

Process for Prioritizing Water Project Funding



Introduction

The Utah Unified Water Infrastructure Plan (UWIP) is a comprehensive initiative aimed at identifying and prioritizing water infrastructure projects as well as improving long-term funding for water infrastructure projects across the state. The UWIP was established by [Utah House Bill 280](#) (HB 280) in 2024 and modified in 2025 via [House Bill 285](#) (HB 285).

Among other requirements, HB 285 states that the Water Development Coordinating Council (council) shall develop a written prioritization process for ranking and prioritizing water infrastructure projects that will be funded by water infrastructure fund money beginning in fiscal year 2027 (July 1, 2026). This document describes the prioritization process for funding projects in the UWIP along with a summary of background information.

Initial data collection

Between February and March 2025, an informational campaign was launched to notify water providers and managers about the upcoming UWIP data collection process. In April 2025, a digital submission process for collecting information on future water infrastructure projects was made available to manage the large number of projects expected to seek funding. On April 7, 2025, emails were sent to 2,249 entities soliciting project information. To educate water providers and managers and promote the data collection process, a website for the UWIP was created (<https://water.utah.gov/uwip-projects/>), informational posters and presentations were prepared for several local water-related conferences, and discussions were held with key water entities.

By May 9, 2025, water providers and managers with future infrastructure needs were to submit their project data. After May 9, several water providers and managers that had submitted incomplete or unclear data were contacted to submit additional or corrected data.

The responses received were combined into a single database (UWIP database) for cleanup, processing, and scoring. A summary of the project information collected is shown in Table 1 and Figure 1.

The process for collecting project information in 2025 was focused on creating an initial version of the UWIP database. The State is now creating an online portal through which users will be able to add new projects, update existing project data in the UWIP, and verify that their project data has been received.

Table 1. UWIP Project Database summary - May 30, 2025

Infrastructure Type	Assigned Agency	Number of Projects	Estimated Project Cost	State Funding Request
Agriculture Off-Farm	Water Resources	144	\$851.6 M	\$314.3 M
Drinking Water	Drinking Water	1,849	\$6,439.9 M	\$2,336.7 M
Reuse	Water Quality	18	\$1,687.8 M	\$771.2 M
Secondary Water	Water Resources	341	\$955.1 M	\$429.5 M
Stormwater/Flood Control	Water Quality	581	\$990.5 M	\$310.1 M
Wastewater	Water Quality	689	\$5,720.5 M	\$1,112.9 M
Water Supply – Raw Water Source Development	Water Resources	37	\$912.6 M	\$487.6 M
Water Supply – Watershed Protection	Water Quality	5	\$3.9 M	\$0.9 M
Grand Total		3,664	\$17,561.8 M	\$5,763.1 M

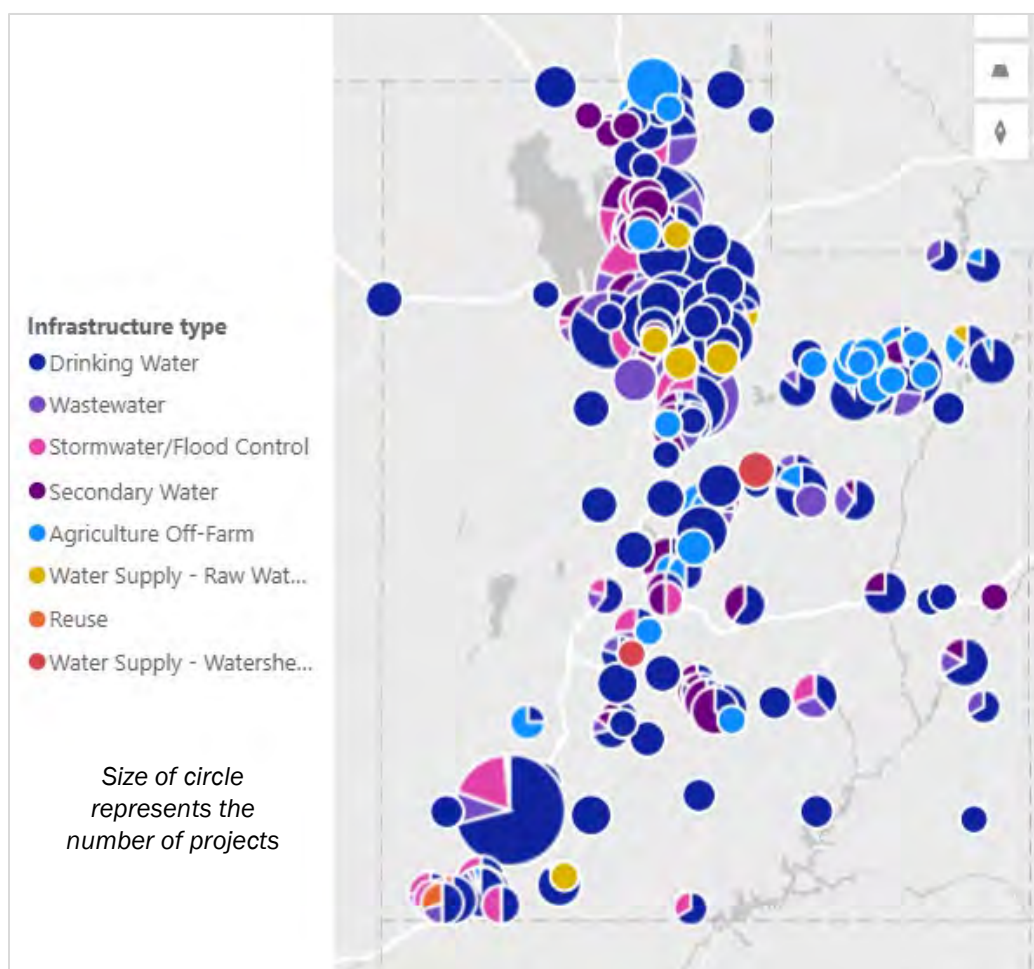


Figure 1. Map of project locations and types

Overview of the prioritization process

HB 280 and HB 285 provide guidance on the prioritization process and factors that should be considered in ranking and prioritizing water infrastructure projects. Figure 2 provides a summary illustration of the process.

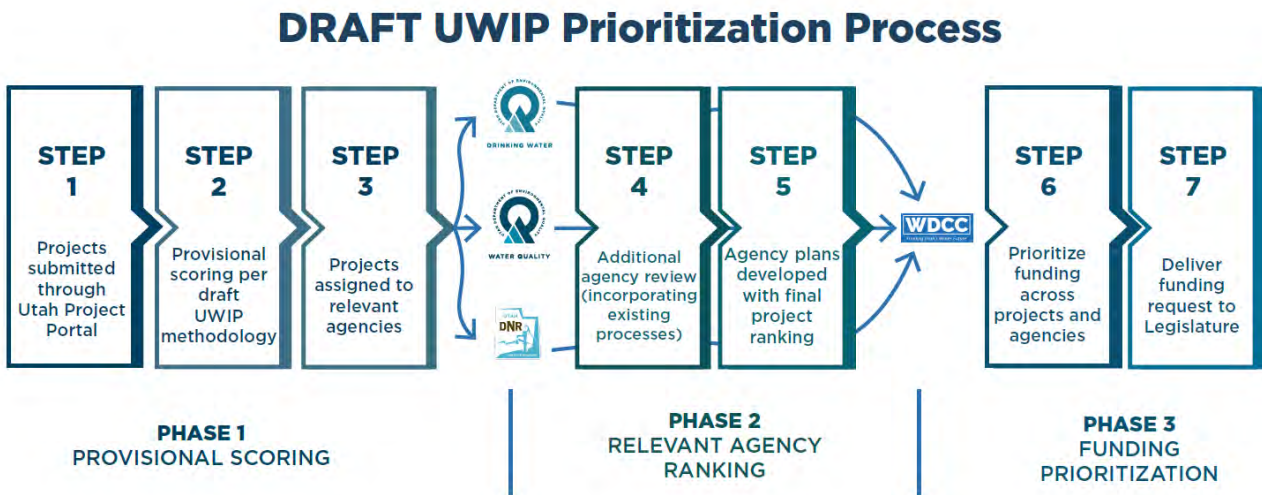


Figure 2. Draft UWIP prioritization process

State of Utah staff and the consulting team involved in this project established the process in Figure 2 based on the requirements set forth in HB 285.

HB 285 states that the council will prioritize funding for water infrastructure projects across categories of projects and that the council will consider characteristics of individual projects.

- **Prioritization across project categories:** HB 285 is clear that the council will prioritize funding across project types, and it provides guidance on the factors that should be considered.
- **Prioritization of individual projects:** Per HB 285, the council will base their project prioritization on the ranking of projects by the agencies. However, HB 285 also lists several project characteristics that need to be considered in the council's prioritization process. Project data were collected from water providers and managers during the development of the UWIP database that can be used to evaluate projects against the project-specific prioritization criteria in HB 285. HB 285 also states that small and emergency infrastructure projects are exempted from the UWIP prioritization process.

The process for prioritizing water infrastructure funding in HB 285 is intended to be both collaborative – engaging the council and participating agencies – and transparent. Figure 2 depicts how the agency and council prioritization processes will be implemented.

Phase 1. Provisional scoring: The left side of the process flow diagram in Figure 2 describes project data collection and the formation of the UWIP projects database. From the database, near-term projects (i.e., within 10 years of construction) can be identified, categorized, and provided to the relevant agencies. A “UWIP Provisional Score” for each project will be calculated that evaluates each project against the project-specific prioritization considerations in HB 285.

Phase 2. Relevant agency ranking: Each relevant agency will rank projects that seek funding using existing processes and create an annual plan. This annual plan will provide the agency’s final ranking of projects and identify how rankings have been updated from the initial UWIP Provisional Score.

Phase 3. Council funding prioritization: Using the agency plan rankings, the council will consider current and future funding demands for water projects as well as available funding to identify the amount of money to allocate to different categories of projects as well as individual projects.

The individual phases of the prioritization process are described in the following sections.

Phase 1: Provisional scoring

Each year, the divisions of Water Resources, Drinking Water, and Water Quality will encourage water infrastructure entities² to enter new projects or update existing project information in the UWIP database. While the State’s web-based portal for entering and updating project data in the UWIP will normally be open all year, the agencies will promote its use among water providers in advance of statutory or funding application deadlines to help foster complete and up-to-date information in the UWIP database. Data in the UWIP database will be used to create a UWIP Provisional Score for each project.

The approach for creating UWIP Provisional Scores for each project was developed collaboratively among staff from the divisions of Water Resources, Drinking Water, and Water Quality. The UWIP provisional scoring approach considers several criteria, the relative importance of individual criterion, and the degree to which individual projects reflect the characteristics of each criterion.

Six criteria were identified based on guidance in HB 285. A survey, distributed to agency staff, gathered information on the relative importance or weight of the criteria with respect to developing UWIP Provisional Scores. Table 2 lists the criteria and their relative weights that were assigned based on the results of the survey and subsequent meetings among agency staff.

The resulting criteria weights are somewhat uniform, though a few were deemed to be slightly more important. The most important criterion (“Critical issue”) focuses on whether projects mitigate urgent

² Water infrastructure entities are organizations that deal with the supply, control, measurement, treatment, distribution, storage or transport of any drinking water, irrigation water, secondary water, wastewater, stormwater or other water sources in Utah.

public health, safety, or regulatory issues. Other more important criteria consider financial hardships for project proponents and the degree to which projects foster efficient use of water.

Table 2. Scoring criteria and relative weights

Criterion	Weight
Hardship	18%
Critical issue	22%
Water efficiency	18%
Sound design	14%
Applicant priority	16%
Population benefitted and nonstate funding	12%
Total:	100%

Agency staff and the consulting team developed a scoring rubric for each criterion considering several factors:

- Similarities of criteria with those already used by agency prioritization processes. Where similarities exist, the scoring rubric for UWIP criteria sought to align the gradations of scoring used by agencies.
- Recognition of projects that meet a critical need or conserve water. Projects in the UWIP that will address a critical public health, safety or regulatory issue or will result in significant water savings were awarded a score favoring the higher end of the scale.
- No score where data were missing. If a project in the UWIP was missing data for a criterion, no points were awarded for that criterion.

The scoring rubric considers the weighting in Table 2, with more important criteria having the highest potential scores. The scaled scoring rubric for each criterion is shown in Table 3.

The criteria weights and scoring rubric can be changed based on future council decisions, which will factor in public comment.

Table 3. Scoring rubric for each criterion

Criterion	Scoring Approach	Score
Hardship	Local median adjusted gross income percent of statewide median adjusted gross income for location entered in UWIP database	
	<70%	18
	71-90%	15
	91-110%	10
	111-130%	6
	131-150%	2
	>150% or no median adjusted gross income available	0

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Criterion	Scoring Approach	
Critical issue ¹	Issue is present (flagged potential issues in UWIP database + manual review)	Score
	Urgent public health, safety, or regulatory issue is flagged and is supported by a description focusing on urgent human health concerns or frequent water quality violations	22
	Urgent public health, safety, or regulatory issue is flagged and is supported by a description focusing on moderate human health concerns or periodic water quality violations	16
	Urgent public health, safety, or regulatory issue is flagged but no description is provided	6
	Urgent public health, safety, or regulatory issue is not flagged	0
Water efficiency ¹	Water will be used more efficiently (flagged in UWIP database + manual review)	Score
	Water efficiency benefit is flagged and is supported by a thorough description of the benefit in both the water savings and project description fields	18
	Water efficiency benefit is flagged and is supported by a description of the benefit in the water savings field	14
	Water efficiency benefit flagged, but no description is provided	6
	Water efficiency benefit is not flagged	0
Sound design	The degree to which a project has been developed (evaluated by its inclusion in a long-term plan and the accuracy of its cost estimate)	Score
	Project identified in a study or report; sizing data provided; Class 1, 2, or 3 cost estimate accuracy	14
	Project identified via staff knowledge or other; sizing data provided; Class 1, 2, or 3 cost estimate accuracy	9
	No project source identified; Class 1, 2, or 3 cost estimate accuracy	6
	Project identified via staff knowledge, study/report, or other; Class 4 or 5 cost estimate accuracy	3
	No data provided on project source identification or cost estimate accuracy	0
Applicant priority	The importance of a project to the proponent, based on their self-ranking of projects they submitted	Score
	"1" or top 20% if more than 5 projects submitted	16
	"2" or between 20 to 40 percentile if more than 5 projects submitted	13
	"3" or between 40 to 60 percentile if more than 5 projects submitted	10
	"4" or between 60 to 80 percentile if more than 5 projects submitted	7
	"5" or bottom 20 percent	4
	No ranking provided	0
Population benefitted and nonstate funding	Population served by a project with consideration of funding need	Score
	[<1,000 people] or [>100,000 and >80% non-state funding]	12
	[1,001 to 10,000 people] or [10,001 to 65,000 people and >50% non-state funding]	10
	[65,001 to 100,000 people and >50% non-state funding]	8
	[10,001 to 65,000 people and <50% non-state funding] or [>100,000 and 50% to 80% non-state funding]	5
	[>65,000 and 0% to 50% non-state funding]	2
	No population data provided	0
Total Max Potential Score		100

1. Evaluating and assigning scores for the "Critical issues" and "Water efficiency" criteria will require review and consideration of descriptive data for each project. Due to time constraints and the large number of projects in the UWIP, scores for these criteria in the initial data collection effort were assigned based on the word count of critical issue or water efficiency description for each project in the UWIP. In the future, the score could be assigned or refined with more details and analysis, the presence of certain keywords, or a more sophisticated algorithm.

The UWIP Provisional Scores are calculated for each project in the UWIP database using the criteria and scoring rubric described above.

Example project ranking

The scoring rubric was applied to three example projects (described below) to demonstrate how a UWIP Provisional Score may be derived.

- **Project A:** A new water treatment plant for a small town (population of 5,000 in an economically challenged area) whose existing plant struggles to meet drinking water standards. The small town has an idea of costs and sizing but needs financial assistance to better develop the project.
- **Project B:** An enclosure project for an irrigation canal in a rural area. The owners have been planning for this project for several years and have worked with an engineer to design the project.
- **Project C:** A wastewater treatment plant expansion for a large municipality in a growing and relatively prosperous area. The project was identified in a long-term wastewater master plan. The City has been planning for the project financially and can largely pay for the project through its own funds. While the project does not address a discharge violation, it is critical to handle future growth.

Table 4 describes how UWIP Provisional Scores could be applied to each of these projects:

Table 4. Example Calculation of UWIP Provisional Scores

Scoring Criteria	Potential Max Score	Project A	Project B	Project C
Hardship	18	18	18	6
Critical issue	22	22	0	6
Water efficiency	18	6	18	0
Sound design	14	3	14	14
Applicant priority	16	16	16	16
Population benefitted and nonstate funding	12	10	12	12
Total:	100	75	78	54

In the example shown in Table 4, the UWIP Provisional Scores calculated for Projects A and B are nearly identical. The urgently needed water treatment plant scores just less than the canal enclosure project, primarily because the water treatment plant project is not as developed from a design perspective as the canal enclosure. Project proponents for Projects A and B score highly with respect to the hardship criteria because they are in rural areas that do not have the same economic resources as other areas of the state. While Project C is important, it does not address an immediate critical issue, and it is being developed by a city with other financial resources.

Conducting the UWIP provisional scoring

Per the provisions of HB 285, projects from the UWIP database along with their UWIP Provisional Scores will be provided to relevant agencies as shown in Table 5. Dam and reservoir projects and hydropower projects are not identified in HB 285 but may be considered by the council for funding eligibility in the future.

Table 5. Project assignments from the UWIP database

Infrastructure Type	Assigned Agency
Agriculture Off-Farm	Water Resources
Drinking Water	Drinking Water
Reuse	Water Quality
Secondary Water	Water Resources
Stormwater/Flood Control	Water Quality
Wastewater	Water Quality
Water Supply – Raw Water Source Development	Water Resources
Water Supply – Watershed Protection	Water Quality
Blank (not entered)	Manually assign

Phase 2: Relevant agency ranking

Agencies will consider the projects assigned to them annually from the UWIP database. The agencies will consider the UWIP Provisional Scores as they develop their agency plans and rank the projects that seek state funding assistance each year. The following steps describe how the agency ranking and plan development process will proceed. The steps focus on how agencies will evaluate and rank projects to receive water infrastructure fund money. Other considerations may factor into decisions regarding other sources of funding.

- **Identify an application process:** Agencies will develop and update (if necessary) a process and application to apply for funds. The process and application may include all or some of the characteristics that agencies currently use to provide funding assistance.
- **Review and consider UWIP Provisional Score:** Each agency will review projects that are assigned to them and consider the UWIP Provisional Scores.
- **Invite applications for funding:** Water infrastructure entities with projects that are ready for implementation or construction and that have a promising UWIP Provisional Score will be contacted to submit a more comprehensive funding application. The minimum UWIP Provisional Score threshold will be determined and by

Each agency currently has processes for soliciting and evaluating loan program or other grant funding requests from water providers. Loan program processes and associated evaluation criteria will remain in place, though the application and award timelines may change to accommodate updated processes. Agency websites will have current information on application and award timelines for funding opportunities outside of the water infrastructure fund money.

each agency based on the previous year's threshold, information on potential water infrastructure fund money in the coming year, and the projects in the UWIP database that are ready for implementation, with a goal of identifying well-developed and quality projects. Agencies should coordinate on the identified minimum UWIP Provision Score threshold.

- **Receive funding applications:** Each agency will receive applications by the respective deadlines identified by each agency. The established deadlines will provide agencies with sufficient time to review applications, create an agency plan, and obtain approval of agency plans from their respective boards.
- **Identify small and emergency projects:** Emergency water infrastructure projects and small infrastructure projects that receive less than an amount of water infrastructure money (established by rule made by the council in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act) are exempt from the prioritization process per the provisions of HB 285. Agencies will identify these projects, exclude them from the prioritization process, and evaluate funding them through other processes.
- **Use agency processes to rank projects:** Each agency already has an established process for prioritizing State funding assistance to projects that seek loan funding each year. Many of the existing prioritization criteria used by agencies are tied to other sources of funding and need to remain in place. As a result, agencies will determine how the prioritization criteria should be applied to existing agency funding and water infrastructure fund money and how they use the criteria to rank projects in their annual agency plan.
- **Identify where and how rankings have been updated from the UWIP Provisional Scores:** Differences between the agency ranking of projects and a ranking indicated in the initial UWIP Provisional Scores should be identified in annual agency plans. Example discrepancies could include:
 - More detailed information on projects being submitted with funding applications
 - Updated project information submitted with funding applications that is not reflected in the UWIP database
 - Updates to applicant project priority (i.e. a project that was initially a lower priority in the UWIP database is now a higher priority for the applicant)
 - Project information from the submitted detailed description field that, upon manual review, changes the UWIP Provisional Score
 - Differences between the UWIP provisional scoring rubric and existing agency prioritization processes
- **Submit annual agency plan to the council:** Each agency will annually develop and submit their agency plan to the council by June 30. The minimum UWIP Provisional Score threshold should be identified in each plan. Per the provisions of HB 285, the agency plans will include at least the following:
 - Description and ranking of water infrastructure projects that need and have applied for funding and that are under the agency's jurisdiction.
 - Ranking justifications and descriptions of whether projects are ready for construction, planned for construction, or a future project.
 - Identification of projects and funding needs in 10-year phases up to at least 20 years.

Phase 3: Council funding prioritization

The council will receive and review the agency plans. On the basis of the agency plans, the council will consider and answer two questions:

- What is the total funding need?
- How should water infrastructure fund money be distributed to meet the funding need?

The council will consider a variety of factors in answering these two questions. Examples of these factors are listed in Table 6. The total funding need will be based on the total amount of funding requested for eligible water projects highly ranked in the agency plans. Several factors will need to be considered regarding the distribution of funds. The types of projects seeking funding and geographic distribution of funding applications are factors that may be considered. Some factors, such as the costs of projects, population served, and the financial resources of applicants will already have been considered by the agencies and will be reflected in the project ranking described in the agency plans.

Table 6. Phase 3 funding considerations

Factors Considered	Council Funding Prioritization Question
Number of projects	Funding need
Geographic distribution	Distribution of funds
Amount of requested funding	Funding need
Project costs	Funding need - also considered in agency rankings
Population served	Previously considered in agency rankings
Applicant financial resources	Funding need - also considered in agency rankings
Project type	Distribution of funds
Future project funding needs	Funding need

Criteria for funding prioritization

The council will identify priority projects considering the financial needs of project proponents and the quality of projects. The council will also focus on distributing water infrastructure fund money to a variety of projects rather than focusing all of the funding on one or a few projects. Table 7 lists several criteria that will be considered when identifying projects that are eligible, and the overall project funding need will be based on the aggregation of costs for projects that are eligible for water infrastructure fund money.

Table 7. Funding criteria

Criteria	Prioritization Notes
Usage rates greater than or equal to 1.5% of median adjusted gross income	Focuses funding assistance to entities that are already charging adequate and sustainable rates to customers
UWIP Provisional Score threshold	Ensures that only well-developed, quality projects are being funded
Maximum funding limitations for individual projects	Prevents large and costly projects from using most of the funding
Capital Asset Management Plan	HB 285 requires that recipients comply with relevant capital asset management requirements

More information on the criteria described in Table 7 is below:

- Rates greater than or equal to 1.5% of median adjusted gross income:** Retail providers should be collecting appropriate revenue from their customers to fund operations, system maintenance, and infrastructure costs. Environmental Protection Agency (EPA) guidance states that combined water and sewer provider costs that exceed 4.5 percent of median household income could pose a financial hardship to rate payers, and this value is a common measure of a provider’s financial capability³. By this measure, providers could reasonably charge customers 1.5 percent of the local median adjusted gross income for water or sewer services (3 percent combined) without creating financial hardships for customers. Project proponents with usage rates below 1.5 percent of local median adjusted gross income could increase their rates to raise revenue for projects without causing financial hardship to users, rather than needing water infrastructure fund money. This criterion focuses funding to projects where additional funding is most needed, and proponents have met or exceeded a cost of service that is reasonably based on the income of their customers.
 - Note that this criterion is applicable to water and sewer retail providers. The amounts that agricultural water providers and water conservancy districts charge for water are not tied to rates charged by water and sewer providers and are not as closely related to local incomes.
- UWIP Provisional Score threshold:** Projects with a high UWIP Provisional Score are more likely to serve a critical need and be more well-developed than projects with lower scores. In other words, projects with high scores are likely of higher quality due to more advanced levels of effort on design and long-term planning by the project proponent. It is expected that the council will set a minimum threshold for funding in each UWIP cycle based on the minimum UWIP Provisional Score threshold used by agencies to invite funding applications, the number of projects submitted, amount of funding requested, and overall quality of applications received. Note that projects scoring lower than the threshold may develop more in the future, thus increasing their score and potential for receiving funding.

³ “Water Affordability Needs Assessment: Report to Congress” December 2024.
<https://www.epa.gov/system/files/documents/2024-12/water-affordability-needs-assessment.pdf>.

- **Establish maximum funding limitations:** A limit on the amount of grant money available for each individual project will help ensure wider distribution of funding benefits across the state. More explanation of this criterion is provided in the next subsection.
- **Capital Asset Management Plan:** Project proponents that receive water infrastructure fund money should have adopted a Capital Asset Management Plan to comply with HB 285 requirements under:
 - o Section 19-5-202 for a water infrastructure project related to wastewater or sewage infrastructure
 - o Section 73-10g-502 for a water conservancy district, as defined in Section 73-10g-501, water infrastructure project that is not described in Subsection (1)(c)(i)
 - o Section 73-10g-502.5, for a public water system, as defined in Section 73-10g-502.5, that is not a water conservancy district.

Limitations considering rates and UWIP Provisional Scores

The UWIP database currently does not include enough information to determine if project proponents charge customers enough for their services. Instead, the local median adjusted gross income as percent of the statewide median adjusted gross income was used to determine the project hardship component of the total UWIP Provisional Score. Additional rate-related data will need to be collected in the UWIP database in the future to align the UWIP Provisional Scores with the affordability/hardship criteria. The council will use information in the UWIP database to identify projects that meet usage rate and UWIP Provisional Score criteria.

Maximum grant funding limitations

The council will strive to distribute water infrastructure fund money across a variety of projects rather than focusing most of the funding on a few large and costly projects. A formula will be used to determine the maximum amount of grant funding that an individual project may receive. The formula allows higher percentages of grant fund contributions to project costs for smaller projects than for larger projects. An example formula is summarized below and is illustrated in Figure 3.

- Projects costing \$10 million and above are eligible for a grant for 20 percent of project costs
- Projects costing less than \$10 million would be eligible for a grant defined by the following equation:

$$\text{Max Grant Percentage} = 75\% - 55\% * \left(\frac{\text{Project cost}}{\$10,000,000} \right)$$

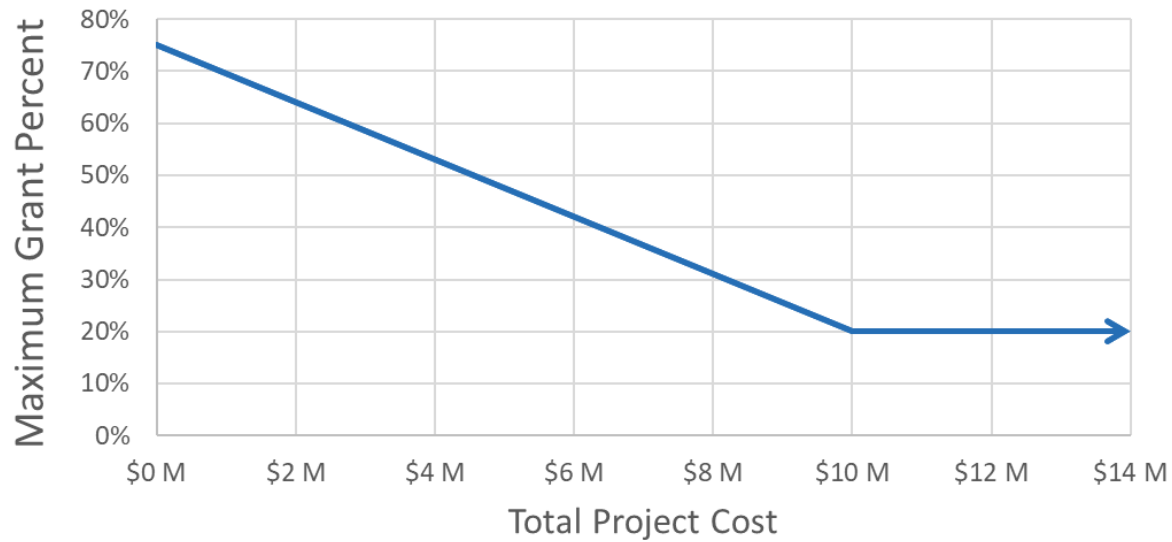


Figure 3. Figure illustrating project grant funding equation

Distribution of water infrastructure fund money

HB 285 requires that the council consider how to distribute water infrastructure grant money across different types of projects. The distribution of these funds across project types will be accomplished through the assignment of different levels of funding across the agencies, because each agency provides funding for different types of projects (see Table 5 for a breakdown of the types of projects that each agency considers). The council may also evaluate whether to distribute funding based on the geographic location of projects. Both project type and geographic factors for funding distribution are described below.

Distribution among agencies

The council will assign water infrastructure fund money to agencies in a two-part process that provides both predictability in how funding will be distributed across agencies and flexibility to distribute funds to meet ongoing and changing needs. The two-part process for distributing funding across agencies is described below:

- **Part 1 – Set percentages:** The council will distribute 50 percent of available water infrastructure fund money across the agencies using a consistent annual apportionment as described below. The council will identify the projects that will be funded by each agency and that fit within each of the apportionments.
 - Division of Drinking Water: 40 percent
 - Division of Water Quality: 30 percent
 - Division of Water Resources: 30 percent
- **Part 2 – Flexible distribution:** The remaining 50 percent of available money will be distributed to projects and across agencies based on council determinations. The council may consider factors

such as agency priority projects, the urgency of funding need for particular types of projects, potential future funding needs for different projects, geographic characteristics of projects, or other factors that the council deems important. The council will identify the projects that are to be funded in part 2 of the distribution.

The total amount of funding available to each agency will be the accumulation of funding amounts derived in parts 1 and 2 above.

Geographic distribution

The council may consider the geographic distribution of projects and funding requests. Because needs in geographic areas will vary over time, specific criteria or limitations are not proposed for determining how funds may be distributed on a geographic basis. If the council considers the geographic location of projects in their determination of funding distribution, the reasoning behind the distribution will be described in the council's UWIP Report.

Agency administration of water infrastructure fund money

The council will assign available funding to each agency based on the two-part distribution process described above. The agencies will then award funding to the projects that were designated for funding by the council.