

**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: \_\_\_\_\_

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**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;



requires a secondary water supplier to finance at least 25% of the total cost to meet secondary water metering requirements through means other than those provided for in this bill;

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

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

creates the Secondary Water Metering Restricted Account (account);

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

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

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

[73-10-35](#), Utah Code Annotated 1953

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

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

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

(1) As used in this section:

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

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

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

(c) "Connection" means a connection between a pressurized secondary water supply

57 system and a user.

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

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

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

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

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

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

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

70 (i) not culinary or agricultural water; and

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

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

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

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

81 (b) Each secondary water supplier shall finance at least 25% of the supplier's total cost  
82 to comply with this Subsection (3) without the use of:

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

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

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

88 (4) A secondary water supplier shall:

89 (a) on or before March 31 of each year, report to the Division of Water Rights:

90 (i) for commercial, industrial, institutional, and residential users whose pressurized  
91 secondary water use is metered, the number of acre feet of pressurized secondary water the  
92 secondary water supplier supplied to the commercial, industrial, institutional, and residential  
93 users during the preceding 12-month period;

94 (ii) the number of secondary water meters within the secondary water supplier's service  
95 boundary;

96 (iii) a description of the secondary water supplier's service boundary;

97 (iv) the number of connections in each of the following categories through which the  
98 secondary water supplier supplies pressurized secondary water:

99 (A) commercial;

100 (B) industrial;

101 (C) institutional; and

102 (D) residential;

103 (v) for each size of connection, the number of connections in that size through which  
104 the secondary water supplier supplies pressurized secondary water; and

105 (vi) the dates of service during the preceding 12-month period in which the secondary  
106 water supplier supplied pressurized secondary water;

107 (b) on or before March 31, 2020, develop and submit to the Division of Water Rights  
108 the secondary water supplier's strategy to comply with the metering requirement described in  
109 Subsection (3); and

110 (c) each month that the secondary water supplier provides service, provide each of the  
111 secondary water supplier's metered commercial, industrial, institutional, and residential users  
112 with educational material regarding the user's pressurized secondary water use that shall  
113 include:

114 (i) the user's pressurized secondary water use in relation to others in the area; and

115 (ii) one or more suggestions for conserving pressurized secondary water use.

116 (5) The Division of Water Rights in conjunction with the Division of Water Resources  
117 shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
118 Act, establishing:

119 (a) the requirements of and the procedure for submitting a report under Subsection  
120 (4)(a); and

121 (b) the requirements of and the procedure for submitting a strategy under Subsection  
122 (4)(b).

123 (6) (a) Beginning July 1, 2019, and ending June 30, 2039, the board shall make at least  
124 \$10,000,000 in loans available each year:

125 (i) from the Water Resources Conservation and Development Fund, created in Section  
126 73-10-24; and

127 (ii) for financing, in conjunction with grants from the Secondary Water Metering  
128 Restricted Account, created in Section 73-10-35, the cost of secondary water metering as  
129 described in Subsection (3).

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

131 (i) in accordance with Subsection (3), the total amount available to a secondary water  
132 supplier through:

133 (A) a loan described in this Subsection (6) does not exceed 25% of the supplier's total  
134 cost to comply with Subsection (3); and

135 (B) a grant described in Section 73-10-35 does not exceed 50% of the supplier's total  
136 cost to comply with Subsection (3); and

137 (ii) for the purpose of determining the amount of a loan under this Subsection (6) or a  
138 grant described in Section 73-10-35, the calculation of a secondary water supplier's total cost to  
139 comply with Subsection (3) includes secondary water metering costs the secondary water  
140 supplier:

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

142 (B) finances through a loan, bond, grant, subsidy, program, or any other means not  
143 described in this Subsection (6) or Section 73-10-35.

144 (c) The Division of Water Resources and board shall make rules in accordance with  
145 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, establishing the criteria and  
146 process for receiving a loan described in this Subsection (6).

147 (7) A commercial, industrial, institutional, or residential user may not use culinary  
148 water for the regular irrigation of landscaping or a garden, if:

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

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

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

(8) The Division of Water Resources may exempt a secondary water supplier from the requirements of this section if, after testing, there is no meter that a meter manufacturer will warrant for the water in a specific location. In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Division of Water Resources may make rules for the implementation of this Subsection (8).

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

**73-10-35. Creation of Secondary Water Metering Restricted Account --**  
**Awarding of grants from the restricted account.**

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

(2) The restricted account consists of:

(a) any voluntary contributions received;

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

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

(3) The state treasurer shall:

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

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

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

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

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

(c) in accordance with Subsection 73-10-34(6)(b).

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

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

181           (b) criteria for determining eligibility for assistance under this section, specifically  
182 including factors such as the size of the secondary water supplier's budget, the secondary water  
183 supplier's ability to contribute to the cost of complying with Subsection [73-10-34](#)(4), and the  
184 water rates that would have to be charged to cover the secondary water supplier's contribution  
185 to the costs.