

UTAH ASSOCIATION OF SPECIAL DISTRICTS
Annual Convention, Legislative Issues
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Water Issues:

Bills requested, but not yet printed.

Great Salt Lake Commission. Requested by Rep. M. Nelson. This request is an out-growth of the SB 80 and SB 251 bills from the 2016 General Session. Rep. Nelson would like to have a Commission for the Great Salt Lake like Utah County has for the Utah Lake Commission. He is concerned about the development of the Bear River and the impact on the Lake from the development of the Bear River allocation Utah's entitled to from the Bear River Compact.

Non Profit Corporation Amendments. Requested by Senator Margaret Dayton. This is an "on-going" battle between the water companies and the stock holders. A recent Supreme Court case has applied nonprofit corporate law to water irrigation companies. This conflict needs resolution. Rep. McIlff championed this bill for a number of years, but he was not able to out vote the irrigation companies. Senator Dayton just might get it done, but perhaps not the way Rep. McIlff would have written it, but it might be done in a way that both sides can agree to the fix.

Water Development Commission Amendments. Requested by Senator Margaret Dayton. Last year with SB 251, the Commission was increased with a variety of non-legislators to the Commission Task Force. The "enlarged" commission in reality seems too large and it is clearly no longer a "legislative" task force. Her bill will remove most of the non-legislative executive branch slots on the Commission. It will likely pass.

Water Law – Non Use Application. Requested by Rep. Timothy Hawkes. This is bill developed last year by the Executive Water Task Force. It clarifies that the filing of non-use applications cannot be used to show beneficial use of the water. It will clarifies that the non-use application is designed to protect from the risk of forfeiture when properly approved, but it does not take the place of actual use.

Water Law – Protected Purchase. Requested by Senator Margaret Dayton. This bill was developed last year by the Executive Water Task Force. The Task Force has recommended this bill as a "tune up" to last year's bill.

There may be other bills yet to be introduced, so you'll have to stay tuned until the Legislature goes home.

Water Infrastructure Funding Report

SB 281 Water Infrastructure. In the 2015 General Session, Senator Stuart Adams sponsored SB 281, Water Infrastructure. This bill created the Water Infrastructure Restricted Account ("WIRA") and funded this Account with a one-time appropriation of \$5 million of "one time" money. The WIRA is a holding account where funds can be set aside to pay for the future costs of developing Utah's share of the Bear and Colorado Rivers. It may also be used to fund repair and replacement of Federal Water Projects when Federal Funds are not available. A state water infrastructure projects ("SWIP") list indicates a \$33 billion water infrastructure need to meet the demands of a population doubling by 2060.

SBs 80 & 251. The 2016 General Session, Senator Stuart Adams sponsored SB 80 which allocated an additional 1/16% of the Sales and Use Tax to the WIRA. He also sponsored SB 251 which authorized the State Water Development Commission to make sure that the water use data which is used for planning purposes is accurate and to also develop guide lines to be sure that Applicants are credit worthy and will be able to repay the state for funds loaned from the WIRA will be repaid. Both bills passed. The WIRA will continue the revolving loan arrangements of past Utah water development.

SB 251 Directives. The Water Development Commission has formed a working group under the direction of Senator Adams and Gene Shawcroft to tackle the SB 251 directives. It is likely that they will suggested a bill to the 2017 General Session to "tune up" the WIRA so "on-going" funding for data collection will be provided and the require applicants will have to "value engineer" all projects being submitted to the WIRA for funding approval. Through a coordinated effort the Division of Water Resources with the advice of both the Water Development Commission and the Legislative Management Committee, will soon issue the RFPs mentioned above. The results of these studies will be available before the end of 2017, in time for any proposed legislative changes to be considered in the 2018 General Session.

The Risk of Raids. The full funding of the 1/16% approved in the 2016 General Session will be phased in over a five year period. The risk for any funding accumulating for future development is a raid by a competing state agency for the funds. So far, at least one raid has been planned. The WIRA funding could provide the "soft landing" for the B & C Hardship Counties. These entities claimed they had not received a fair disruption of the State B & C transportation funds. In the 2016 General Session, they sponsored some technical corrections to the distribution formula, which turned out to be a little more than a "technical correction," it was "flat out" raid. So far Legislative Leadership has ruled out the WIRA 1/16% as the source for the "soft landing." This is not likely to be the last raid planned on the new 1/16%. "Diligence" requires "Vigilance."