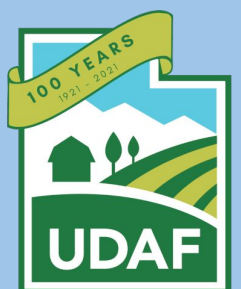


November 16, 2021

Presented to the Legislative Water Development Commission

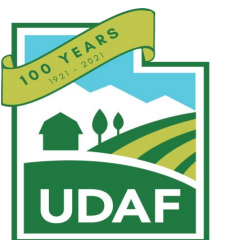
Prioritization of ARPA Funds

Brian Steed, DNR
Kim Shelley, DEQ
Craig Buttars, UDAF



American Rescue Plan Act

- Utah to receive \$1.4 billion
- One-time funds
- Accelerate needed infrastructure improvements to provide immediate and long-term benefits
- Flexibility to determine projects that meet the needs of Utah's communities



S.B. 1001 Appropriations Adjustments

ITEM 96 To Department of Natural Resources - Water Resources From Federal Funds - American Rescue Plan, One-Time 100,000,000

The Legislature intends that the Division of Finance may not allocate any of the \$100 million for Water Projects to the Department of Natural Resources until after the department presents a detailed written prioritization plan for the new funding to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee by October 30, 2021 and to the Executive Appropriations Committee by November 30, 2021. Funds appropriated in this item may only be used in a manner that complies with the legal requirements and federal guidelines for use of funds appropriated under the American Rescue Plan Act of 2021.

The Process to Date

- **Collaborative process between legislative and executive branch**
 - Members of the House and Senate
 - Senior Staff from Legislative Leadership
 - Department of Natural Resources
 - Department of Environmental Quality
 - Utah Department of Agriculture and Food
- **Developed guiding principles and identified most impactful investment opportunities**



Funding Vision



“... make multi-generational investments that safeguard and fortify public health, and create the most inclusive, resilient, and prosperous economy in the nation.” – *GOPB*



Guiding Principles

- Parameters laid out by the federal government
- Long-term gains, making generational investments
- Leverage investments, leveraging partner and matching funds
- Public benefit, avoid profiteering and minimize inflationary pressures
- Maximize results by getting the biggest bang for the buck



Projects that Maximize ARPA ‘One-time’ Funds

- **\$50 million for secondary meters** – Installing secondary meters yields the biggest bang for the buck when you look at the amount of water saved compared to the cost of the meters
- **\$25 million for drinking water infrastructure** – investing in drinking water infrastructure is a net positive in any community
- **\$20 million for agricultural optimization projects** – allows farmers to significantly reduce water usage while increasing crop yields through irrigation improvement projects
- **\$5 million for Great Salt Lake preservation and restoration** – provides money for critical infrastructure to ensure more water into GSL and to maintain critical ecosystem functions



\$50 Million for Secondary Meters



- Metering provides more accurate data for better water planning
- Average water reduction of 20-30%
- 30% of the state's M&I water use is estimated secondary water



\$25 Million for Drinking Water Projects

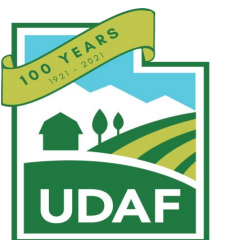
- Utah's drinking water infrastructure is aging and past its useful life
- Drought impacted drinking water supply in many small communities
- Investing in drinking water infrastructure provides immediate and long-term public health and economic benefits



\$25 Million for Drinking Water Projects



- Small, rural, or disadvantaged communities, shovel-ready, meet hardship and DWSRF program criteria
- Eligibility: cost effective, public support, critical need, technical, managerial, and financial capabilities of system
- Projects overseen by the Drinking Water Board



\$25 Million for Drinking Water Projects

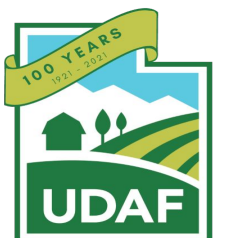


DWSRF Hardship Criteria

1) MAGI less than or equal to 80% State's MAGI

OR

2) Water system's monthly water bill greater than 1.75% local MAGI



\$20 Million for Agricultural Optimization



- Provide increased operational flexibility for agriculture water users moving forward
- Help farmers and ranchers reduce water use while maintaining or improving crop yields



\$20 Million for Agricultural Optimization

- Money will go to the existing Water Optimization Fund administered by UDAF
- Farmers and Ranchers can receive up to a \$250,000 grant with a 50/50 match from the producer
- A successful program in its 3rd year. Applications for this program were up 300% over the previous year
- With additional funding, grant limits will be raised to \$500,000 to allow for more comprehensive projects



\$5 Million for Great Salt Lake Preservation

- Great Salt Lake is at a historic low causing concern about the ecosystem functions of the lake
- Money will be used to adjust flow between the North Arm and the South Arm of the Great Salt Lake
- Dredge the Great Salt Lake Marina on the South Arm

