

WATER LOSS ACCOUNTING ACT

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Melissa G. Ballard

Senate Sponsor: David P. Hinkins

LONG TITLE

Committee Note:

The Legislative Water Development Commission recommended this bill.

Membership: 13 legislators 11 non-legislators

Legislative Vote: 6 voting for 2 voting against 5 absent

General Description:

This bill addresses data related to water including water losses.

Highlighted Provisions:

This bill:

- ▶ addresses sunset provisions;
- ▶ enacts the Water Loss Accounting Act, including:
 - defining terms;
 - granting rulemaking authority;
 - providing for a technical advisory committee;
 - requiring water loss accounting reports; and
 - providing for technical assistance; and
- ▶ makes technical amendments.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2021:

- ▶ to Department of Natural Resources - Division of Water Resources, as a one-time appropriation:



- 28 • from General Fund, \$1,350,000
- 29 ▶ to DNR Pass-through, as a one-time appropriation:
- 30 • from General Fund, \$150,000
- 31 ▶ to Department of Natural Resources - Division of Water Resources:
- 32 • from General Fund, as an ongoing appropriation \$300,000
- 33 • from General Fund, one-time (\$300,000)

34 **Other Special Clauses:**

35 None

36 **Utah Code Sections Affected:**

37 AMENDS:

38 **63I-1-273**, as last amended by Laws of Utah 2019, Chapters 96 and 246

39 ENACTS:

- 40 **73-10h-101**, Utah Code Annotated 1953
- 41 **73-10h-102**, Utah Code Annotated 1953
- 42 **73-10h-103**, Utah Code Annotated 1953
- 43 **73-10h-104**, Utah Code Annotated 1953
- 44 **73-10h-201**, Utah Code Annotated 1953
- 45 **73-10h-202**, Utah Code Annotated 1953



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

48 Section 1. Section **63I-1-273** is amended to read:

49 **63I-1-273. Repeal dates, Title 73.**

50 In relation to the Legislative Water Development Commission, on January 1, 2021:

51 (1) in Subsection **73-10g-105(3)**, the language that states "and in consultation with the
52 State Water Development Commission created in Section **73-27-102**" is repealed;

53 (2) Subsection **73-10g-203(4)(a)** is repealed; ~~and~~

54 (3) Subsection **73-10h-201(2)(b)(ii)** is repealed;

55 (4) in Subsection **73-10h-201(2)(c)** the language that states "and the Legislative Water
56 Development Commission" is repealed; and

57 ~~(5)~~ (5) Title 73, Chapter 27, State Water Development Commission, is repealed.

58 Section 2. Section **73-10h-101** is enacted to read:

59 **CHAPTER 10h. WATER LOSS ACCOUNTING ACT**

60 **Part 1. General Provisions**

61 **73-10h-101. Title.**

62 This chapter is known as the "Water Loss Accounting Act."

63 Section 3. Section **73-10h-102** is enacted to read:

64 **73-10h-102. Definitions.**

65 As used in this section:

66 (1) "Covered entity" means the owner or operator of a public water system that serves a
67 population of more than 3,300 individuals.

68 (2) "Division" means the Division of Water Resources.

69 (3) "Public water system" means the same as that term is defined in Section [19-4-102](#).

70 (4) (a) "Water loss" means the difference between the annual volume of water entering
71 a water distribution system and the annual volume of metered water, unmetered water, or both
72 taken by registered customers, the covered entity, and others who are implicitly or explicitly
73 authorized to take water.

74 (b) "Water loss" includes:

75 (i) the annual volumes lost through leaks, breaks, and overflows on mains, service
76 reservoirs, and service connections, up to the point of customer metering;

77 (ii) unauthorized consumption;

78 (iii) metering inaccuracies; and

79 (iv) systemic data handling errors.

80 Section 4. Section **73-10h-103** is enacted to read:

81 **73-10h-103. Rulemaking.**

82 The division shall make the following rules in accordance with Title 63G, Chapter 3,
83 Utah Administrative Rulemaking Act, and after consultation with the technical advisory
84 committee:

85 (1) the selection of the method of conducting a water loss audit under Subsection
86 [73-10h-201\(1\)\(a\)\(i\)](#);

87 (2) the standards and processes for validating a water loss audit; and

88 (3) the establishment of the standards and processes for submitting a water loss
89 accounting report under Subsection [73-10h-201\(1\)](#).

90 Section 5. Section **73-10h-104** is enacted to read:

91 **73-10h-104. Technical advisory committee.**

92 (1) The division shall establish a technical advisory committee that may include
93 representatives of nonprofit civic entities, professional organizations, covered entities, and
94 other state agencies.

95 (2) The technical advisory committee may assist or advise the division with
96 implementing this chapter.

97 Section 6. Section **73-10h-201** is enacted to read:

98 **Part 2. Water Loss Accounting Reporting**

99 **73-10h-201. Water loss accounting reports.**

100 (1) By no later than a date specified in rule in calendar year 2022, and on or before the
101 date specified in rule of each subsequent year, a covered entity shall:

102 (a) prepare a water loss accounting report that contains the following:

103 (i) a standardized water loss audit conducted in accordance with a method selected by
104 the division by rule that meets industry standards; and

105 (ii) a brief written summary of:

106 (A) actions taken during the reporting year to reduce the volume of water losses in the
107 system and to improve the data validity; and

108 (B) the actions that are planned for the subsequent reporting year;

109 (b) have the water loss audit validated in accordance with rule; and

110 (c) submit the water loss accounting report in accordance with rule.

111 (2) (a) By no later than October 31, 2022, and by October 31 of each subsequent year,
112 the division shall:

113 (i) prepare an annual summary of the validated water loss accounting reports; and

114 (ii) publish the annual summary prepared under this Subsection (2) on the division's
115 website.

116 (b) During the 2022 interim of the Legislature, the division shall report the annual
117 summary and report on compliance with this chapter by covered entities to the:

118 (i) Natural Resources, Agriculture, and Environment Interim Committee; and

119 (ii) Legislative Water Development Commission.

120 (c) During the 2024 interim of the Legislature, the division shall report to the Natural

121 Resources, Agriculture, and Environment Interim Committee and the Legislative Water
122 Development Commission about the following:

123 (i) issues related to accurately metering water supply and use, including residential use
124 of primary or secondary water;

125 (ii) operational priorities of covered entities related to implementation of this chapter;

126 (iii) an analysis of the annual summaries prepared by the division to date; and

127 (iv) any other issue the division considers relevant to the implementation of this
128 chapter.

129 (3) A covered entity may only receive money from the division if the covered entity
130 complies with this section.

131 Section 7. Section **73-10h-202** is enacted to read:

132 **73-10h-202. Technical assistance -- Education programs and services.**

133 (1) The division shall contract with a qualified entity that provides education programs
134 and services including subject matter experts to provide the training described in Subsection
135 (2).

136 (2) The training shall:

137 (a) instruct a covered entity on the method of conducting a water loss audit using the
138 method adopted under Subsection [73-10h-201\(1\)\(a\)\(i\)](#);

139 (b) guide a covered entity in the process to determine a plan for water loss control as
140 required in the development of a summary report required under Subsection
141 [73-10h-201\(1\)\(a\)\(ii\)](#); and

142 (c) include the initial validation of a water loss audit required by Section [73-10h-201](#).

143 **Section 8. Appropriation.**

144 The following sums of money are appropriated for the fiscal year beginning July 1,
145 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for
146 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
147 Act, the Legislature appropriates the following sums of money from the funds or accounts
148 indicated for the use and support of government of the state of Utah.

149 **ITEM 1**

150 To Department of Natural Resources - Division of Water Resources

151 From General Fund, one-time

\$1,350,000

152 Schedule of Programs:

153 Planning program \$1,350,000

154 The Legislature intends that the \$1,350,000 be used as follows under the Water Loss

155 Accounting Act enacted by this bill:

156 (1) \$900,000 to provide for technical assistance and education to covered entities; and

157 (2) \$450,000 to develop a validation program for water loss audits including training of
158 individuals to conduct validations.

159 ITEM 2

160 To DNR Pass Through

161 From General Fund, one-time \$150,000

162 Schedule of Programs:

163 DNR Pass Through \$150,000

164 The Legislature intends that the \$150,000 be used to integrate information from water
165 accounting reports with existing water related reporting requirements as recommended by the
166 technical advisory committee under the Water Loss Accounting Act enacted by this bill.

167 ITEM 3

168 To Department of Natural Resources - Division of Water Resources

169 From General Fund \$300,000

170 From General Fund, one-time (\$300,000)

171 Schedule of Programs:

172 Planning program \$300,000

173 (\$300,000)

174 The Legislature intends that the \$300,000 be used to pay the ongoing expenses of the
175 Water Loss Accounting Act enacted by this bill.