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THE CENTRAL UTAH PROJECT COMPLETION ACT

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INNOVATIVE APPROACHES TO URBAN WATER CONSERVATION

**Natural Resources Law Center
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I. Introduction

Water conservation has traditionally been tied to critical water shortages brought on by drought or water supply system failure. On a national level, however, the idea that conservation can be cost effective, or that it may be necessary in some areas year-round regardless of climatic conditions, is gaining acceptance. One of the main objectives of the Water Management Improvement requirements of the Central Utah Project Completion Act (Act) is to demonstrate that efficient water use can result in economic, social and environmental benefits.

The Central Utah Water Conservancy District (CUWCD), in carrying out its responsibilities to develop a plan to encourage and implement water conservation throughout the district service area, is committed to the integrated resources planning approach. It is our belief that involvement of all the affected and interested parties in the decision making process will result in more cost effective planning as well as improved products of the planning efforts.

CUWCD is the local sponsor of the Central Utah Project, a Federally funded project designed and constructed to develop water throughout the District's twelve-county service area. CUWCD is also the agency responsible to maintain and manage most of the CUP facilities as well as administer the repayment of the CUP cost through revenues from water users, power generation and property taxes. As a wholesaler of water the District has no direct tie to individual water users or control over the end uses of water, but is uniquely situated to promote and help put in place efficient water management projects, practices and techniques.

II. Reference

Public Law 102-575, Reclamation Projects Authorization and Adjustment Act of 1992.

A. A Goal

The Central Utah Project Completion Act (Act) is part of the legislation which has been dubbed the Omnibus Water Bill because of its tremendous impact on western water policy and development. The Act contains specific requirements for development of a program to improve water management throughout the CUWCD service area. It is the hope of the authors of the Act as well District management that our efforts to improve water efficiency will have positive impacts well beyond the boundaries of the District.

Section 207 of the Act is entitled Water Management Improvement and requires calculation of the District's water conservation goal based on:

25% of the projected increased demand for M & I water over a 10-year period,

unaccounted for water within customers' facilities which exceeds 10% of its annual deliveries and,

transport losses in the case of irrigation water customers which exceed ten percent of its annual deliveries

30,000 acre-feet of water savings per year will be the District's minimum goal in the event that the calculated figure is less than this amount. 30,000 acre-feet translates to approximately 10% of the total M&I water used in Salt Lake County in 1990.

2. A Plan

CUWCD must prepare and implement a Water Management Improvement Plan which will identify water conservation measures to improve the efficiency of the

storage, distribution, conveyance and use of water. The purposes of this plan are:

- a) to encourage conservation and the wise use of water,
- b) to provide for drought management planning,
- c) to achieve beneficial reductions in water use,
- d) to assist in the improvement and maintenance of water quantity, quality and streamflow conditions necessary to support fish, wildlife, recreation and other public benefits, and
- e) to make efficient use of available water prior to importation of new supplies

The plan must contain a continuous process for the identification, evaluation and implementation of water conservation measures. In addition, the plan must provide a means to assess the performance of previously implemented measures.

To meet these requirements and objectives, CUWCD will establish the Water Conservation Credit Program, effective July 1, 1993. The Credit Program is the mechanism for developing an inventory of water conservation measures which are environmentally acceptable, in the public interest, for which the requirements of the National Environmental Policy Act have been met and which have no significant adverse financial impacts on the District or its customers.

3. Incentives and Penalties

Congress, through the Act, has provided both incentives to the District for compliance with these provisions and penalties for failure to comply. Financial incentives include the authorization of \$50 million in Federal money to fund up to 65% of the cost of implementation of individual conservation projects.

In addition, the District's obligation for repayment of costs allocated to M&I water of the Central Utah Project will be capped at the amount contained in contracts executed in 1985 for so long as the District is not found to be in substantial noncompliance with the provisions of Section 207 of the Act, Water

Management Improvement. Any water made available as a result of conservation measures and turned back to the Secretary of Interior for instream flows will also result in a reduction of the District's repayment obligation, at the project rate for delivered water. These provisions could translate to a savings of hundreds of millions of dollars annually to the District and its customers. Conversely, it could result in increasing the current cost of M&I water by as much as 150%.

The Act also contains a series of milestones to be met during the course of development and implementation of the Water Management Improvement Plan. In the event that CUWCD fails to meet these milestones, a surcharge may be applied to its CUP annual repayment obligation and the repayment cap may be eliminated. A surcharge in the amount of 5% per year, escalating to 15% per year, of the total repayment obligation or the possibility of doubling the cost of M&I water within the District are significant incentives for the District as well as the water users to apply their combined best efforts to successfully accomplishing the purposes, objectives and requirements of the Water Management Improvement section of the Act.

4. Regulatory Efforts

It is clearly the consensus throughout the water conservation community that a threshold exists which defines the minimum acceptable level of conservation activity expected of any prudent and well managed system. In order to establish that minimum level, CUWCD is conducting a study of the potential effect water pricing policy may have on water use, a study of the conservation potential which could result from the coordinated operation of independent water systems and is assisting Utah's Governor in establishing a Utah Water Conservation Advisory Board to develop standards and regulations regarding water conservation.

IV. CUPCA, PUBLIC INVOLVEMENT & INTEGRATED RESOURCES PLANNING

1. Policy and Attitude

Public involvement is critical to the successful achievement of broad based

efficient water management. The term integrated resource planning is a synonym for the new way of doing business CUWCD has adopted which is a result of the public's demand to be included in decisions which affect them. Planning for the remainder of the CUP features is designed to blend environmental, engineering, economic and social considerations with emphasis on the open process and active participation by any and all interested or affected parties. CUWCD policy reflects a very real commitment to involvement of all interested or affected parties in the process.

2. Policy in Practice and Results

CUWCD has been actively working on CUP Completion projects for approximately two years. At the time we began this work, the Act had not been signed into law. CUWCD made a decision to invest it's own resources in this project in order to get a head start on the massive amount of work which would be necessary in the very short time frame allotted. CUWCD's decision was predicated on the firm belief that completion of the CUP was critical to the State and the District and that better management of our water resources, in the form of water conservation, was not only the wise thing to do, but inevitable for our future development.

In the early days, given that we were embarking on a journey through uncharted territory in Utah, it might not be surprising to report that we encountered some opposition, some confusion, some skepticism and some support. Not only were we speaking a new language, with words like efficient water management and water conservation, but we were also setting up a process which included the public in making the decisions. In addition we said we would consider interests and needs which were traditionally viewed as conflicting with water interests, such as the environmental perspective.

Initially the integrated resources planning approach of broad based public

involvement is much more costly than traditional water planning. However, our experience is beginning to indicate that once a foundation of trust is established among all of the players, better communication can be effected and ultimately a much better product will result. In this context a better product is defined as one which has maximized the opportunities for benefits realized by a maximum number of beneficiaries.

V. CONCLUSION

CUWCD's experience to date in promoting the need for efficient use of our water resources has been essentially positive. This is largely due to the commitment we have made to err on the side of involving too many interests in the process rather than risk excluding a single, potentially critical, interest. Together we can achieve much more than any one entity working alone.

The notion that water conservation can be cost effective and can result in economic, social and environmental benefits is gaining acceptance in both the M&I sector and the irrigation sector of the Central Utah Water Conservancy District service area. The outlook for Utah's water future is positive.