

**County Water System, Inc. v. Salt Lake City**

3 Utah 2d 46, 278 P.2d 285 (1954)

County Water System, a public utility, delivered water just outside the Salt Lake City limits. Salt Lake City acquired a water supply in excess of that actually required by its existing residents and was preparing to sell its surplus water to residents within the area capable of service by County Water System. County Water System initiated this action for declaratory judgment to determine whether Salt Lake City, in selling and distributing water beyond its city limits, is subject to the jurisdiction of the Public Service Commission. The trial court found that the Public Service Commission lacked jurisdiction and dismissed the action. County Water System appealed. The Supreme Court affirmed.

**CITIES/TOWNS--sale of water outside city**

**STATUTORY CONSTRUCTION--10-8-14**

The purpose of a statute which permits a city to sell its surplus water beyond its city limits is to allow the use of water obtained by a city for its reasonable growth in areas outside the city in need of water.

**CITIES/TOWNS--sale of water outside city**

**STATUTORY CONSTRUCTION--10-8-14**

A statute allowing a city to sell its surplus water outside its boundaries does not allow the acquisition of water solely for resale outside the city, nor to construct, own or manage facilities and equipment for the distribution of water outside the city limits as a general business.

**CONSTITUTIONAL LAW--sale of water by city**

**CONSTITUTIONAL LAW--interpreting article 6, section 29**

**STATUTORY CONSTRUCTION--10-8-14**

**PUBLIC SERVICE COMMISSION--jurisdiction over city's sale of water**

A city's sale of surplus water outside its city limits is a municipal function as defined by statute and the sale outside the city does not change the character of the municipality. The delegation to the Public Service Commission of jurisdiction over a municipality is an unconstitutional delegation of power to a special commission forbidden by Article VI, Section 29 of the Utah Constitution.