

Representative Keven J. Stratton proposes the following substitute bill:

CAPITAL ASSETS RELATED TO WATER

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Keven J. Stratton

Senate Sponsor: Scott D. Sandall

LONG TITLE

General Description:

This bill addresses management of capital assets related to water.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires wastewater service providers or water providers to commit to adopt capital asset management plans under certain circumstances;
- ▶ requires rulemaking related to capital asset management plans;
- ▶ addresses the scope of certain provisions;
- ▶ requires participation in surveys or evaluations;
- ▶ establishes a review and report related to capital asset management; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:



26 [73-10c-3](#), as last amended by Laws of Utah 2012, Chapter 212

27 ENACTS:

28 [19-5-201](#), Utah Code Annotated 1953

29 [19-5-202](#), Utah Code Annotated 1953

30 [19-5-203](#), Utah Code Annotated 1953

31 [73-10g-401](#), Utah Code Annotated 1953

32 [73-10g-402](#), Utah Code Annotated 1953

33 [73-10g-403](#), Utah Code Annotated 1953

34 [73-10g-404](#), Utah Code Annotated 1953



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

37 Section 1. Section [19-5-201](#) is enacted to read:

38 **Part 2. Capital Assets for Wastewater**

39 **[19-5-201](#). Definitions.**

40 As used in this part:

41 (1) "Capital asset" means an asset that:

42 (a) is a significant investment or an essential component necessary to provide a
43 wastewater service, including:

44 (i) a facility;

45 (ii) infrastructure, whether above or below ground level;

46 (iii) equipment; or

47 (iv) a communications network; and

48 (b) is owned by a wastewater service provider.

49 (2) "Governing body" means a political subdivision governing body defined in Section
50 [63A-15-102](#).

51 (3) "Large underground wastewater disposal system" is as defined by rule made by the
52 board in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

53 (4) "Wastewater service provider" means a political subdivision of the state that owns,
54 operates, or otherwise sponsors through agreement a sewerage system, a treatment works, or
55 large underground wastewater disposal system for the collection, storage, treatment, or disposal
56 of domestic waste.

57 Section 2. Section **19-5-202** is enacted to read:

58 **19-5-202. Capital asset management.**

59 (1) As a condition of receiving state or federal financing or grants to be used for an
60 improvement to a capital asset related to wastewater or sewer infrastructure, the governing
61 body of a wastewater service provider shall commit to adopt a capital asset management plan.

62 (2) The board shall make rules, in accordance with Title 63G, Chapter 3, Utah
63 Administrative Rulemaking Act, to establish the elements of a capital asset management plan
64 required by Subsection (1).

65 Section 3. Section **19-5-203** is enacted to read:

66 **19-5-203. Participation in survey.**

67 A wastewater service provider shall participate in the United States Environmental
68 Protection Agency's 2022 Clean Water Needs Survey and deliver the required data to the
69 survey data portal by no later than December 31, 2022.

70 Section 4. Section **73-10c-3** is amended to read:

71 **73-10c-3. Water Development Coordinating Council created -- Purpose --**
72 **Members.**

73 (1) (a) There is created within the Department of Natural Resources a Water
74 Development Coordinating Council. The council [~~comprises~~] is comprised of:

- 75 (i) the director of the Division of Water Resources;
- 76 (ii) the executive secretary of the Water Quality Board;
- 77 (iii) the executive secretary of the Drinking Water Board;
- 78 (iv) the director of the Housing and Community Development Division or the director's
79 designee; and
- 80 (v) the state treasurer or the state treasurer's designee.

81 (b) The council shall choose a chair and vice chair from among its own members.

82 (c) A member may not receive compensation or benefits for the member's service, but
83 may receive per diem and travel expenses in accordance with:

- 84 (i) Section [63A-3-106](#);
- 85 (ii) Section [63A-3-107](#); and
- 86 (iii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
87 [63A-3-107](#).

88 (2) The purposes of the council are to:

89 (a) coordinate the use and application of the funds available to the state to give
90 financial assistance to political subdivisions of this state so as to promote the conservation,
91 development, treatment, restoration, and protection of the waters of this state;

92 (b) promote the coordination of the financial assistance programs administered by the
93 state and the use of the financing alternative most economically advantageous to the state and
94 its political subdivisions;

95 (c) promote the consideration by the Board of Water Resources, Drinking Water
96 Board, and Water Quality Board of regional solutions to the water and wastewater needs of
97 individual political subdivisions of this state; [~~and~~]

98 (d) assess the adequacy and needs of the state and its political subdivisions with respect
99 to water-related infrastructures and advise the governor and the Legislature on those funding
100 needs[.]; and

101 (e) conduct reviews and reports on water-related infrastructure issues as directed by
102 statute.

103 Section 5. Section **73-10g-401** is enacted to read:

104 **Part 4. Capital Assets for Water**

105 **73-10g-401. Definitions.**

106 As used in this part:

107 (1) "Capital asset" means an asset that:

108 (a) is a significant investment or an essential component necessary to provide water
109 service, including:

110 (i) a facility;

111 (ii) infrastructure, whether above or below ground level;

112 (iii) equipment; or

113 (iv) a communications network; and

114 (b) is owned by a water provider.

115 (2) "Governing body" means:

116 (a) for a political subdivision, the political subdivision governing body defined in
117 Section [63A-15-102](#); or

118 (b) for a private entity, the private entity's board of directors, managing members,

119 partners, or equivalent body.

120 (3) "Retail water supplier" means the same as that term is defined in Section [19-4-102](#).

121 (4) "Water conservancy district" means the same as that term is defined in Section
122 [73-10-32](#).

123 (5) "Water provider" means:

124 (a) a retail water supplier; or

125 (b) a water conservancy district.

126 Section 6. Section **73-10g-402** is enacted to read:

127 **73-10g-402. Capital asset management.**

128 (1) As a condition of receiving state or federal financing or grants to be used for an
129 improvement to a capital asset related to water infrastructure, the governing body of a water
130 provider shall commit to adopt a capital asset management plan.

131 (2) (a) The Drinking Water Board shall make rules, in accordance with Title 63G,
132 Chapter 3, Utah Administrative Rulemaking Act, to establish the elements of a capital asset
133 management plan required under Subsection (1) for a water provider that is a retail water
134 supplier.

135 (b) The Board of Water Resources shall make rules, in accordance with Title 63G,
136 Chapter 3, Utah Administrative Rulemaking Act, to establish the elements of a capital asset
137 management plan required under Subsection (1) for a water provider that is a water
138 conservancy district.

139 (3) A qualified water conservancy district, as defined in Section [17B-2a-1010](#), is not
140 subject to this section but shall comply with Section [17B-2a-1010](#).

141 Section 7. Section **73-10g-403** is enacted to read:

142 **73-10g-403. Participation in survey or evaluation.**

143 A water provider shall participate in regular infrastructure needs surveys or evaluations
144 and shall complete the asset-related sections of a survey or evaluation within the deadline
145 established by the Division of Drinking Water or the Division of Water Resources.

146 Section 8. Section **73-10g-404** is enacted to read:

147 **73-10g-404. Review and reporting by the Water Development Coordinating**
148 **Council.**

149 (1) As used in this section:

150 (a) "Council" means the Water Development Coordinating Council created by Sections
151 73-10c-3 and 79-2-201.

152 (b) "Wastewater service provider" means the same as that term is defined in Section
153 19-5-202.

154 (2) The council shall review:

155 (a) best practices related to the assessment, evaluation, maintenance, and replacement
156 of capital assets of wastewater service providers or water providers; and

157 (b) costs associated with:

158 (i) the best practices described in Subsection (2)(a); and

159 (ii) adoption of a capital asset management plan.

160 (3) The council shall finalize the council's review and report to the Natural Resources,
161 Agriculture, and Environment Interim Committee by no later than the 2022 November interim
162 meeting of the Natural Resources, Agriculture, and Environment Interim Committee.