

Report Card on the 2024 Utah General Legislative Session

March 4, 2024



Legislative Report Card



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Introduction

Starting in 2021, Utah became the subject of a series of unflattering new stories over its failure to conserve water or protect its rivers and lakes. Utah has attracted global criticism for being the 2nd driest state in the country with some of America’s cheapest water rates and highest per person municipal water use. News stories from 60 Minutes to Last Week Tonight with John Oliver criticized Utah leaders for failing to modernize our water practices. ProPublica explored the Utah Legislature’s opposition to water conservation legislation over two decades (and counting). Governor Cox’s call on Utahns to pray for rain only fed criticism of Utah’s leadership failures, because a sitting Governor refused to offer substantive new policy solutions to Utah’s ongoing water governance problems.



The largest remaining wetland ecosystem in the American West – the Great Salt Lake – reached two record lows in a 12-month period, after two decades of decline. In the face of this crisis, proposed Bear River Development continues to move forward at the hands of Utah legislators and the water districts advancing this destruction. This proposed \$3-5 billion diversion would dry up the already-shrinking Lake and is still being funded with a \$230 million construction fund increasing by \$60 million each year.

Facing public scrutiny for the disappearance of the Great Salt Lake, Utah’s water development industry put their marketing experts and lobbyists to work crafting a propaganda campaign to hoodwink Utahns into believing that substantial progress was being made to pass good water bills at the Utah Legislature. In particular, the 2022 and 2023 legislative sessions were hailed as big efforts to pass comprehensive legislation to conserve water and save the Great Salt Lake. Although a few good bills passed in 2022 and 2023, the majority of the bills were ineffective at raising Great Salt Lake water levels, and many of them are downright detrimental to the Lake and its 10 million migratory birds.

Throughout the 2024 Utah legislative session, legislators supported terrible water bills that are damaging to the Great Salt Lake and opposed good water bills that could conserve water. The most destructive bill of the 2024 session is SB 211, allowing Utah’s four largest water districts to advance their plans to further shrink the Lake through Bear River Development without having to worry about public oversight. The water development industry has continued pushing the narrative that Utah politicians are on top of the problem at the Great Salt Lake, when it is in fact a reckless and irresponsible bill which prevents any public transparency.

Most Utahns are unaware of the immense special interest power of the Utah water lobby and its undemocratic tendencies inside and outside the Utah Legislature. SB 211 was sponsored by both the Senate President and the Speaker of the House, the two most powerful politicians in the Utah Legislature. Their sponsorship shut down all debate of this terrible bill which sailed through both houses with very little opposition from either party. This is not an uncommon story when it comes to water.

Introduction (Continued)

In the last 10 years, the Senate President and House Speaker have only cosponsored legislation three times together, outside of resolutions. Two of those three bills were water bills, unveiled late in the legislative session and which passed without substantive opposition — a testament to the power of the Utah water lobby.

Utah's legislators did not pass fiscally-conservative legislation when it came to water bills in the 2024 legislative session. Some of what the 2024 Legislature did was give handouts to water lobbyists and the agencies they work for, like the proposed Cove Reservoir, a project mired in controversy since it was the subject of an USDA Inspector General investigation request. The big-ticket projects, Bear River Development and the proposed Lake Powell Pipeline, are spending boondoggles and environmental disasters that continue to advance. These two water projects will cost some \$8+ billion in construction costs and mitigation, and they are coming much sooner than their proponents will admit. Now that these proponents can meet in the shadowy backrooms with the passage of SB 211, these projects will likely advance much more quickly in future legislative sessions.

Accountability and public oversight are the keys to good water governance, but the Utah Legislature has failed to modernize Utah's byzantine water practices by allowing a handful of wealthy water districts to continue to be the primary architects of statewide water policies in the backrooms of the statehouse. These backroom policies approved by your legislators will cause water rate increases in coming years, air quality problems along the Wasatch Front from Great Salt Lake dust, migratory bird population declines and other quality of life impacts.

This report card offers an overview of the Utah Legislature's failure to address decades of chronic overconsumption of water in Utah, alongside state opposition to protecting aquatic ecosystems. Many Utahns have no understanding of how harmful Utah's water policies are to our rivers and lakes or how far behind our state is compared to other western states which are more dedicated to conserving water. This report card is a wake-up call to Utahns: let's get serious about solving our legislature's failure to bring Utah into the 21st century. If you would like to learn how to get involved and fix the problems at the Utah Legislature, visit 4200GSL.org or utahrivers.org.

Legislative Absenteeism on Critical Water Needs of Utah

For decades, the Utah Legislature sat idly by and watched the Great Salt Lake decline from state water policies that encouraged water waste and failed to recognize the value of aquatic ecosystems. Legislative inaction to save the Lake isn't just ignorance, but also stems from powerful Utah water districts who oppose delivering water to the Lake because they believe such water is "wasted."

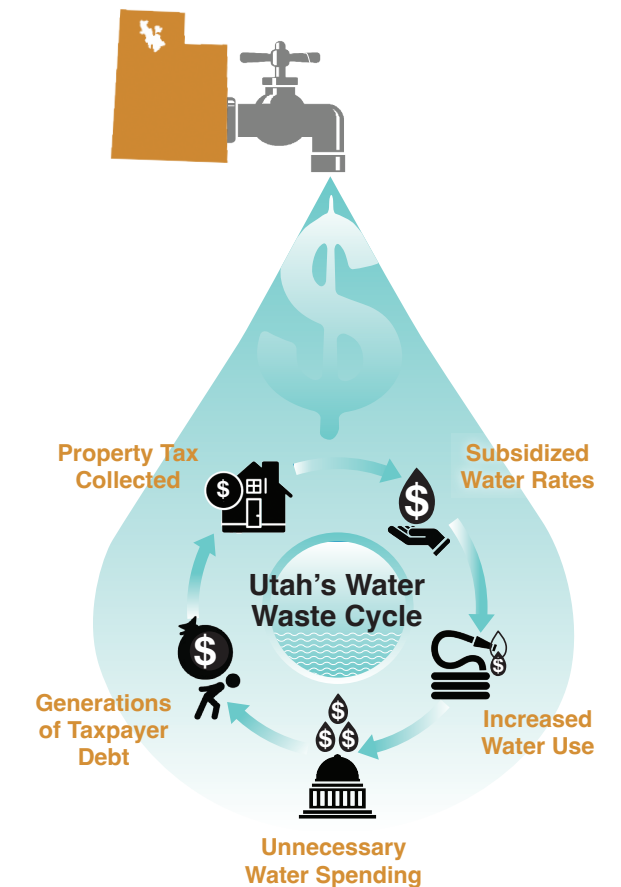
The Utah Legislature failed to show up and provide leadership on several critical water needs in Utah for several decades. The crisis at the Great Salt Lake is a state failure, and after three legislative sessions of performative claims that fail to deliver measurable progress, Utahns are growing increasingly exasperated. Few legislators understand the water needs of the Great Salt Lake or how its continued decline is all but guaranteed, because lobbyists and marketing contractors from Utah's largest water districts are running a propaganda campaign to misinform the public about water in Utah. The failure to address the following two critical problems comes from the power of this Utah water lobby.

1. Eliminating Tax Subsidies Which Encourage Water Waste

Utah is America's most profligate municipal water waster because Utah water districts over-collect property taxes on housing, businesses, and automobiles. A survey by the Utah Rivers Council of 330 water suppliers across the American West found that Utah water districts collect property taxes at a rate three times that of surrounding states.

This explains why Utah has the least expensive municipal water rates and the highest per capita municipal use in the U.S. Supposedly conservative Utah legislators refused once again to consider phasing out these wasteful property taxes in the 2024 General Legislative Session.

Utah's Water Waste Cycle



Overall 2024 Utah Legislative Session Performance on Water



To produce the report card, the Utah Rivers Council tracked and analyzed every water related bill, amendment, and substitute throughout the session. Staff members listened to committee debates, spoke with legislators, got input from stakeholders, and conducted extensive research on each measure.

2. Water Level Restoration Goal for the Great Salt Lake

Utah legislators once again refused to consider legislation to establish a restoration goal for the Great Salt Lake. Originally introduced in the 2023 Legislative Session by Senator Nate Blouin, setting a water level restoration goal would enable the development of water delivery budgets to raise lake levels. There is not a genuine legislative interest in raising Great Salt Lake water levels because it will disappoint powerful water lobbyists.

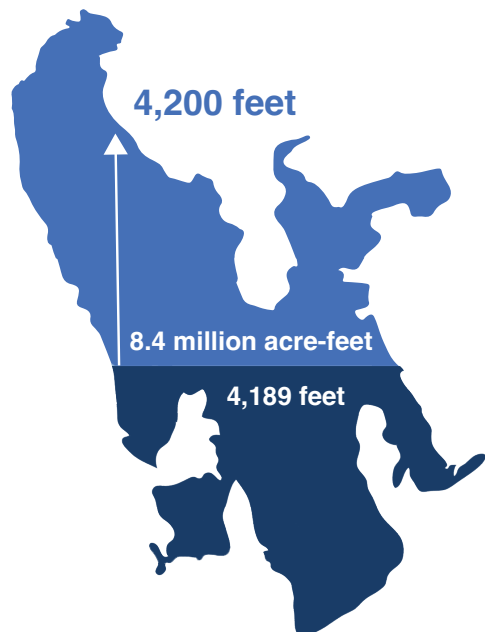
The Great Salt Lake hit a record water low of 4,189 feet in 2022. Since the optimal Great Salt Lake water level is 4,200 feet above sea level, the Lake needs 8.4 million acre-feet of water from its record low. A range of scientific evidence demonstrates that 4,200 feet is the ideal water elevation for human health, migratory birds, recreational activities, and the \$1.3 billion Lake economy.

Raising the Great Salt Lake to its healthy level of 4,200 feet from its record low of 4,189 feet will take a lot of water, about 8,400,000 acre-feet. But, like a big purchase, we don't have to send all this water to the lake at once. We can refill the lake over a 10 or 20 year period by sending an additional 1,162,000 to 745,000 acre-feet of water to the lake each year.

Great Salt Lake Water Budget Needed to Reach 4,200 Feet

Units in thousands of acre-feet

Water Year	Starting Level	10 years	20 years
2022	4,189 ft	1,162	745
2023	4,194 ft	849	589



To reach the healthy water level needed to sustain migratory birds, industry, recreation and air quality, the Great Salt Lake needs an additional 8 million acre-feet of water to reach the elevation of 4,200 feet.

The table above shows the water volume needed based on different starting water levels and timelines.

These bad legislative measures passed the Utah Legislature during the 2024 legislative session, and even though some of these bills were crafted over a series of months, water lobbyists conspired to keep these measures secret from the public until it was too late to stop them. Keeping the public from having the chance to provide criticism of controversial legislation during the interim legislative session between April and January is a key strategy of the water districts leading the charge to lower Great Salt Lake water levels.

Grade and Bill Explanation

SB 211 Generational Water Infrastructure Amendments



SB 211 is the Utah Legislature's biggest failure on the Great Salt Lake in eight years and sets the stage for the Lake's demise. Utah's two most powerful legislators – the Senate President and Speaker of the House – cosponsored SB 211, an anti-democratic bill that creates a shadowy new government agency (the Water Development Council) composed of unelected staff from Utah's four largest water districts and the Division of Water Resources. These lobbyists are the entities working to divert the single largest water source to the Great Salt Lake, which can now be advanced in secretive backrooms of the Utah Legislature.

This disturbing bill insulates these water lobbyists from any public oversight whatsoever, granting them the power to plan spending and future legislation to advance proposed Bear River Development. This shadowy Council can begin planning the acquisition of Bear River damsites, water right acquisitions of Great Salt Lake water, and anything else they wish to discuss without ever letting Utah taxpayers know what they are planning until it is too late.

SB 125 Secondary Water Amendments



SB 125 reverses the secondary metering requirements enacted by previous legislative sessions by exempting water systems outside of the Great Salt Lake Basin in Utah with 2,500 users or less from having to install meters to save water. Secondary water systems are canals and ditches converted from agricultural to municipal water systems as farms were replaced by urban growth. These systems are some of the most wasteful municipal water delivery systems in the U.S. because they often flood irrigate grass and use open canals that leak water.

Of the approximately 260,000 secondary water connections in Utah, just 15 percent are metered. SB 125 was unveiled to the public just 25 hours before it was heard in committee. The move to unveil this legislation at the last possible moment prevented the public from having enough time to prepare suitable opposition to the bill.

Most Harmful Water Bills (Continued)

Grade and Bill Explanation

SB 18 Water Modifications



SB 18 puts all the legal mechanisms in place for farmers who participate in Utah's agricultural water optimization program to keep the water saved from that program as their own personal water rights. The optimization program gives taxpayer funds to farmers to help cover the installation costs of more efficient irrigation technologies. Utah has invested \$270 million in the program, and leaders have hailed it as a cornerstone of the state's plan to raise Great Salt Lake levels. But, there is no requirement that saved water be delivered to the Great Salt Lake.

Other states with similar programs require at least some of the saved water to become instream flows as a way of compensating taxpayers for their investment. In Oregon, taxpayers are awarded a commensurate percentage of the saved water based on the proportion of funds they contribute. For example, if a tax-funded grant to a farmer covers 30% of the cost of an optimization project, then a corresponding 30% of the saved water goes to instream flows. Utah should follow the fiscal conservatism of Oregon to ensure Utah taxpayers get a return on their investment in the form of instream flows. But SB 18 failed to do this.

SB 57 Utah Constitutional Sovereignty Act



This is a bad bill that will create a process where the legislature can prohibit state employees from assisting in the execution of a federal directive. Supremacy Clause notwithstanding, this provides a potential mechanism to disregard federal laws that help protect our environment including the Great Salt Lake.

HB 519 Department of Natural Resources Modifications



HB 519 opens the floodgates to wasteful spending by removing an existing requirement inside the Board of Water Resources to consider whether proposed water spending would produce net economic benefits. With the passage of this bill, the most expensive water sources imaginable can be funded, regardless of how such spending could lead to water rate increases, costly litigation, or other problems. The bill potentially allows unnecessary and financially infeasible projects to receive tax money, such as exotic pipelines from the Mississippi River.

HB 519 is an unnecessary loosening of existing financial protections that have already been in place and working for some time. The Utah Division of Water Resources sought the change to drop basic economic considerations in awarding funds, a testament to the agency's failure to embrace fiscal conservatism and the conservation of rivers and lakes in Utah.

Most Harmful Water Bills (Continued)

Grade and Bill Explanation

HB 280 Water Related Changes



HB 280 proposes to significantly restructure how water infrastructure projects are funded, which could help advance destructive new water projects. Sponsored by Rep. Casey Snider, the bill proposed to create a new tax on household water bills and consolidate water funding into one account, which would be prioritized for water spending with the creation of a new committee. After facing substantial criticism from the public, the bill was watered down and many of its provisions were replaced with a study.

While the substitute version of the bill is not as disastrous as the original, the study places Utah on a radically new path. Most water infrastructure funding in the U.S. occurs at a local level, which helps to ensure that if a water supplier wants to build a new water project, they need to raise water rates to pay for it. If their customers don't need more water, they won't pay the higher rates and the water supplier won't have the funds to build their project. HB 280 throws a wrench in this system by establishing a system where water funding decisions are made at the state level with taxes, rather than with water rates. This tax-and-spend approach eschews fiscal conservatism that keeps Utah on a trajectory of wasting tax money on boondoggle water projects at the request of special interests.

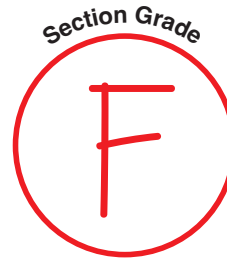
HB 453 Great Salt Lake Revisions



The disturbing aspect of HB 453 continues to escape the notice of the public and the media. HB 453 advances Utah's quest to shrink down the Great Salt Lake by allowing unlimited diking to shroud the future of the Lake by pushing an ever-shrinking water volume into a smaller and smaller water column. HB 453 embarks upon an effort to study future diking operations at the Lake, of critical concern given Utah's ongoing failure to devise and implement a plan to raise Great Salt Lake levels.

HB 453 also removed an existing requirement that mineral extractors not deplete water from the Lake. That means there could be a net water loss at the Lake, while Utah claims it is benefiting the Great Salt Lake. This is a huge change, and one likely to result in increased harm to the Lake even with the other protections this bill introduces.

Good Bills of the 2024 Legislative Session That Failed



These good legislative measures were proposed by both Democrats and Republicans to either improve Utah's water governance, conserve water, or try to restore water levels at the Great Salt Lake. These measures didn't pass the Utah Legislature for a variety of reasons, even though lots of time and energy was put into these efforts by legislators, legislative staff and a variety of nonprofit organizations and members of the public.

Grade and Bill Explanation

HB 65 Active Transportation and Canal Trail Amendments This is a good bill that was held in House Natural Resources Committee, despite the sponsor's willingness to amend the legislation to appease holdout representatives. The state has many old canals that could be turned into greenways and paths for the community. The bill would have given municipalities, then UDOT the first chance to purchase unused canals to turn into trail use and would have allowed these purchasers to improve the canal as well, saving water.

HB 242 Water Usage Data Amendments The original bill required education agencies and schools to report their water use each year, with two substitutes which reduced the reporting area to only highly populated counties – 1st, 2nd and 3rd class counties, not Utah's 26 other counties. The bill would simply have studied how much water local schools use, including looking at indoor vs. outdoor use. The bill was defeated on the House floor, further demonstrating the Utah Legislature's hostility to sharing basic water information with the public.

HB 243 Riparian Amendments This original version of this bill was a good measure that would have required municipalities to plan their river corridors to improve the health of riparian areas within their municipal boundaries and protect buildings from flooding. The bill faced heavy opposition and was substituted with a watered-down version.

HB 472 Water Revisions This bill directs the Division of Water Resources to study the creation of a centralized water use database so that Utahns' and decision-makers have better accounting of how we use water.

Good Bills That Failed (Continued)



HB 401 Water Usage Amendments This was a good bill that would have limited watering on urban lawns during the late fall, winter and spring months in counties of the Great Salt Lake Basin. The bill would have created fines on outdoor water use and watering between Oct 1 and April 30, even though no one should be watering their lawns during this time. The Utah Legislature refused to even discuss this bill and it died in House Natural Resources Committee, yet another failure for public discussion.

HB 448 State Water Reporting Requirements Over the past few legislative sessions, the statehouse has put hundreds of millions of dollars into various programs to conserve water. Although many tax dollars have been spent, the public has little data on how much water was made available through these programs or where that water went. This bill requires the Division of Water Resources to monitor state legislative water optimization efforts.

HB 535 Water Conservation Modifications This good bill asked the basic question of how much conserved water is actually making its way to the Great Salt Lake by directing the GSL Commissioner to study this matter. Jordan Valley Water District expressed concerns about this bill in committee, testifying that saving water isn't really meant to be delivered to the Great Salt Lake.

SB 195 Golf Course Amendments Directs Utah State University to study how much water is used on Utah golf courses and create recommendations to reduce water use by identifying best practices. The bill would have protected the water use data of specific golf courses to prevent the public from learning about which golf courses were profligate water users. This was the third year this measure was considered, and the third year the bill failed.

SB 196 Great Salt Lake Amendments This bill directs the Great Salt Lake Commissioner to create a plan to optimize the amount of water that enters the lake during wet water years. The goal is to ensure that as much water as possible makes it into the Great Salt Lake when we are fortunate enough to have big winters.

Good Bills of the 2024 Legislative Session That Passed

Utah legislators were able to pass some good legislation in the 2024 legislative session that will help address problems in water governance, conserve water, or study water problems at the Great Salt Lake. These bills will help create a more sustainable Utah water sphere, but most of these bills are smaller in scope and the benefit conferred to the Utah public is outweighed by the range of negative impacts from harmful bills passed in the 2024 General Legislative Session.

Grade and Bill Explanation

HB 11 Water Efficient Landscaping Amendments



This bill prohibits schools and local entities from installing sprinklers in any newly constructed properties, except in areas designated for “active use” like sports fields and parks.

HB 275 Water Amendments



This bill removed a provision that allowed HOA’s to require that a property owner keep some amount of grass in their yard. Under this bill, an individual who is subject to an HOA may now have 100% waterwise landscaping if they so choose.

SB 29 Truth in Taxation Modifications



This bill strengthens the public notice requirements for government entities, including water districts, who want to raise their property tax rates. It also allows a county commission to reject a proposed rate increase if the county’s auditor finds that the government entity did not follow proper public notice rules.

Good Bills That Passed (Continued)

SB 242 Utah Lake Modifications



This bill repeals the ‘Utah Lake Restoration Act,’ which opened the door to the proposed creation of artificial islands at Utah Lake. Repealing this legislation puts the nail in the coffin for the island-building adventure supported by developers and special interests.



Great Salt Lake wetlands.

Expanded Grading Summary of Harmful Legislative Actions



Expanded Grading Summary of Harmful Legislative Actions

Utah Leaders Create Shadowy Council To Hide Water Dealings with SB 211

SB 211 is the Utah Legislature’s biggest failure of 2024. Utah’s two most powerful legislators – the Senate President and Speaker of the House – cosponsored SB 211, an anti-democratic bill that creates a shadowy new government agency called the Water Development Council which is composed of unelected staff from Utah’s four largest water districts and the Division of Water Resources.

This disturbing bill insulates these staff from any public oversight whatsoever, granting them the power to plan the spending of an ever-expanding construction fund with \$230 million in it for Bear River Development – a grave threat to the future of the Great Salt Lake. This shadowy Council can negotiate the acquisition of Bear River damsites, water right acquisitions of Great Salt Lake water, and anything else they wish to discuss without ever letting Utah taxpayers know what they are planning until it is too late.

The bill entirely exempts the Water Development Council from the Open & Public Meetings Act and the Government Records Access & Management Act. This means the Water Development Council can meet behind closed doors without notifying the public, without producing meeting minutes, and without making its records available to the public. The Utah Transparency Project deemed this a “closed door” bill.

The bill designates the proponents of Bear River Development and Lake Powell Pipeline as the official advisors to the Governor, Speaker of the House, and Senate President for the state’s long term water plans. These proponents have long histories of killing basic water conservation measures and pushing big, destructive water development proposals. Their aim is to develop water and prevent it from entering the Great Salt Lake, while hiding these efforts from the Utah public.

Docks at the Antelope Island Marina sit on the dry lakebed. The largest remaining wetland ecosystem in the American West – the Great Salt Lake – reached two record lows in a 12-month period, after two decades of decline.



SB 211 (Continued)

When Utah Rivers Council staff raised concerns about these egregious public oversight exemptions to the bill's sponsor, he declined to take any action to increase transparency and defended the lack of oversight by claiming the Water Development Council's actions would eventually come to light, although it could happen without any public input whatsoever.

What the sponsor chose to ignore is that public transparency is not just about informing the public, it is about trying to discourage greed, corruption, and special interest-influence by providing the public with oversight of how public funds are spent. Without some way of looking at what is happening in this council's meeting, how is the public to know whether government officials are being lawful? Might they not discuss the best way to frame bad projects in a way that riles the least amount of public opposition? Are we Utahns so naïve as to believe that corruption doesn't exist inside Utah?

SB 211 also significantly expands what funds in the Water Infrastructure Restricted Account (WIRA) can be spent on. WIRA was created in 2016 to collect money from Utahns' sales taxes to advance Bear River Development and the Lake Powell Pipeline. Each year, it receives \$60+ million and has a current balance ~\$230 million. With the passage of SB 211, WIRA funds can be used for any boondoggle project the council recommends, including Bear River Development and the Lake Powell Pipeline.

Finally, SB 211 creates a second new government entity, the Water Agent, and tasks them with looking outside Utah's borders for exotic and costly new water sources that could force gigantic future water rate increases to everyone. The bill insulates this agent from public oversight laws and Utah's Procurement Law, giving them broad leeway to court deals with other states to build fantasy pipelines from the Columbia River, Mississippi River, Great Lakes, or other far away sources. Fiscal conservatism was once again ignored by legislative leaders.

Throughout the legislative session, Utah Rivers Council staff worked to educate legislators and the media about this bill and its highly problematic provisions. While many legislators privately expressed concerns about the bill, the bill was virtually unopposed by both Democrats and Republicans to avoid upsetting the two most powerful legislators on the hill.

The passage of SB 211 creates a future where special interest water developers may advance their pet projects in secret. Since the Water Development Council is entirely exempt from public oversight, we will have no way of knowing of their plans until they are unveiled. We anticipate numerous boondoggle water projects moving forward in the waning days of future legislative sessions when the public may have just mere hours to review these proposals before they are voted on, with no opportunities to speak against them.

Utah Continues Plans to Dike and Shrink Great Salt Lake with HB 453

This bill is an extension of an effort started in 2023 to overhaul the state's regulatory system for mineral industries on the Great Salt Lake. While much of this bill focuses on leases and royalty agreements of mineral operations on the Lake, other disconcerting provisions will significantly impact the overall health of the Great Salt Lake. The bill was aimed to reduce the use of Great Salt Lake water by mineral companies at low lake levels, but Utah has missed the boat on examining how other water uses waste water upstream of the Lake.

Of much more concern is that while HB 453 and its 2023 legislative predecessor have been hailed by some as a win for the Great Salt Lake, it is hardly a victory for anyone given the future it portends. The disturbing aspect of HB 453 continues to escape the notice of the public and the media: Utah's quest to shrink down the Great Salt Lake by allowing unlimited diking to shroud the Lake's future by pushing an ever-shrinking water volume into a smaller and smaller water column.

HB 453 embarks upon a study of future diking construction at the Lake, of critical concern given Utah's ongoing failure to devise and implement a real plan to raise Great Salt Lake levels. The 2023 Legislative Session granted the Division of Forestry, Fire, & State Lands the power to dike the Great Salt Lake when it falls to lower levels from Utah's chronic failure to regulate upstream water use. HB 453 expands these powers and initiates a study of new dike construction at the Great Salt Lake, which means an even-smaller Lake for Utah's future.

The Aral Sea in 1989 (left) and 2014 (right). Diking was used to shrink this saline lake down over time. HB 453 embarks upon a study of future diking construction at the Great Salt Lake, of critical concern given Utah's ongoing failure to devise and implement a real plan to raise Great Salt Lake levels.



HB 453 (Continued)

HB 453 also removed an existing requirement that mineral extractors not create a net depletion of water from the lake. That means that new extractive proposals could create a net water loss at the Lake, in express opposition to the stated intention of the bill. This is a huge change, and one likely to result in increased harm to the Lake even with the other protections this bill introduces.

Utah continues to essentially ignore upstream water use from the Lake, as if it doesn't play a role in the Lake's 20-year water level decline. The bill sets the Great Salt Lake on the same path of destruction that has befallen other saline lakes around the world by allowing Utah to build dikes to "manage" a shrinking Lake, in the face of a failed state water policy.

SB 18 Fails to Deliver Utah Taxpayers Water

In the 2019 Legislative Session, Utah created the agricultural water optimization program, in which taxpayer funds are given to farmers to help cover costs of installing more efficient irrigation technologies. Claims were made by elected officials that the saved water would make its way to the Great Salt Lake to raise water levels. In 2023, Utah plowed another \$200 million into the program and funded hundreds of farm projects.

State officials have pointed to this program as a cornerstone of the Utah's plan to save the Great Salt Lake because the program theoretically allows saved farm water to be delivered to the Great Salt Lake. But theory is not policy. There is no provision requiring that saved water from the program be delivered to the Great Salt Lake. Saved water could just as likely end up going to a growing municipality or a farm elsewhere in the canal system.



Under SB 18, farmers can do whatever they want with water saved through projects funded in part by taxpayers, including selling the water to a developer. There is no guarantee that saved water will ever make it to the Great Salt Lake.

SB 18 (Continued)

A 2023 audit of this program by the Utah Legislative Auditor found that the Department of Agriculture and Food failed to conduct its statutorily-mandated reporting, and the auditors were unable to determine how much water was saved and where that saved water went. State leaders' claims of benefitting the Great Salt Lake were once again given only lip service.

This is the core problem with Utah's program. Other states in the West with similar programs require at least some of the saved water to become instream flows as a way of compensating taxpayers for their investment. In Oregon, taxpayers are awarded a commensurate percentage of the saved water based on the proportion of funds they contribute. For example, if a tax-funded grant to an Oregon farmer covers 30% of the cost of an optimization project, then a corresponding 30% of the saved water goes to instream flows.

SB 18 sought to create a legal pathway to incentivize Utah farmers to participate in the program, but the bill failed to provide Utah taxpayers or the Great Salt Lake with any relief.

SB 18 puts all the legal mechanisms in place for farmers who participate in Utah's water optimization program to keep the water saved from taxpayer investment as their own personal water rights. The public isn't guaranteed a drop of water from their \$275 million investment. Farmers can do what they like with that saved water – sell it to a developer, farm more land with it, file a nonuse application and sit on the water. Or, if they want, they can choose to donate the water for instream flows.

Our solution is summarized in the 4,200 Project Guidebook, yet SB 18 failed to make any improvements to Utah's faulty program.

HB 280 Sets Utah on a Path to Taxes on Water Bills for Bear River Development

HB 280 proposes to significantly restructure how water infrastructure projects are funded in Utah, which could help advance destructive new water projects in coming years. Sponsored by Rep. Casey Snider, the bill proposed to create a new tax on household water bills and to consolidate water funding into one account. The bill also proposed to establish a new committee to prioritize which projects should receive funds from the account.

Utah water agencies already collect property tax revenue on Utahns' housing, businesses, and automobiles and also from sales taxes on everything from chewing gum to automobiles. These revenues help fund boondoggle water projects like Bear River Development and the Lake Powell Pipeline. HB 280 would have created yet another tax on Utahns to generate even more funds for big development projects, which would only benefit a handful of contractors and the four big water districts which are drying up the Great Salt Lake.

HB 280 (Continued)



Buoy at dry Hite Marina at Lake Powell. The Colorado River is in crisis due to climate change and overconsumption. The Utah Legislature is doubling down on building the proposed Lake Powell Pipeline, the largest new water diversion in the Colorado River Basin. HB 280 paves the way for a new tax on water bills to fund this boondoggle.

When the bill first went to committee, it faced criticism from the Utah Rivers Council, Salt Lake City Public Utilities, the Utah Eagle Forum, the Rural Water Association of Utah, and many others. Recognizing the bill would not advance in its current state, the sponsor introduced a series of substitute versions which removed the provision imposing a new tax on water bills. The replacement bill turned into a study and ultimately, this watered down legislation was passed by the legislature.

While the substitute version of the bill is not as disastrous as the sponsor intended, the study places Utah on a radically new path. Most water infrastructure funding in the U.S. occurs at a local level, which helps to ensure that if a water supplier wants to build a new water project, they must contemplate how they will raise water rates to pay for it. If their customers really do need the water from the new project, they will pay these higher water rates. If they don't really need more water, they will reduce their water use, not pay the higher rate, and the water supplier won't be able to raise the funds for the new project.

HB 280 throws a wrench in this system by establishing a system where water funding decisions are made at the state level, and projects are financed from taxes rather than water rates. This tax-and-spend approach eschews fiscal conservatism and keeps Utah on a trajectory of wasting tax money on boondoggle water projects at the request of special interests.

We will keep a close eye on the studies this bill initiates to see how this process develops.

Utah Legislature Fails Basic Fiscal Conservatism with HB 519

Rep. Casey Snider once again failed to understand the basics of fiscal conservatism with the introduction and passage of his bill to remove existing requirements for awarding taxpayer funds for water projects. Under existing Utah statute, the Utah Board of Water Resources must consider whether proposed water spending would produce net benefit to the public. The simple question of "Are there net economic benefits?" is a measure of whether a proposed project is worth pursuing.

This age-old test helps state and local governments across the country ensure their use of taxpayer funds are not bad investments. By removing an existing requirement directing the Board of Water Resources to consider a proposed water project's benefit to cost ratio before awarding funding, HB 519 removed the protection that ensured that Utah taxpayers received a return on their investment.

HB 519 opens the floodgates to wasteful spending. This is a companion piece to SB 211, allowing frivolous, exotic, and special interest spending to jump forward with no financial guardrails. With this bill, the most expensive water sources imaginable can be allocated funding, regardless of how such spending could lead to future water rate increases, costly litigation, or downright fraud. The bill potentially allows unnecessary and financially infeasible projects to receive tax money, such as exotic pipelines from the Mississippi River.

HB 519 is an unnecessary loosening of existing financial protections that have already been in place and working for some time.

SB 125 Steps Backwards from Secondary Metering Requirements

SB 125, a bill sponsored by Senator David Hinkins, reverses some of the secondary metering requirements enacted by previous legislative sessions. The bill exempts secondary water users with 2,500 users or less from having to install meters to save water, outside of the Great Salt Lake Basin in Utah.

Secondary water systems are canals and ditches converted from agricultural to municipal water systems as farms were replaced by urban growth. These systems are some of the most wasteful municipal water delivery systems in the U.S because they often flood irrigate grass and use open canals that leak water into the ground.

Because these ditches and canals were historically agricultural, they never had meters installed for end users. The installation of water meters helps reduce water waste by providing water use data to users. This can lower water use between 20-50%.

Of the approximately 260,000 secondary water connections in Utah, just 15 percent are metered. The 2022 Legislative Session passed a bill requiring meters to be installed on secondary water users by the year 2030. At the time the Senate voted 22 to 3 in favor, with Senator Hinkins being one of the three opposing votes.

In 2024, SB 125 was unveiled to the public just 25 hours before it was heard in committee. The move to unveil this legislation at the last possible moment prevented the public from having enough time to prepare suitable opposition to the bill.

Legislature Awards \$9m for Cove Reservoir, Despite Calls for Federal Investigation of Project

This session, proponents of the proposed Cove Reservoir Dam – the Washington County and Kane County Water Districts – asked the Utah Legislature for millions of taxpayer dollars to help fund their highly controversially and ethically questionable project. Despite the efforts of Utah Rivers Council staff and supporters, the legislature decided to award proponents a \$9 million appropriation, once again demonstrating the power that water lobbyists hold with legislators.

The proposed Cove Reservoir Dam would divert water from the East Fork of the Virgin River just upstream of Zion National Park. The East Fork of the Virgin River is one of the few rivers in Utah recognized under the Wild and Scenic Rivers Act, and its waters and riparian corridor is home to two endangered fish species, numerous archeological ruins and artifacts, and scores of native plants.

Proponents of Cove Reservoir sought to run the project through federal permitting and secure federal grants for the project in late 2020 by claiming that most of the lands the project would serve were agricultural. However, analysis by the Utah Rivers Council uncovered that the land identified by proponents for agricultural use was exaggerated in total acreage and already mostly converted to municipal subdivisions, public schools, and other non-agricultural developments.



The proposed Cove Reservoir would dam the East Fork of the Virgin River upstream of Zion National Park for municipal use. Utah River's Council advocacy uncovered the subterfuge by two water districts who pretended the project was for agricultural purposes.

Cove Reservoir (Continued)

According to U.S. Department of Agriculture (USDA) guidelines, proposed agricultural projects are allowed to receive generous federal financing terms, whereas municipal projects get much less generous lending terms. If a project's purpose is identified as serving urban water needs, project proponents could only receive a fraction of the federal funds they hoped for. This created the appearance that proponents intentionally misled the federal government by misconstruing the purpose of the project.

The Utah Rivers Council and our partners submitted extensive comments to the Natural Resource Conservation Service (NRCS) detailing the misleading nature of the project and questioning whether this plainly municipal project should be allowed to get generous federal grants for agricultural projects. We also called for a federal investigation of the project by the USDA Inspect General.

The NRCS announced they were subjecting the proposed dam to additional review in the form of a full Environmental Impact Statement. The project has been stalled since then, until proponents approached legislators at the 2024 Legislature and asked for millions of dollars to move this boondoggle forward.

Despite the Utah Rivers Council's staff, supporters and our partners efforts to educate legislators about the deceptive nature of this project, the Utah Legislature decided to plow ahead and fund the project. This doesn't mean Cove Reservoir is a done deal. It still has a long road of tough questions and permitting ahead. We are disappointed that Utah taxpayer dollars will be used to advance this wasteful boondoggle of a project.

