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WATER AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Casey Snider

Senate Sponsor: _____

LONG TITLE

General Description:

This bill addresses issues related to water.

Highlighted Provisions:

This bill:

- ▶ clarifies who is eligible for grant money for water conservation efforts other than secondary water metering; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

73-10-34.5, as last amended by Laws of Utah 2023, Chapter 260

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

Section 1. Section **73-10-34.5** is amended to read:

73-10-34.5. Grant money for existing secondary water metering to facilitate full metering -- Other grants.

(1) As used in this section:



28 (a) "Applicant" means a secondary water supplier or group of secondary water
29 suppliers that applies for a grant under this section.

30 (b) "Board" means the Board of Water Resources.

31 (c) "Division" means the Division of Water Resources.

32 (d) "Project" means the purchase or installation of a meter for a secondary water
33 system that as of May 4, 2022, provides secondary water service that is not metered.

34 (e) "Secondary water" means the same as that term is defined in Section 73-10-34.

35 (f) "Secondary water connection" means the same as that term is defined in Section
36 73-10-34.

37 (g) "Secondary water supplier" means the same as that term is defined in Section
38 73-10-34.

39 (2) (a) The board may issue grants in an amount appropriated by the Legislature in
40 accordance with this section to an applicant to fund projects for meters on secondary water
41 systems that before May 4, 2022, provide secondary water service that is not metered.

42 (b) The board may not issue a grant under this section to fund:

43 (i) metering of secondary water for service that begins on or after May 4, 2022; or

44 (ii) the replacement or repair of an existing secondary water meter.

45 (c) Notwithstanding the other provisions of this section, the board may issue a grant
46 under this section to a secondary water supplier to reimburse the secondary water supplier for
47 the costs incurred by the secondary water supplier that are associated with installing meters on
48 a secondary water system on or after March 3, 2021, but before May 4, 2022, except that the
49 grant issued under this Subsection (2)(c):

50 (i) shall be included in calculating the total grant amount under Subsections (3)(a)
51 through (c);

52 (ii) may not exceed 70% of the costs associated with a project described in this
53 Subsection (2)(c), including installation and purchase of meters; and

54 (iii) shall comply with Subsection (6).

55 (3) (a) A secondary water supplier with 7,000 secondary water connections or less is
56 eligible for a total grant amount under this section of up to \$5,000,000.

57 (b) A secondary water supplier with more than 7,000 secondary water connections is
58 eligible for a total grant amount under this section of up to \$10,000,000.

59 (c) If a secondary water supplier applies for a grant as part of a group of secondary
60 water suppliers, the total grant amount described in Subsection (3)(a) or (b) applies to each
61 member of the group and is not based on the number of secondary water connections of the
62 entire group.

63 (d) (i) Subject to the other provisions of this section, a grant may not exceed the
64 following amounts for the costs associated with a project, including installation and purchase
65 of meters:

- 66 (A) for calendar year 2022, 70% of the costs of a project;
- 67 (B) for calendar year 2023, 70% of the costs of a project;
- 68 (C) for calendar year 2024, 65% of the costs of a project;
- 69 (D) for calendar year 2025, 60% of the costs of a project; and
- 70 (E) for calendar year 2026, 50% of the costs of a project.

71 (ii) Beginning with calendar year 2027, a grant under this section shall consist of
72 providing a meter or funding to obtain a meter, which may not exceed the following for costs
73 associated with the project:

- 74 (A) for calendar year 2027, 40% of the costs of a project;
- 75 (B) for calendar year 2028, 30% of the costs of a project;
- 76 (C) for calendar year 2029, 20% of the costs of a project; and
- 77 (D) for calendar year 2030, 10% of the costs of a project.

78 (e) A secondary water supplier may pay the secondary water supplier's portion of the
79 costs of a project through a loan from the board under Section 73-10-34 by filing a separate
80 application with the board.

81 (f) A meter purchased with grant money received under this section shall allow for data
82 communication between the meter and other devices designed to manage use of secondary
83 water that is:

- 84 (i) open and available to an end user; and
- 85 (ii) open so that it can integrate with third-party providers.

86 (4) (a) (i) To obtain a grant under this section, an applicant shall submit an application
87 with the division during a period of time designated by the board.

88 (ii) If there remains money described in Subsection (2) after the grants for applications
89 submitted during the time period described in Subsection (4)(a) are awarded, the board may

90 designate one or more additional time periods so that the entire amount described in Subsection
91 (2) is awarded by December 31, 2024.

92 (b) An application submitted to the division shall include:

93 (i) a detailed project cost estimate including meter costs and installation costs;

94 (ii) a total number of pressurized secondary water connections in the applicable
95 secondary water supplier's system;

96 (iii) the number of meters to be installed under the grant;

97 (iv) a detailed estimated secondary water use reduction including:

98 (A) average lot size calculations;

99 (B) average irrigated acreage; and

100 (C) estimated water applied before the project versus after completion of the project;

101 (v) the timeline for purchase and installation of meters under the project;

102 (vi) an agreement to:

103 (A) provide an educational component for end users as determined by the division by

104 rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

105 either on a monthly statement or by a customer specific Internet portal that provides

106 information on the customer's usage more frequently than monthly; or

107 (B) bill according to usage using a tiered conservation rate and provide an educational

108 component described in Subsection (4)(b)(vi)(A); and

109 (vii) additional information the board considers helpful.

110 (5) (a) The division shall:

111 (i) review and prioritize an application submitted under Subsection (4); and

112 (ii) recommend to the board which applicants should be awarded a grant under this
113 section.

114 (b) In prioritizing applications under this Subsection (5), the division shall rank the
115 applicants on the basis of the following weighted factors:

116 (i) 60% weight based on the ratio of estimated water use reduction divided by total
117 state investment;

118 (ii) 20% weight based on an applicant facing current or potential water shortages when
119 installation of meters and subsequent water use reductions will result in delaying or eliminating
120 the need for new water development; and

121 (iii) 20% weight based on a project's accelerated construction schedule, prompt start,
122 and prompt finish.

123 (6) As a condition of receiving a grant under this section, the recipient shall enter into
124 an agreement with the board to use the grant money. The agreement shall:

125 (a) be executed by no later than December 31, 2024; and

126 (b) require that the grant money be spent by December 31, 2026, and the project
127 completed under the terms of the grant.

128 (7) Notwithstanding the other provisions of this section, the board may issue a grant to
129 a secondary water supplier:

130 (a) that installed meters on secondary water connections before May 4, 2022;

131 (b) that has not otherwise received a grant under this section;

132 (c) for the purpose of water conservation; and

133 (d) in an amount not to exceed \$2,000,000.

134 (8) Notwithstanding the other provisions of this section, the board may issue a grant to
135 or convert a grant previously issued to a secondary water supplier described in Subsection
136 ~~[73-10-34(13)(a)(iii)]~~ 73-10-34(13)(a) who seeks to meter at strategic points under Subsection
137 73-10-34(13), from money appropriated under this section to fund a project that is an
138 alternative to metering, such as lining ditches or improving head gates, if the secondary water
139 supplier establishes to the satisfaction of the board that the alternative project will conserve
140 more water than is expected to be conserved through metering.

141 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
142 consistent with this section, the board may make rules establishing the procedure for applying
143 for a grant under this section.

144 Section 2. **Effective date.**

145 This bill takes effect on May 1, 2024.