

A presentation to the Executive Water Finance Board

Utah Board of Water Resources

**Board Funding Procedures and Applicant
Requirements**

September 25, 2017

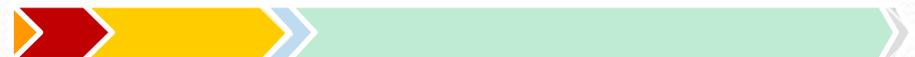
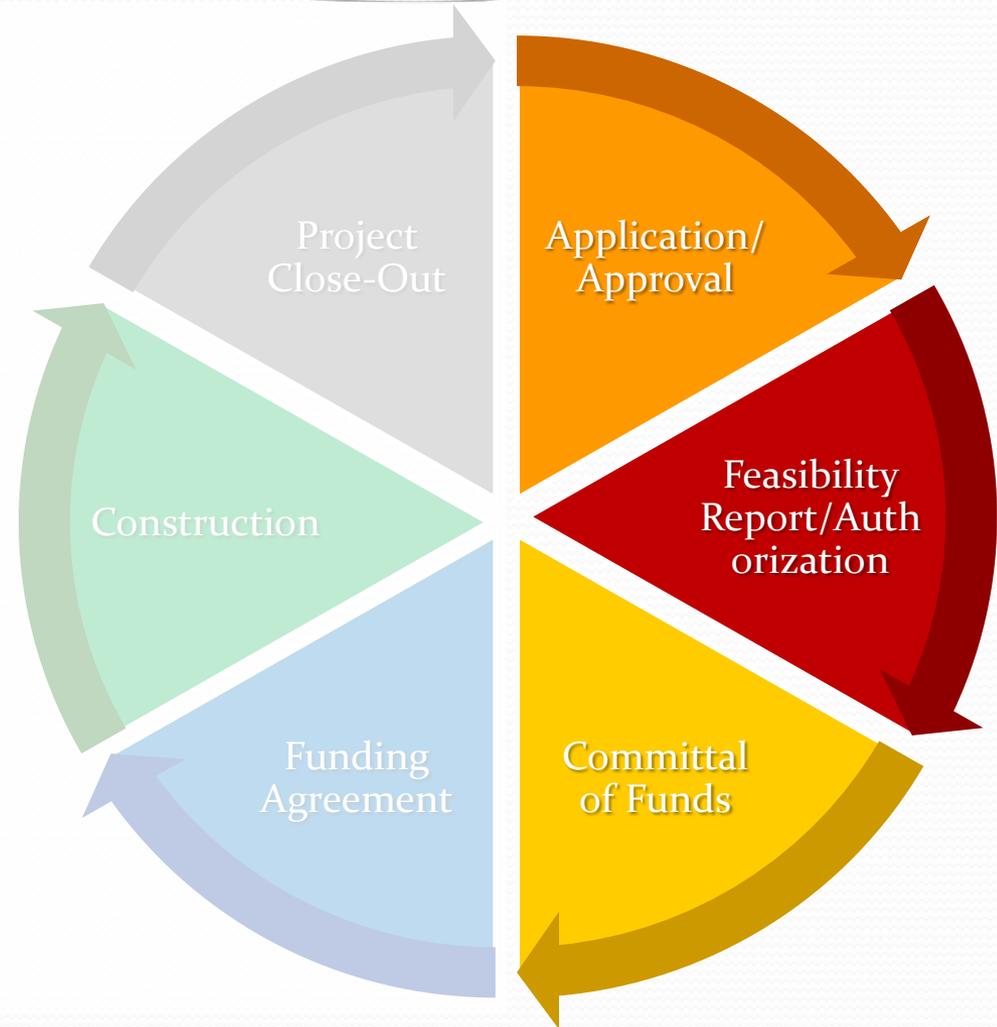
Overview

- Board Funding Process
- Board Funding Guidelines
- Applicant Requirements
- Review of Revolving Funds

Project Funding Process

Board involved with:

- Application/ Approval
- Feasibility Report/ Authorization
- Committal of Funds



Typical Process Timeline (1-2 Years)

Guidelines

The Board funds water projects that conserve, protect, or more efficiently use present water supplies, develop new water, or provide flood control.

Board will not fund:

- a. Routine operation and maintenance
- b. M&I projects with less than 50% full-time residents
- c. Projects sponsored by developers
- d. Projects sponsored by families or individuals

Project Prioritization

1. Public health, safety, or emergency project
2. Municipal project that meets an existing or impending need
3. Agricultural project with significant local benefit
4. Project with significant cost-sharing
5. Others as funds are available

Applicant Requirements

1. Obtain all easements, rights-of-way, and permits.
2. Pass a resolution authorizing the company to:
 - a. Assign properties, easements, and water rights to the Board
 - b. Enter into a contract with the Board for project purchase
3. Provide attorney's opinion that the company:
 - a. Legally incorporated and is in good standing
 - b. Legally passed the resolution
 - c. Obtained all permits required for the project
 - d. Owns all easements and can transfer to the Board
 - e. Water rights are unencumbered and can transfer to Board
 - f. Complies with Section 73-10-33, Section 10-9a-211, and Section 17-27a-211 of the Utah Code governing canal safety

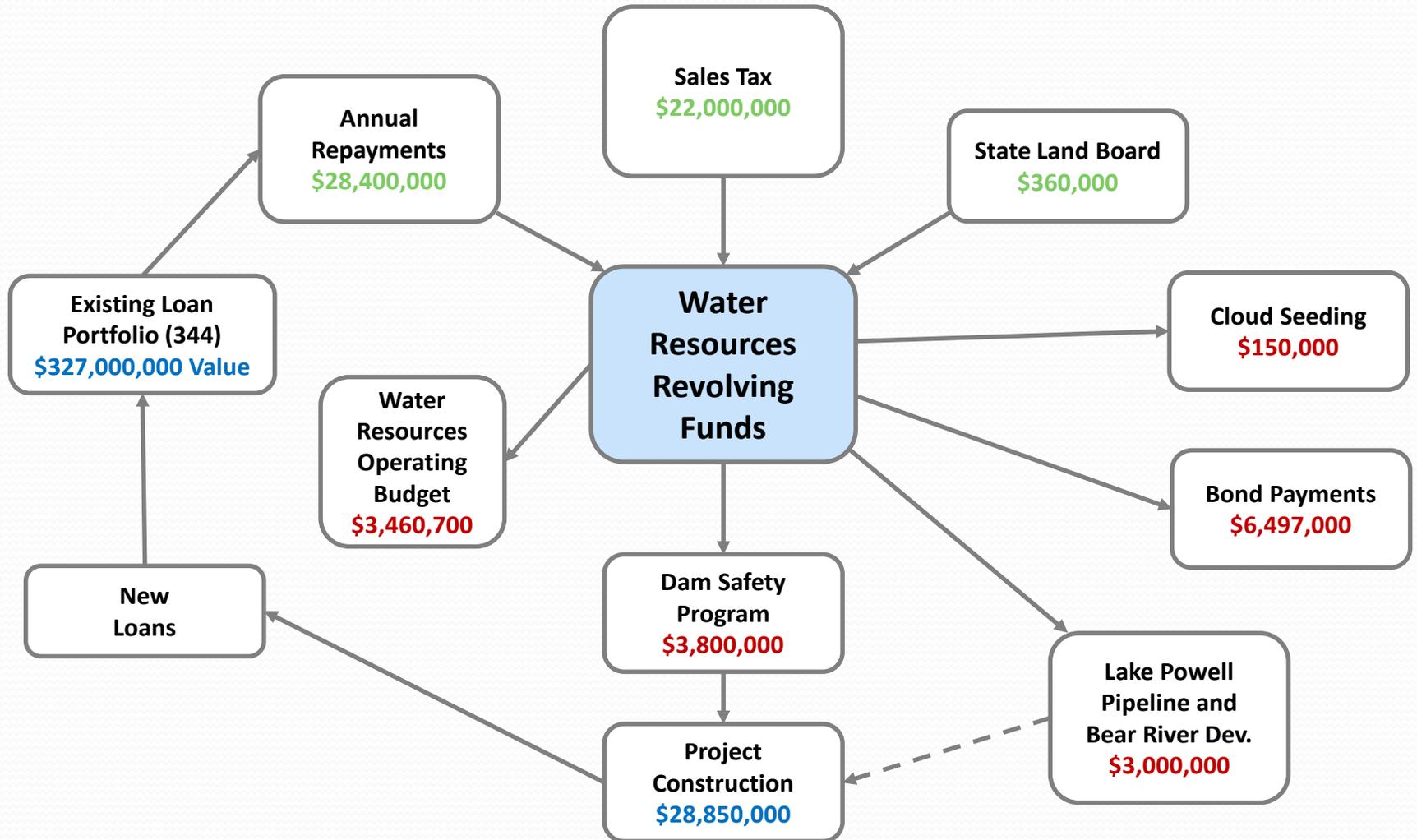
Applicant Requirements continued

4. Obtain approval of final plans and specs from the division of Water Resources.
5. Obtain letters of commitment from outside funding agencies.
6. Prohibit watering of residential landscapes between 10:00am and 6:00pm.
7. Municipal water systems must have a progressive water rate structure.
8. Prepare a water management and conservation plan and obtain approval from division of Water Resources.

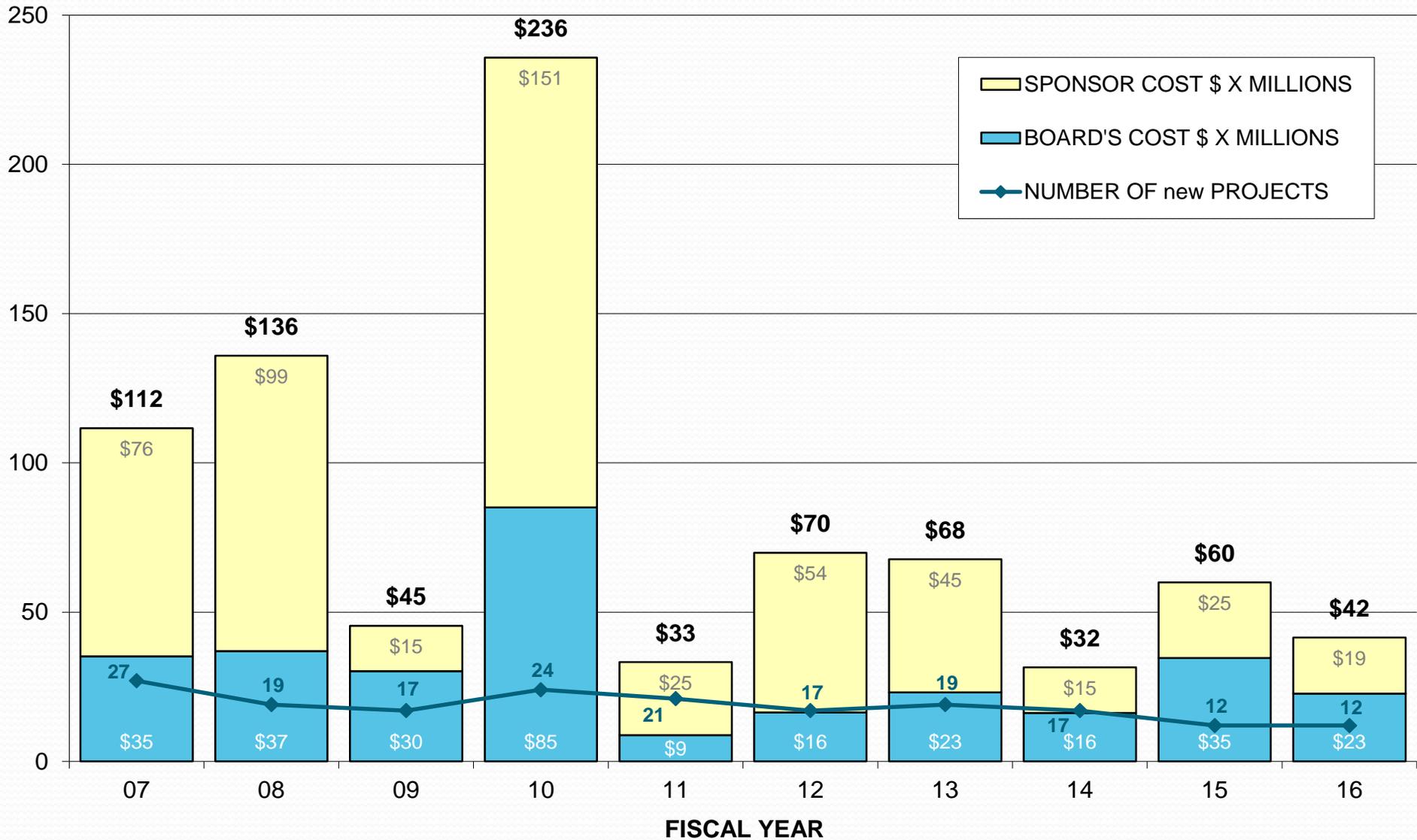
Historic Summary of Board Funding

- Board has funded over 1,440 projects since 1947
- Legislature has appropriated \$412M
- Board has made loans totaling \$807M
- Total project value over \$2.2B
- Board has only had one default in 70 years

Board of Water Resources Funding (FY17 Estimate)



BOARD OF WATER RESOURCES PROJECTS FUNDED



General Terms

- Repayment Period
 - 20 years is the target maximum
 - Ability to repay may warrant a longer term
- Interest Rate
 - 0-1% for agriculture
 - 3% for municipal
 - 7% for industrial

Fund Details

- Revolving Construction Fund (RCF)
 - 0% Interest
 - Funding requests < \$1M
 - Typically agricultural or private water company projects
- Construction & Development (C&D) Fund
 - 1-7% Interest
 - Any project type
- Cities Water Loan (CWL) Fund
 - 0-3% Interest
 - Typically municipal projects



Questions?