

PUBLIC WATER SUPPLIER RELOCATION AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Timothy D. Hawkes

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill amends provisions related to reimbursement of costs by the Department of Transportation for relocation of a utility to accommodate the construction of a state highway project.

Highlighted Provisions:

This bill:

- defines "exempt water supplier";
- amends provisions related to reimbursement of costs by the Department of Transportation for relocation of a utility to accommodate the construction of a state highway project; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

72-6-116, as last amended by Laws of Utah 2019, Chapter 238

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

Section 1. Section **72-6-116** is amended to read:

72-6-116. Regulation of utilities -- Relocation of utilities.

(1) As used in this section:

(a) "Cost of relocation" includes the entire amount paid by the utility company properly attributable to the relocation of the utility after deducting any increase in the value of the new utility and any salvage value derived from the old utility.

(b) "Exempt water supplier" means an entity that directly or indirectly supplies at least a portion of the entity's water for culinary purposes to the public for municipal, domestic, or industrial use, and is:

(i) a water corporation, as defined in Section 54-2-1, that is regulated by the Public Service Commission; or

(ii) a community water system:

(A) that either supplies water to at least 100 service connections used by year-round residents, or regularly serves at least 200 year-round residents; and

(B) whose voting members own a share in the community water system, receive water from the community water system in proportion to the member's share in the community water system, and pay the rate set by the community water system based on the water the member receives.

~~[(b)]~~ (c) "Utility" includes telecommunication, crude oil, petroleum products, gas, electricity, cable television, water, sewer, data, and video transmission lines, drainage and irrigation facilities, and other similar utilities whether public, private, or cooperatively owned.

~~[(c)]~~ (d) "Utility company" means a privately, cooperatively, or publicly owned utility, including utilities owned by political subdivisions.

(2) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make rules for the installation, construction, maintenance, repair, renewal, system upgrade, and relocation of all utilities.

(b) If the department determines under the rules established in this section that it is necessary that any utilities should be relocated, the utility company owning or operating the utilities shall relocate the utilities in accordance with this section and the order of the department.

(3) (a) The department shall pay 100% of the cost of relocation of a utility to accommodate construction of a state highway project, including the construction of a proposed state highway and the improvement, widening, or modification of an existing state highway if the:

(i) utility is owned or operated by:

(A) a political subdivision of the state; or

(B) an exempt water supplier;

(ii) utility company owns the easement or fee title to the right-of-way in which the utility is located; or

(iii) utility is located in a public utility easement as defined in Section 54-3-27.

(b) Except as provided in Subsection (3)(a), (c), or (d) or Section 54-21-603, the department shall pay 50% of the cost of relocation of a utility to accommodate construction of a state highway project, including the construction of a proposed state highway and the improvement, widening, or modification of an existing state highway, and the utility company shall pay the remainder of the cost of relocation.

(c) If the utility described in Subsection (3)(b) is a crude oil or petroleum products pipeline, unless the utility meets the conditions described in Subsection (3)(a):

(i) the utility company shall pay the lesser of:

(A) 50% of the cost of relocation of the pipeline to accommodate construction of a proposed state highway and the improvement, widening, and modification of an existing highway; or

(B) 50% of the cost of any structure or facility necessary to avoid impinging on the pipeline, and the department shall pay the remainder of the cost of the structure or facility; and

(ii) the department shall pay the remainder of the cost.

(d) This Subsection (3) does not affect the provisions of Subsection 72-7-108(5).

(4) If a utility is relocated, the utility company owning or operating the utility, its successors or assigns, may maintain and operate the utility, with the necessary appurtenances, in the new location.

86 (5) In accordance with this section, the cost of relocating a utility in connection with
87 any project on a highway is a cost of highway construction.

88 (6) (a) The department shall notify affected utility companies, in accordance with
89 Section 54-3-29, whenever the relocation of utilities is likely to be necessary because of a
90 reconstruction project.

91 (b) The notification shall be made during the preliminary design of the project or as
92 soon as practical in order to minimize the number, costs, and delays of utility relocations.

93 (c) A utility company notified under this Subsection (6) shall coordinate and cooperate
94 with the department and the department's contractor on the utility relocations, including the
95 scheduling of the utility relocations.