

Three Funding Packages:

1) **Amendments to HB7 (2025) – Water Storage Innovation Grant Fund**

Section 1. Appropriations for reclamation and development grants. (X) There is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account established in 15-38-302 up to \$20,000,000 for grants for the purposes of water storage innovation feasibility, safety inspections, and pilot projects to be awarded by the department over the course of the biennium beginning July 1, 2025.

Commented [CE1]: This would fit into the existing Section 1 of HB7, included in the section that outlines things like the planning grants.

New Section 2. Transfer of funds. By July 1, 2025, the state treasurer shall transfer \$20 million from the general fund to the natural resources state special revenue account established in 15-38-302.

Commented [CE2]: Just a placeholder of source.

2) **Support for existing storage, given loss in hydropower revenue of \$4.75M a biennium.**

New Section 1. Transfer of funds. By July 1, 2025, the state treasurer shall transfer \$4.75 million from the general fund to the water storage state special revenue account established in 85-1-631.

Commented [CE3]: Just a placeholder of source.

3) **Public Water and Sewer Funding Package**

- “Housing Improvement District” funding mechanism by which developers could pay interest into escrow to guarantee payment of infrastructure bonds necessary to 1) build the internal infrastructure necessary to connect a new development to an existing system; 2) build the external infrastructure necessary to connect a new development to an existing system; and 3) build new infrastructure or increase capacity in existing infrastructure necessary to bring cumulative new development online. The escrow account, then BOI, would be the backstop for the bond payments should the developer walk away or fold after the infrastructure is built but before the lots are sold. The HID cost for a developer (which would be “subsidized” by BOI so that the developer would obtain access to less expensive capital for this portion of the cost of the development) would be passed on to the homeowner, consisting of the entire cost of (1) and (2) per unit and a proportional share of (3) per all units served across all developments.
- The State would need to 1) guarantee the bond so the city is not left holding the bag for the bond(s) if the development fails; and 2) contribute an appropriation for funds that can also help reduce the upfront costs of these developments. This second piece could be a grant program structured to work in tandem with the BOI program. We are thinking of a \$100 million ask. That would help get at some of the larger investments such as line

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capacity and system upgrades that would be needed to take on development in the red areas.

- Eligible developments/systems would only be those in the red areas.