

10/16/24

Natural Resources, Agriculture and Environment Quality  
Interim Committee

# Status of Funds Report

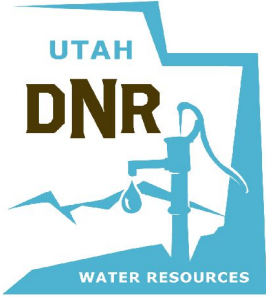
**Water  
Development  
Coordinating  
Council**

*Funding Utah's Water Future*

# Water Development Coordinating Council

- Coordinate funds to promote the conservation, development, treatment, restoration, and protection of Utah's waters
- Promote the coordination of the financial assistance programs and the most economically advantageous financing alternative
- Promote the consideration by the Board of Water Resources, Drinking Water Board, and Water Quality Board of regional solutions to the water and wastewater needs of individual political subdivisions of this state
- Assess the adequacy and needs of the state with respect to water-related infrastructures and advise the governor and the Legislature on those funding needs
- Conduct reviews and reports on water-related infrastructure issues
- Engage in planning and prioritization of water infrastructure projects
- Expend money from the Water Infrastructure Fund

# Water Development Coordinating Council



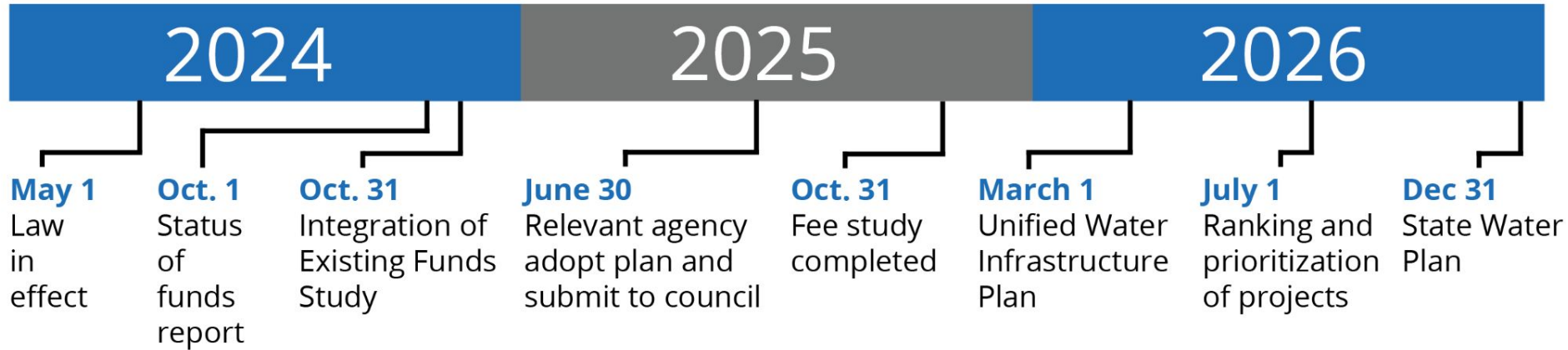
WATER QUALITY



DRINKING WATER



# 2024 HB 280 Timeline



# Water Infrastructure Need in Utah by 2060

- \$38.2 billion in drinking water needs
- \$15 billion in water quality needs
- \$6 billion for irrigation and canal projects



American Society of Civil Engineer  
2020 Report Card

# Funding sources for Utah's Water Infrastructure

- Local water suppliers and districts
  - User charges (or rates and fees),
  - Property taxes
  - Impact fees
- State sales tax
  - 1/16% - Funds 9 different programs
  - 1/16% - Water Infrastructure Restricted Account
- State appropriations and grants
- Federal funding (declined in recent years)



*Ashley Valley Water Treatment Plant*

# Division of Water Quality – Water Quality Board

The Water Quality Board provides financial assistance in the form of low-interest loans and grants for the planning, design, and construction of water quality infrastructure.

- DWQ coordinates with state and federal partners to co-fund projects to meet the demand of water quality infrastructure funding needs.
- Decreased appropriations to the State Revolving Fund program are a direct result of how Congress has chosen to fund projects through the Congressionally Directed Spending program
- FY25 Obligated and authorized funds = \$77.9m
- FY25 Funds available = \$31m
- FY25 Current requests = \$101.7m for 6 communities

# Division of Drinking Water – Drinking Water Board

The Drinking Water Board provides low-interest loans and grants for drinking infrastructure and associated engineering and planning to public and non-profit water systems in Utah. Disadvantaged communities that meet hardship criteria can apply for a grant or principal forgiveness.

- Data shows that the state's revolving fund programs are healthy
- Decreased appropriations to the State Revolving Fund program are a direct result of how Congress has chosen to fund projects through the Congressionally Directed Spending program
- FY25 Obligated and authorized funds = \$25 m
- FY25 Funds available = \$91.9 m
- FY25 Current requests = \$8.8 m



# Division of Water Resources – Board of Water Resources

The Board provides low-interest loans to incorporated groups, such as mutual irrigation and water companies, municipalities, and other entities for many types of projects, including flood control projects.

- The Conservation and Development (C&D) fund has grown over the last few years, but so have large funding requests.
- Several requests for funding ranging from \$30,000,000 to \$65,000,000.
- FY25 Obligated and authorized funds = \$101 m
- FY25 Funds available (regular board funds) = \$212 m

# Department of Agriculture and Food – Utah Conservation Commission

The Utah Conservation Commission oversees the Water Optimization Account and the Agriculture Resources Development Loan (ARDL) Fund.

- Water Optimization Account is used to fund projects at a 50% cost share. On-farm projects can request up to \$500,000 and canal/irrigation company projects can request up to \$1,000,000 for each funding cycle from the program. \$113 m of \$276 m has been obligated
- The ARDL account is used to provide low-interest (currently 2.75-3.25%) loans to farmers and ranchers for projects that meet the program's conservation and pollution control goals. FY24 ending balance \$59 m

# Division of Housing and Community Development - Housing and Community Development Boards

The Department of Workforce Services' Housing and Community Development Division oversees the following four funds to facilitate housing and community development, which may sometimes include a water element.

- Permanent Community Impact Fund Board provides loans and grants to counties, cities and towns that are impacted by mineral resource development on federal lands. In FY24, the board awarded \$7,947,692 in water funding.
- Community Development Block Grant Policy Board - In FY24, the state of Utah received from the federal government approximately \$5.5 million, of which \$427,000 was granted to two communities for water-related projects.
- Uintah Basin Revitalization Fund Board - During FY2024, UBRF received approximately \$7.87 million total in new oil and gas severance taxes and funded \$997,869 toward one infrastructure project
- Navajo Revitalization Fund Board - During FY2024, NRF received approximately \$1.19 million total in new oil and gas severance taxes but did not fund any water projects

# Report Takeaways

- Utah has significant water infrastructure needs for the repair, replacement and new infrastructure needs through 2060
- Agencies have significant funds for financial assistance
- Most funds are currently obligated or have designated uses
- Federal funds have diminished as a direct result of how Congress has chosen to fund projects through the Congressionally Directed Spending program
- Federally sourced funds are constrained by program eligibility requirements

# Next Steps

- Complete existing funds study
- Implement recommendations
- Relevant agency plan development and adoption
- Develop a process for building a prioritized state funding list



*Millsite Reservoir, Spring 2023*

# Thank you.