35 does not exceed 50% of the supplier's total cost to comply with Subsection

138 (3); and

139 (ii) for the purpose of determining the amount of a loan under this Subsection (6) or a

140 grant described in Section 73-10-35, the calculation of a secondary water supplier's total cost to

141 comply with Subsection (3) includes secondary water metering costs the secondary water

142 supplier:

143 (A) incurs in or before May 2019; or

144 (B) finances through a loan, bond, grant, subsidy, program, or any other means not

145 described in this Subsection (6) or Section 73-10-35.

146 (c) The Division of Water Resources and board shall make rules in accordance with

147 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, establishing the criteria and

148 process for receiving a loan described in this Subsection (6).

149 (7) A commercial, industrial, institutional, or residential user may not use culinary

150 water for the regular irrigation of landscaping or a garden, if:

151 (a) the user has a connection to secondary water;

152 (b) the user's area is served with both culinary and secondary water; and

153 (c) the user's secondary water rates exceed the user's culinary water rates.

154 (8) This section does not apply to a secondary water supplier to the extent that it
155 supplies secondary water to a county of the third, fourth, fifth, or six class.

156 Section 2. Section **73-10-35** is enacted to read:

157 **73-10-35. Creation of Secondary Water Metering Restricted Account --**

158 **Awarding of grants from the restricted account.**

159 (1) There is created with the General Fund a restricted account known as the Secondary
160 Water Metering Restricted Account.

161 (2) The restricted account consists of:

162 (a) any voluntary contributions received;

163 (b) appropriations the Legislature makes to the restricted account; and

164 (c) interest or other earnings accrued pursuant to Subsection (3)(b).

165 (3) The state treasurer shall:

166 (a) invest the money in the restricted account by following the procedures and
167 requirements of Title 51, Chapter 7, State Money Management Act; and

168 (b) deposit all interest or other earnings derived from those investments into the
169 restricted account.

170 (4) Upon appropriation from the Legislature, the Division of Water Resources shall
171 make grants from the Secondary Water Metering Restricted Account:

172 (a) to assist secondary water suppliers, as defined in Section [73-10-34](#), to comply with
173 Subsection [73-10-34](#)(3);

174 (b) beginning July 1, 2019, and ending June 30, 2039, in the total amount of up to
175 \$10,000,000 each year; and

176 (c) in accordance with Subsection [73-10-34](#)(6)(b).

177 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
178 Division of Water Resources shall make rules establishing:

179 (a) criteria for awarding grants under this section; and

180 (b) criteria for determining eligibility for assistance under this section, specifically

181 including factors such as the size of the secondary water supplier's budget, the secondary water
182 supplier's ability to contribute to the cost of complying with Subsection [73-10-34\(4\)](#), and the
183 water rates that would have to be charged to cover the secondary water supplier's contribution
184 to the costs.