

WATER INFRASTRUCTURE REVISIONS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies rulemaking requirements for the Division of Water Resources and Board of Water Resources.

Highlighted Provisions:

This bill:

- requires a water infrastructure loan applicant to submit a design for project approval that has received an independent value engineering review; and
- makes technical amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

73-10g-105, as last amended by Laws of Utah 2016, Chapter 309

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

Section 1. Section **73-10g-105** is amended to read:

73-10g-105. Loans -- Rulemaking.

(1) (a) The division and the board shall make rules, in accordance with Title 63G,



28 Chapter 3, Utah Administrative Rulemaking Act, in preparation to make loans from available
29 funds to repair, replace, or improve underfunded federal water infrastructure projects.

30 (b) Subject to Chapter 26, Bear River Development Act, and Chapter 28, Lake Powell
31 Pipeline Development Act, the division and the board shall make rules, in accordance with
32 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in preparation to make loans from
33 available funds to develop the state's undeveloped share of the Bear and Colorado rivers.

34 (2) The rules described in Subsection (1) shall:

35 (a) specify the amount of money that may be loaned;

36 (b) specify the criteria the division and the board shall consider in prioritizing and
37 awarding loans;

38 (c) specify the minimum qualifications for an individual who, or entity that, receives a
39 loan, including the amount of cost-sharing to be the responsibility of the individual or entity
40 applying for a loan;

41 (d) specify the terms of the loan, including the terms of repayment; and

42 (e) require all applicants for a loan to apply on forms provided by the division and in a
43 manner required by the division.

44 (3) The division and the board shall, in making the rules described in Subsection (1)
45 and in consultation with the State Water Development Commission created in Section
46 [73-27-102](#):

47 (a) establish criteria for better water data and data reporting;

48 (b) establish new conservation targets based on the data described in Subsection (3)(a);

49 (c) institute a process for the independent verification of the data described in
50 Subsection (3)(a);

51 (d) establish a plan for an independent review of:

52 (i) the proposed construction plan for an applicant's qualifying water infrastructure
53 project; and

54 (ii) the applicant's plan to repay the loan for the construction of the proposed water
55 infrastructure project;

56 (e) establish a plan that requires an applicant to submit a design for project approval
57 that:

58 (i) has received an independent value engineering review that systematically examined

59 ways the project's value can be increased through reducing costs and improving function,
60 reliability, and performance; and

61 (ii) includes a report of the value engineering review, including design modifications
62 recommended by the review;

63 [(e)] (f) invite and recommend public involvement; and

64 [(f)] (g) set appropriate financing and repayment terms.

65 [(4) (a) ~~The division, board, and State Water Development Commission shall, no later~~
66 ~~than October 30, 2016, report to the Natural Resources, Agriculture, and Environment Interim~~
67 ~~Committee and Legislative Management Committee on the rules established pursuant to~~
68 ~~Subsections (1) and (3).]~~

69 [(b)] (4) [After October 30, 2016, the] The division and the board shall provide regular
70 updates to the Legislative Management Committee on the progress made under this section,
71 including whether the division and board intend to issue a request for proposals.

Legislative Review Note
Office of Legislative Research and General Counsel