

Water Project Funding



Water funding program history

Since 1947, the Board of Water Resources has funded approximately 1,580 projects across the state, totaling \$1.34 billion. In fiscal year 2023 alone, the board funded \$260 million for 62 projects.

Who can apply for funding? (UAC Rule 653-2-2)

- Irrigation companies.
- Water companies.
- Cities.
- Towns.
- Water districts (conservancy, conservation, irrigation, etc.).
- Native American tribes.

What projects are eligible? (UAC Rule 653-2-2(1))

The board funds culinary, secondary irrigation and agricultural irrigation projects. Examples include pipelines, canal lining, storage tanks, wells, dam safety upgrades, flood control and diversion structures.

What projects cannot receive funding? (UAC Rule 653-2-2)

Developers, regular system operation and maintenance projects, domestic water systems with fewer than 50% of the residents living year-round and individuals/families cannot receive board funding.

What is the funding process? (UAC Rule 653-2-2, 4 & 7)

- **Application:** entity submits application and supporting documents to the Project Funding Section Manager.
- **Authorization:** an assigned project manager meets with the entity and the board member of the entity's area. The project manager writes a feasibility report for authorization of funds.
- **Committal of funds:** after authorization, once the entity completes the required items (design, attorney's opinion, water conservation plan, etc.) the project is presented to the board again for the committal of funds.

Potential terms of the funding program (UAC Rule 653-2-2 & 6)

- Board cost share: 85% or less of the non-grant costs. For example, 85% of the total cost estimate minus WaterSmart grant amount.
- Term limits: 15-25 years.
- Interest rates:
 - Large (funding greater than \$1 million) culinary or secondary water projects: about 3% (based on bond index rate).
 - Agricultural water projects: 1%
 - Small (funding less than \$1 million) water projects: 0% for non-municipal culinary, agricultural and some secondary irrigation projects.

Secondary water meter funding

- Loans (UAC Rule 653-2-6(5)): the board has reserved specific funds for the installation of secondary water meters. Funding is provided with an interest rate of 1% over 15 years.
- Grants for small systems: these funds are for secondary systems with less than 5,000 connections, cities or towns. This is a limited source.

Water Project Funding



Examples of board-funded water projects

Liberty Pipeline Company

Drought resiliency (\$1 million, 2023): install a booster pump station and about 12,000 feet of 8-inch PVC pipe. This project will provide water security during drought, improve fire flow conditions and reduce water losses.

Woodland South Hills Irrigation Company

Well improvements (\$617,000, 2023): refurbish existing well, add SCADA, construct pump house and about 1,900 feet of pipeline. The project will increase the available culinary supply, provide redundancy with an additional source and improve efficiency.

Muddy Creek Irrigation Company

Piping canal (\$1 million, 2020): replace four miles of canal with 36-inch HDPE pipe and two regulating ponds. This project was part of a larger \$4.8 million project with a Utah Department of Food and Agriculture Salinity Offset Grant. This will reduce seepage losses, allow better management of deliveries and reduce about 1,900 tons of salt.

Riverton City

Secondary metering installation (\$11.9 million, 2020): install secondary water meters on 10,200 connections. The expected water conservation is approximately 3,000 acre-feet. This helps stretch existing secondary supplies.

Provo River Water Users Association

Canal enclosure (\$26 million, 2012): Install 21.5 miles of 120-inch steel pipe to replace the Murdock Canal between Orem and Point of the Mountain. The enclosure reduces water loss due to evaporation and seepage and significantly reduces canal safety concerns. Water conserved by this project is released to provide instream flow for the endangered June Sucker in the lower Provo River.

Magna Water Company and Improvement District

Water treatment plant (\$7.1 million, 2011): install a booster pump station and about 12,000 feet of 8-inch PVC pipe. This project will provide water security during drought, improve fire flow conditions and reduce water losses.

Contact

Marisa Egbert
Project Funding Section Manager
801-538-7252
MarisaEgbert@utah.gov