

May 20, 2026

Natural Resources, Agriculture and Environment
Interim Committee

Long-Term Water Infrastructure Funding

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Utah Division of Water Resources

water.utah.gov/uwip-projects

2024 HB 280 Timeline

2024

2025

2026

May 1
Law
in
effect

Oct. 1
Status
of
funds
report

Oct. 31
Integration of
Existing Funds
Study

June 30
Relevant agencies
submit adopted
plans to WDCC

Oct. 31
Fee study
completed

March 1
Unified Water
Infrastructure
Plan

July 1
Ranking and
prioritization
of projects

Dec 31
State Water
Plan

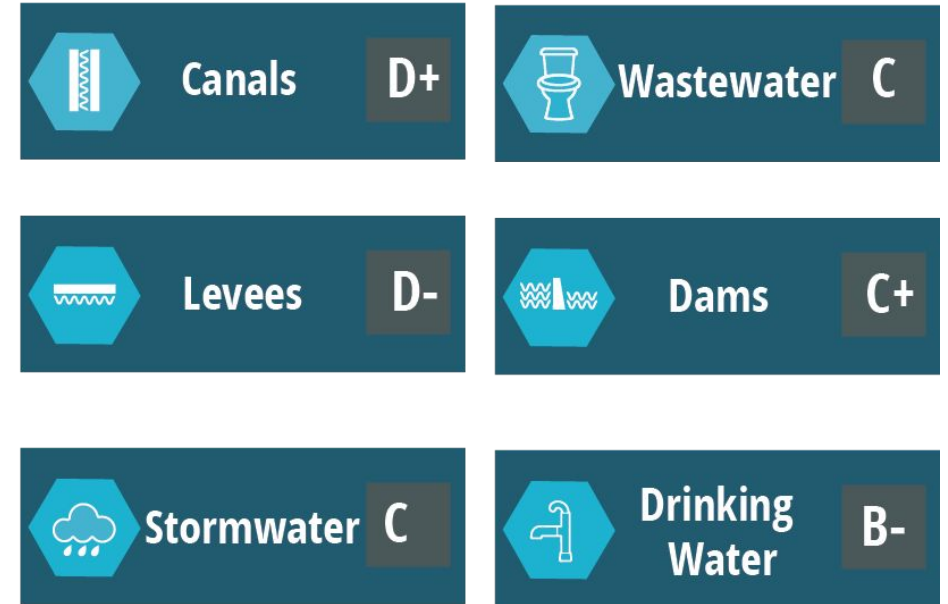


Scale of the need

There is a need of approximately **\$1.2 billion per year (in 2025 dollars)** just to maintain and upgrade our systems—covering drinking water, secondary water, off-farm agriculture, sewer and stormwater.

This is driven by three factors:

- Rapid Population Growth.
- Aging, Mid-20th Century Infrastructure.
- Declining Federal Support.

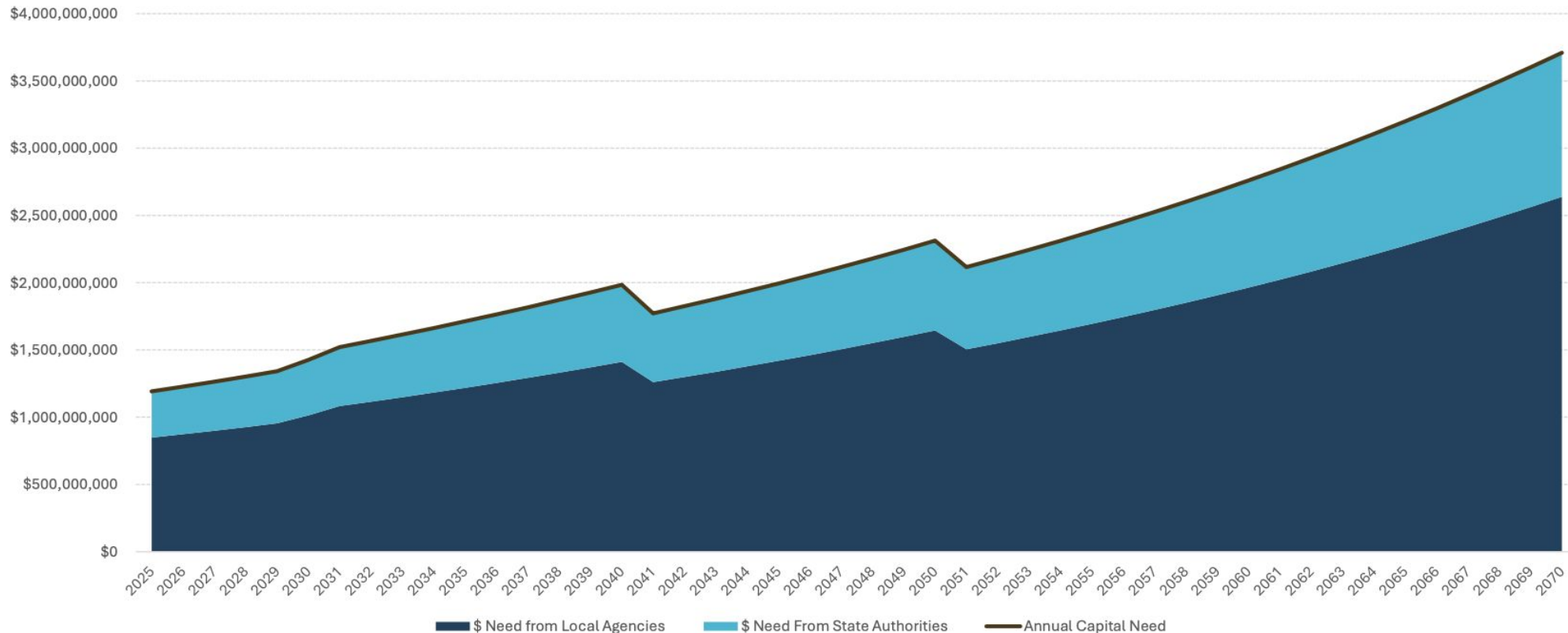


American Society of Civil Engineer
2025 Report Card



Local capacity and funding gap

Utah Water Infrastructure Annual Capital Need vs. Revenue Need from State & Local Authorities



\$1.2 B/y

Statewide Annual Capital Expense Need for Water Infrastructure

\$848 M/y

Local Agency Capacity to Pay

\$344 M/y

Need from Utah Water Infrastructure Fund



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Local capacity and funding gap

- Water providers raising rates to an equitable level of 1.5% of their local MAGI could provide more than 2/3 of the funding shortfall.
- More than 60 municipalities in the state are charging less than 1% of their MAGI for drinking water.
- Even if local providers raised their rates as indicated, there would still be \$344 M shortfall.

\$1.2 B/y

Statewide Annual Capital
Expense Need for Water
Infrastructure

\$848 M/y

Local Agency Capacity to Pay

\$344 M/y

Need from Utah Water
Infrastructure Fund



The recommended state revenue strategy

This strategy has three pillars:

1. **Local Rate Action** (Foundation)
2. **Continued 1/16th Sales Tax Allocation**
(Generating approx. \$48M/year for loans)
3. **The State Water Future Fee** (The partial solution to the gap)



Conclusions

- Significant investment in water infrastructure is needed.
- Many local entities have capacity to raise rates, which greatly reduces the funding gap.
- Utah needs an additional state-level revenue mechanism to supplement local efforts and fund essential projects.
- There are a range of options to fill the funding gap.



Data and additional information included in the Fee Study here: water.utah.gov/uwip-projects

