

**WATER AMENDMENTS**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Michael K. McKell**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill addresses issues related to water.

**Highlighted Provisions:**

This bill:

- ▶ addresses secondary water metering;
- ▶ directs the Legislative Water Development Commission to support the creation of a unified, statewide water strategy; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2022:

- ▶ to the Department of Natural Resources - Division of Water Resources, as an ongoing appropriation:
  - from the Water Resources Conservation and Development Fund, \$2,000,000.

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**73-10-34**, as last amended by Laws of Utah 2020, Chapter 350

**73-27-103**, as last amended by Laws of Utah 2020, Chapter 28



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

29 Section 1. Section **73-10-34** is amended to read:

30 **73-10-34. Secondary water metering.**

31 (1) As used in this section:

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

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

35 (b) (i) "Industrial user" means a secondary water user that manufactures or produces  
36 materials.

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

39 (c) (i) "Institutional user" means a secondary water user that is dedicated to public  
40 service, regardless of ownership.

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

43 (d) (i) "Residential user" means a secondary water user in a residence.

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

46 (e) "Secondary water" means water that is:

47 (i) not culinary or water used on land assessed under Title 59, Chapter 2, Part 5,  
48 Farmland Assessment Act; and

49 (ii) delivered to and used by an end [~~consumer~~] user for the irrigation of landscaping or  
50 a garden.

51 (f) "Secondary water supplier" means an entity that supplies pressurized secondary  
52 water.

53 (g) "Small secondary water retail supplier" means an entity that:

54 (i) supplies pressurized secondary water only to the end user of the secondary water;  
55 and

56 (ii) meets the standard of a small retail supplier, as defined by rule made by the Board  
57 of Water Resources in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
58 Act.

59           (2) (a) A secondary water supplier that begins design work for new service on or after  
60 April 1, 2020, to a commercial, industrial, institutional, or residential user shall meter the use  
61 of pressurized secondary water by the users receiving that new service.

62           (b) A secondary water supplier, including a small secondary water retail supplier, may  
63 not raise the rates charged for secondary water:

64           (i) by more than 10% in a calendar year; and

65           (ii) unless, before raising the rates on the end user, the entity charging the end user  
66 includes a statement in the notice that payment is due that explains the basis for why the needs  
67 of the secondary water supplier required an increase in rates.

68           (c) (i) A secondary water provider that provides pressurized secondary water to a  
69 commercial, industrial, institutional, or residential user shall develop a plan, or if the secondary  
70 water provider previously filed a similar plan, update the plan for metering the use of the  
71 pressurized water.

72           (ii) The plan required by this Subsection (2)(c) shall be filed or updated with the  
73 Division of Water Resources by no later than December 31, 2025, and address the process the  
74 secondary water supplier will follow to implement metering, including:

75           (A) the costs of full metering by the secondary water provider;

76           (B) how long it would take the secondary water provider to complete full metering by  
77 no later than December 31, 2040, including an anticipated beginning date and completion date;  
78 and

79           (C) how the secondary water supplier will finance metering.

80           (3) A secondary water supplier shall on or before March 31 of each year, report to the  
81 Division of Water Rights:

82           (a) for commercial, industrial, institutional, and residential users whose pressurized  
83 secondary water use is metered, the number of acre feet of pressurized secondary water the  
84 secondary water supplier supplied to the commercial, industrial, institutional, and residential  
85 users during the preceding 12-month period;

86           (b) the number of secondary water meters within the secondary water supplier's service  
87 boundary;

88           (c) a description of the secondary water supplier's service boundary;

89           (d) the number of connections in each of the following categories through which the

90 secondary water supplier supplies pressurized secondary water:

91 (i) commercial;

92 (ii) industrial;

93 (iii) institutional; and

94 (iv) residential;

95 (e) the total volume of water that the secondary water supplier receives from [its] the

96 secondary water supplier's sources; and

97 (f) the dates of service during the preceding 12-month period in which the secondary

98 water supplier supplied pressurized secondary water.

99 (4) (a) Beginning July 1, 2019, the Board of Water Resources may make up to

100 \$10,000,000 in low-interest loans available each year:

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

102 [73-10-24](#); and

103 (ii) for financing the cost of secondary water metering.

104 (b) The Division of Water Resources and the Board of Water Resources shall make

105 rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

106 establishing the criteria and process for receiving a loan described in this Subsection (4), except

107 the rules may not include prepayment penalties.

108 (5) (a) Beginning July 1, 2021, subject to appropriation, the Division of Water

109 Resources may make matching grants each year:

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

111 [73-10-24](#); and

112 (ii) for financing the cost of secondary water metering for a commercial, industrial,

113 institutional, or residential user by a small secondary water retail supplier that:

114 (A) is not for new service described in Subsection (2)(a);

115 (B) matches the amount of the grant; and

116 (C) can demonstrate that the small secondary water retail supplier cannot pay the entire

117 cost of installing secondary water meters.

118 (b) The amount of a grant under this Subsection (5) may not:

119 (i) exceed 50% of the small secondary water retail supplier's cost of installing

120 secondary water meters; or

121 (ii) supplant federal, state, or local money previously allocated to pay the small  
122 secondary water retail supplier's cost of installing secondary water meters.

123 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
124 Board of Water Resources shall make rules establishing:

125 (i) the procedure for applying for a grant under this Subsection (5); and

126 (ii) how a small secondary water retail supplier can establish that the small secondary  
127 water retail supplier meets the eligibility requirements of this Subsection (5).

128 ~~[(5)]~~ (6) This section does not apply to a secondary water supplier to the extent that:

129 (a) the secondary water supplier supplies secondary water within a county of the third,  
130 fourth, fifth, or sixth class; or

131 (b) there is no meter that a meter manufacturer will warranty because of the water  
132 quality within a specific location.

133 ~~[(6)]~~ (7) Nothing in this section affects a water right holder's obligation to measure and  
134 report water usage as described in Sections 73-5-4 and 73-5-8.

135 Section 2. Section 73-27-103 is amended to read:

136 **73-27-103. Duties and powers of commission.**

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

139 (a) how the water needs of the state's growing agricultural, municipal, and industrial  
140 sectors will be met;

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

143 (c) how the state will fund water projects;

144 (d) whether the state should become an owner and operator of water projects;

145 (e) how the state will encourage the implementation of water conservation programs;

146 and

147 (f) other water issues of statewide importance.

148 (2) The commission shall consult with the Division of Water Resources and the Board  
149 of Water Resources regarding:

150 (a) recommendations for rules, criteria, targets, processes, and plans described in

151 Subsection 73-10g-105(3); and

152 (b) the scope of any request for proposals that may be issued by the Division of Water  
153 Resources and Board of Water Resources to assist in creating the rules, criteria, targets,  
154 processes, and plans described in Subsection 73-10g-105(3).

155 (3) The commission shall support the development of a unified, state water strategy  
156 that:

157 (a) is consistent with Section 73-1-21;

158 (b) is created with the aid of stakeholders including water conservancy districts created  
159 under Title 17B, Chapter 2a, Part 10, Water Conservancy District Act;

160 (c) includes model ordinances or policies consistent with the unified, statewide water  
161 strategy that may be adopted by political subdivisions; and

162 (d) respects different needs of different political subdivisions or geographic regions of  
163 the state.

164 [~~3~~] (4) The commission may:

165 (a) form one or more working groups from the membership of the commission to  
166 consider and study the issues described in this section; and

167 (b) meet up to six times per calendar year without approval from the Legislative  
168 Management Committee.

169 Section 3. **Appropriation.**

170 The following sums of money are appropriated for the fiscal year beginning July 1,  
171 2021, and ending June 30, 2022. These are additions to amounts previously appropriated for  
172 fiscal year 2022. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
173 Act, the Legislature appropriates the following sums of money from the funds or accounts  
174 indicated for the use and support of the government of the state of Utah.

175 ITEM 1

176 To the Department of Natural Resources - Division of Water Resources

177 From Water Resources Conservation and Development Fund \$2,000,000

178 Schedule of Programs:

179 Planning \$2,000,000

180 The Legislature intends that the appropriation under this item be used to fund grants as  
181 described in Subsection 73-10-34(5) enacted in this bill.