

**Bill: 2<sup>nd</sup> substitute HB 439 – Water Planning Amendments**

Sponsor: Representative Shallenberger

Floor Sponsor:

**UASD Position: Track**

This Bill modifies provisions related to the planning of future water supply.

Discussion: The sponsor, speaking to the 2<sup>nd</sup> substitute and accompanied by the State Engineer, explained that nearly all municipalities and counties currently lack a standardized 40-year water plan, and that existing plans vary significantly in scope and quality. The Bill requires the State Engineer to establish measurable standards and mandates that all cities and counties adopt a 40-year water plan by January 1, 2028.

The State Engineer noted that while rules already exist, the Bill would revise those rules to ensure greater consistency and accountability. Representative Shipp questioned the current requirements and any penalties for failing to adopt a plan. It was clarified that no penalties are included in the Bill. Representative Arthur questioned the January 1, 2028 deadline. The State Engineer explained that the timeline allows sufficient time to develop standards and for municipalities to complete their plans, with support from the Utah Water Task Force.

Representative Albrecht questioned the fiscal note. It was clarified that any costs would be absorbed through existing water rights processes. Representative Albrecht also asked how many municipalities currently lack a water plan. Approximately 200 do not have a long-term water plan. The Committee adopted the 2<sup>nd</sup> substitute. No members of the public spoke to the Bill.

Yeas: 5

Nays: 4

N/V: 5

**Outcome: 2<sup>nd</sup> substitute HB 439 passed out of the Committee with a favorable recommendation.**

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**Bill: 1<sup>st</sup> substitute HB 501 – Water Modifications**

Sponsor: Representative Bolinder

Floor Sponsor: Senator Sandall

**UASD Position: Oppose**

This Bill addresses regulation of the provision of water.

Discussion: The sponsor explained that spending on water infrastructure projects is projected to increase significantly in the coming years and referenced a study that recommended a series of steps to address future needs. Candance Hasenyager, Director of the Division of Water Quality, spoke in support of the Bill. The sponsor emphasized that the Bill seeks to balance local control

of water project spending while establishing fees to support water stewardship and long-term sustainability.

Representative Shipp questioned when the state would provide funding for local water development projects. The sponsor clarified that cities must first meet certain water stewardship requirements to qualify for state funding. Representatives Watkins and Albrecht questioned the proposed higher water tax and its impact on smaller towns. Representative Kohler raised concerns about the high rates that could be applied, and Representative Arthur echoed concerns about how increased rates might affect residents in low and median-income communities.

Representative Watkins questioned issues related to secondary water systems. The Director explained that providers often lack the capacity to renegotiate or modify existing contracts. Representative Watkins also raised concerns about the cost of purchasing new water meters and how those costs could affect small water companies. Representative Snider asked for an overview of studies identifying funding sources for future water development. The Director explained that approximately \$1.2 billion is the estimated cost for upcoming water projects. It was also noted that currently about 2.1% of modified adjusted gross income (“MAGI”) is spent on water and sewer services.

The Wasatch Front Water Utility Council spoke to the need to modify the definition for regional wastewater treatment service provider to better meet the needs of their industry. The average sewer rate across the Wasatch Front is 0.8% of MAGI. The Utah Farm Bureau spoke in support of the Bill. Several members of the public spoke in opposition, including representatives from the Great Basin Water Network, the Crossroads Urban Center, the Utah Sierra Club, the Utah Rivers Council, and the Mayor of Torrey. The Utah Land Title Association stated concerns about language dealing with the report that title companies must prepare for a property closing beginning on line 550 in the Bill. They will work with the sponsor to address this issue. The Utah League of Cities and Towns did not take a formal position on the 1<sup>st</sup> substitute. They thanked the sponsor for working with them by removing the requirement for local entities to collect certain local contribution amounts for drinking water and wastewater by 2031.

Representatives Kohler and Snider spoke in support of the Bill. Representative Albrecht stated that while the Bill could benefit from further changes, he supported moving it forward.

Yeas: 10

Nays: 2

N/V: 2

**Outcome: 1<sup>st</sup> substitute HB 501 passed out of the Committee with a favorable recommendation.**

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