

Water Infrastructure Finance Authority

SFY 2012 Drinking Water Intended Use Plan



Arizona Drinking Water State Revolving Fund

DWSRF Table of Contents

I. INTRODUCTION.....	1
A. History and Legislation	
B. Financial Status of the Arizona DWSRF	
C. Arizona's Request	
II. TYPES OF PROJECTS TO BE FUNDED FROM VARIOUS DWSRF ACCOUNTS	2
A. Types of projects intended to be funded from the revolving fund account	
B. Activities intended to be funded from the account for set-aside programs	
III. DWSRF LOAN PROGRAM DESCRIPTION AND GOALS	3
A. DWSRF Loan Program General Information	
B. Financial Terms of Loans	
C. Long-Term Goals	
D. Short-Term Goals	
IV. DWSRF SOURCES & USES	4
A. Financial Assistance for Loans	
B. ADEQ Public Water System Supervision	
C. ADEQ Drinking Water Program	
D. ADEQ Wellhead Protection	
E. WIFA Technical Assistance Program	
F. Program Administration	
V. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS.....	9
A. Project Priority List and Fundable Range	
B. Project Priority List Updates	
C. Project Readiness to Proceed	
D. WIFA Loan & Subsidy Rates	
E. Emergency Funding	
F. Binding Commitments	
G. Green Project Reserve	
VI. ASSISTANCE TO PUBLIC WATER SYSTEMS SERVING DISADVANTAGED COMMUNITIES	10
VII. U.S. EPA STRATEGIC PLAN GOALS AND OBJECTIVES.....	11
VIII. PUBLIC REVIEW AND COMMENT	12

Table of Attachments

Attachment A	SFY 2012 DW Project Priority List
Attachment B	SFY 2012 DW Fundable Range for Design and Construction
Attachment C	SFY 2012 DW Green Project Reserve
Attachment D	SFY 2012 DW Final Funding Tables

INTRODUCTION

The WIFA Board of Directors is pleased to release Arizona's Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP) for the State Fiscal Year (SFY) 2012 funding cycle. The DWSRF IUP describes WIFA's plan to utilize various sources of funds to finance drinking water infrastructure and support related program activities during the SFY 2012 funding cycle from July 1, 2011 through June 30, 2012. Because the final funding level for the Federal Fiscal Year (FFY) 2011 Federal Capitalization Grant has not been established at this time, this IUP will present what is thought to be the maximum funding level for Arizona (\$27,259,000) and the minimum (\$13,000,000). ADEQ and WIFA agreed to fix the set-aside budget at the \$13,000,000 level for SFY 2012. If additional funds become available above this minimum level of funding, the additional set-aside amounts may be banked.

A. History and Legislation

In August 1996 the Safe Drinking Water Act Amendments were passed by Congress. This Act authorized the states to establish drinking water revolving funds for community drinking water infrastructure needs for the first time.

Passage of House Bill 2304 by the Arizona Legislature on April 22, 1997 transformed the Wastewater Management Authority of Arizona into the Water Infrastructure Finance Authority of Arizona (WIFA). WIFA was charged with administering the Clean Water State Revolving Fund (CWSRF) for wastewater projects and the new Drinking Water State Revolving Fund (DWSRF) for drinking water infrastructure needs. The Board of Directors was expanded from seven to 12 members.

Title 18, Chapter 15 of the Arizona Administrative Code establishes detailed rules for the Water Infrastructure Finance Authority. These rules were approved in SFY 2011.

The SFY 2012 Intended Use Plan describes how WIFA intends to use available DWSRF funds for the year to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health.

B. Financial Status of the Arizona DWSRF

Since program inception, WIFA has received 15 DWSRF Capitalization Grants for a total of \$275,747,200. The table below demonstrates the total funding to be awarded with the 16th DWSRF Capitalization Grant, based on receiving the maximum amount or minimum amount of funding.

Total Cap Grant Funds Received to Date	\$275,747,200	Total with 16 th Cap Grant
With Maximum FFY 2011 Cap Grant	\$27,259,000	\$303,006,200
With Minimum FFY 2011 Cap Grant	\$13,000,000	\$288,747,200

C. Arizona's Request

This IUP is a required element of the grant application documentation to obtain the FFY 2011 grant award. Arizona herewith submits its IUP for the FFY 2011 funds available to Arizona for the purposes of continuing the development, implementation and administration of the DWSRF program in Arizona.

Total FFY 2011 Cap Grant (amount set-asides are based upon)	\$13,000,000
2% (Not To Exceed) (ADEQ)	\$260,000
4% (Not To Exceed) (WIFA)	\$520,000
10% (Not To Exceed) (ADEQ)	\$1,300,000
15% (Not To Exceed) (ADEQ)*	\$1,300,000
15% (Not To Exceed) (WIFA)*	\$650,000

* No more than 10% of the 15% set-aside to any one program. ADEQ would utilize \$1,300,000 leaving \$650,000 (WIFA will use a portion for Technical Assistance)

II. TYPES OF PROJECTS TO BE FUNDED FROM VARIOUS DWSRF ACCOUNTS

A. Types of Projects Intended to be Funded from the Revolving Fund Account (See Sources and Uses Table 1 and Table 2 on Pages 5 and 6 for funding levels)

1. The construction/upgrading of water treatment facilities;
2. Water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities;
3. Supplemental water source interconnect;
4. Arsenic treatment to meet public health standards and to protect public health;
5. Consolidation and interconnection of public water systems;
6. Planning and engineering associated with eligible projects;
7. Replacement/rehabilitation of transmission lines and storage facilities;
8. Other projects necessary to address compliance/enforcement or security issues.

B. Activities intended to be funded from the account for set-aside programs include: (See Sources and Uses Table 1 and Table 2 on Pages 5 and 6 for funding levels)

1. WIFA administration of the DWSRF Program;
2. ADEQ administration of the PWSS Program;
3. ADEQ administration of the Wellhead Protection Program;
4. WIFA administration of the Technical Assistance Program.

III. DWSRF LOAN PROGRAM DESCRIPTION AND GOALS

A. DWSRF Loan Program General Information

The Arizona DWSRF Loan Program funds publicly and privately-owned community water systems and non-profit non-community water systems. Eligible projects include installation and replacement of failing treatment facilities, eligible storage facilities and transmission and distribution systems. Projects to consolidate water systems may also be eligible. Loans made under the program currently have

interest rates of less than 4% (except in the case of a privately owned facility). Loan repayments to the State will provide a continuing source of infrastructure financing into the future. The program also places an emphasis on small and disadvantaged communities and on programs that emphasize prevention and sustainability as tools for ensuring safe drinking water.

B. Financial Terms of Loans

1. Subject to the limitation in item 2 of this list, all loans for the financing of projects will be for a term not to exceed 20 years from loan closing date, except that under certain conditions including loans to disadvantaged communities project financing may be made for a period of up to 30 years.
2. Loan terms are not to exceed the useful life of the project.
3. Terms of financial assistance to public water systems serving disadvantaged communities are addressed in Section VI.
4. Repayment of loan principal must begin within 12 months of project completion based on the construction schedule available at the loan closing date or actual completion date or three years from the date of the initial principal advance, whichever is earlier.
5. Loan disbursements are to be made on a cost reimbursement basis.
6. The decision to leverage will be based on demand on the loan fund for projects to address health concerns, market conditions and long-term impact to the fund.
7. Up to 30% of the FFY 2011 grant funds may be provided as forgivable principal and 20% will be used to finance water efficiency, energy efficiency, green infrastructure or other environmentally innovative activities.
8. All contracts for financial assistance will require the borrower to comply with the Davis-Bacon Act regardless of the source of funding if required as part of the FFY 2011 Capitalization Grant.
9. WIFA will allocate income from the Standard Combined Interest and Fee Rate (CIFR) as either fee income or interest income in accordance with the following table.

Combined Interest and Fee Rate (CIFR)

Financial Structure	CIFR	Fees	Interest
Governmental	Municipal Market Data Index (times) Subsidy Rate	1.5%	CIFR – 1.5%
Non-Governmental	Prime Rate (times) Subsidy Rate	3.0%	CIFR – 3.0%

C. Long-Term Goals

For purposes of this IUP, a long term goal is defined as the life of the program. The following are the long-term goals of the loan program:

- Award WIFA's resources in accordance with the needs of Arizona's citizens;
- Maintain the fiscal integrity of WIFA's funds and assure continuous enhancement for future generations;
- Facilitate access to and efficiently deliver financial and technical assistance to Arizona's drinking water facilities; and
- Coordinate with other funding agencies through the Rural Water Infrastructure Committee (RWIC).

D. Short-Term Goals

For the purposes of this IUP, a short-term goal is an activity intended to be initiated and, in some cases, completed within a year.

- WIFA will make drinking water infrastructure loans more accessible and affordable to small communities by subsidizing all loans and providing below market rate interest.
- WIFA will provide additional assistance to communities who are identified as disadvantaged.
- WIFA may provide 30% of the capitalization grant amount as additional subsidization in the form of forgivable principal.
- WIFA will provide 20% of the capitalization grant amount (as required by the terms of the capitalization grant) for sustainable construction efforts such as water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities.

IV. DWSRF SOURCES & USES

The Safe Drinking Water Act §1452(g) and §1452(k) allows States to set aside up to 31% of the capitalization grant for the activities described in Section II.B.

The DWSRF account for set-aside programs includes four specific set-aside categories identified as the 2%, 4%, 10%, and 15% set-asides. If all of the set-aside funds within a set-aside activity are not expended, those remaining funds may be redirected to another set-aside activity as long as the maximum allowed for that activity has not been reached for the fiscal year from which the funds were derived. Funds not used for the PWSS and Wellhead programs during SFY 2012 (July 1, 2011 through June 30, 2012) will revert to the DW Loan Fund Account and will be reflected in the SFY 2013 DW IUP.

The sources and uses for the SFY 2012 funding cycle shown in Table 1 are based on the FFY 2011 federal allocation and WIFA's funding plan. The total 2011 DWSRF federal budget allocation available to states is \$1,357,260,000 of which Arizona is currently scheduled to receive 2.01% or \$27,259,000. However, the FFY 2011 allocation is still under continuing resolution. As stated earlier, ADEQ and WIFA have agreed to base the set-aside allocations on \$13,000,000.

Because the final funding levels provided through EPA's FFY 2011 Federal Capitalization Grant have not been established at this time, WIFA is presenting two DWSRF Sources and Uses Tables. Table 1 will reflect the full level of funding that would be provided if the current continuing resolution is approved for the rest of FFY 2011 (but the set-asides are based on an award level of \$13,000,000). Table 2 reflects a funding level of \$13,000,000 for all sources and uses including set-asides.

Table 1: Arizona DWSRF Sources & Uses for FFY 2011 Funding Cycle (if fully funded under the current Continuing Resolution).

Arizona DWSRF Sources & Uses for SFY 2012 (FFY 2011 Max Cap Grant)				
	Federal Contributions	WIFA Revenues	WIFA Loan Accounts	Total
Funding Sources				
Estimated fund balance as of 7/1/2011	\$ -	\$ 3,305,450	\$ 43,557,080	\$ 46,862,530
New funds expected in SFY 2012	\$ 27,259,000	\$5,526,874	\$2,582,480	\$ 35,368,354
Total Funding Sources	\$ 27,259,000	\$ 8,832,324	\$ 46,139,560	\$ 82,230,884
Funding Uses				
Financial Assistance Loans	\$ 23,581,500	\$ 5,451,800	\$ 46,139,560	\$ 75,172,860
15% Set-Aside Wellhead Protection (ADEQ)	\$ 1,300,000			\$ 1,300,000
15% Set-Aside Technical Assistance (WIFA)	\$ 357,500			\$ 357,500
10% Set-Aside PWSS (ADEQ)*	\$ 1,300,000			\$ 1,300,000
4% Set-Aside Administration	\$ 520,000	\$ 64,760		\$ 584,760
2% Set-Aside Capacity Development (ADEQ)	\$ 200,000			\$ 200,000
Drinking Water Programs (ADEQ)		\$ 1,160,600		\$ 1,160,600
Forgivable Principal \$8,177,700 (30%)				
Green Infrastructure \$5,451,800 (20%)				
Total Funding Uses	\$ 27,259,000	\$ 6,677,160	\$ 46,139,560	\$ 80,075,720
<i>*ADEQ PWSS 10% includes \$75,000 Border TA</i>				
<i>ADEQ has banked \$500K in FFY 2009 and \$600K in FFY 2010</i>				
<i>WIFA may sell water quality revenue bonds - proceeds will be used to increase WIFA's lending capacity</i>				

Table 2: Arizona DWSRF Sources & Uses for FFY 2011 Funding Cycle (If the minimum amount of funding is released)

Arizona DWSRF Sources & Uses for SFY 2012 (FFY 2011 Min Cap Grant)				
	Federal Contributions	WIFA Revenues	WIFA Loan Accounts	Total
Funding Sources				
Estimated fund balance as of 7/1/2011	\$ -	\$ 3,305,450	\$ 43,557,080	\$ 46,862,530
New funds expected in SFY 2012	\$ 13,000,000	\$ 5,526,874	\$ 2,582,480	\$ 21,109,354
Total Funding Sources	\$ 13,000,000	\$ 8,832,324	\$ 46,139,560	\$ 67,971,884
Funding Uses				
Financial Assistance Loans	\$ 9,262,500	\$ 2,600,000	\$ 46,139,560	\$ 58,002,060
15% Set-Aside Wellhead Protection (ADEQ)	\$ 1,300,000			\$ 1,300,000
15% Set-Aside Technical Assistance (WIFA)	\$ 357,500			\$ 357,500
10% Set-Aside PWSS (ADEQ)*	\$ 1,300,000			\$ 1,300,000
4% Set-Aside Administration	\$ 520,000	\$ 220,000		\$ 740,000
2% Set-Aside Capacity Development (ADEQ)	\$ 260,000			\$ 260,000
Drinking Water Programs (ADEQ)		\$ 1,160,600		\$ 1,160,600
Forgivable Principal \$3,900,000 (30%)				
Green Infrastructure \$2,600,000 (20%)				
Total Funding Uses	\$ 13,000,000	\$ 3,980,600	\$ 46,139,560	\$ 63,120,160
<i>* ADEQ PWSS 10% includes \$75,000 Border TA</i>				
<i>ADEQ has banked \$500K in FFY 2009 and \$600K in FFY 2010</i>				
<i>WIFA may sell water quality revenue bonds - proceeds will be used to increase WIFA's lending capacity</i>				

A. Financial Assistance for Loans

Eligible projects include installation and replacement of failing treatment facilities, eligible storage facilities, and transmission and distribution systems. Projects to consolidate water systems may also be eligible. The FFY 2011 EPA Drinking Water Capitalization Grant requires a minimum of 20% to be used to finance sustainable projects that emphasize water efficiency, energy efficiency, green stormwater infrastructure or other environmentally innovative activities. See the Arizona DWRF Sources & Uses for 2011 Funding Cycle Table 1 and Table 2 for funding details.

B. ADEQ Public Water System Supervision (PWSS)

State and Federal Statutes allow setting aside up to 10% of the Federal funds for the Public Water System Supervision activities. This set-aside requires a 1:1 match which will be provided by ADEQ Fees. ADEQ will use this funding for the PWSS Program, which encompasses all of the various activities involved in implementing the Safe Drinking Water Act requirements in Arizona. These activities include operator certification, source water assessment and protection, development of regulatory guidance and assistance documents, assisting systems in obtaining the technical, financial, and managerial capability to comply with drinking water regulations, and technical consultations on water system and treatment system design. For more information contact ADEQ's Water Quality Division Deputy Director.

C. ADEQ Drinking Water Program

The Drinking Water program is federally mandated to ensure safe drinking water supplies for the public. Staff reviews water system construction plans, conducts compliance inspections on drinking water systems, reviews water quality monitoring data, initiates enforcement actions in response to continued or significant noncompliance, and conducts outreach to educate stakeholders on regulatory requirements. The program also evaluates source waters to ascertain their susceptibility to contamination, promotes voluntary community programs aimed at protecting aquifers for drinking water use, and administers the monitoring assistance program to assist public water systems in complying with monitoring requirements under the federal Safe Drinking Water Act. For more information contact ADEQ's Water Quality Division Deputy Director. This effort is being funded through WIFA Revenues.

D. ADEQ Wellhead Protection

State and Federal Statutes allow setting aside up to 15% of the Federal Capitalization Grant funds for the Public Water System Supervision (PWSS) activities. A maximum of up to 10% of the Capitalization Grant funds will be used by ADEQ for Wellhead Protection activities to protect underground sources of drinking water. For more information contact ADEQ's Water Quality Division Deputy Director.

E. WIFA Technical Assistance Program

State and Federal Statutes allow setting aside 2% and 15% of the Federal funds to provide local assistance to water systems in Arizona. The 2% set-aside will be used by ADEQ's Capacity Development for Staff Technical Assistance program and a portion of the 15% will be used for WIFA's Planning and Design Assistance Grant program and WIFA's Professional Technical Assistance program. See the Arizona DWRP Sources & Uses for 2011 Funding Cycle Table 1 and Table 2 for funding details.

- **Staff Technical Assistance** (2% set-aside) ADEQ's Capacity Development Unit will assist small individual drinking water systems, serving 10,000 or fewer people, to improve their day-to-day operation. For more information contact ADEQ's Drinking Water Division Deputy Director.
- **Professional Technical Assistance** – Professional TA includes studies, surveys and other types of reports that provide benefit to a range of drinking water systems statewide. WIFA will complete the Drinking Water Residential Rate Survey with these funds.
- **Planning and Design Assistance Grant** – WIFA will assist individual drinking water systems to conceive, plan, design, and develop infrastructure; including water and energy efficiency, green stormwater infrastructure or other environmentally innovative activities.

Breakdown of WIFA Technical Assistance Funding Uses

Technical Assistance Program	Set-Aside Used	Set-Aside Funds	WIFA Revenue Used
Staff Technical Assistance	2%		
ADEQ Capacity Development		\$200,00	N/A
Professional Technical Assistance	15%		
Rate Survey		\$7,500	N/A
Planning & Design Assistance Grants			
Cycle I, Applications Due April	15%	\$200,000	N/A
Cycle II, Applications Due October		\$150,000	

F. Program Administration (4% set-aside)

WIFA will utilize this set-aside to pay salaries and associated expenses of program's personnel devoting time to the administration of the funds as well as the necessary ancillary services performed by other agencies. These funds will also be used to procure equipment and training necessary for the adequate performance of staff. Expenses for DWSRF-related public meetings, workshops and conferences will also be paid for out of this set-aside. Funds not used immediately will be reserved for use in future years. WIFA will provide additional program administration support through use of WIFA Fees.

V. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

A. Project Priority List and Fundable Range

Project Priority List (PPL): On an annual basis, following a statewide solicitation for projects, WIFA develops a statewide priority list of projects. Currently the WIFA PPL has 28 project priority list applications totaling \$64,378,168. See Attachment A.

Fundable Range: The Fundable Range includes the applicants ready to receive design or construction financial assistance. See Attachment B.

B. Project Priority List Updates

The WIFA Board of Directors may update the DWSRF-PPL by adding or deleting projects or adjusting the fundable ranges for design or construction projects. The decision to update the DWSRF-PPL may be based on a project's readiness to proceed, refined project cost estimates, availability of other funding sources or other new information affecting the expansion or contraction of the PPL and fundable ranges. The WIFA Board of Directors will adopt the updated DWSRF-PPL at a public meeting and the updates will be posted on the WIFA web site. All projects must meet the applicable requirements under the Safe Drinking Water Act, 42 U.S.C. § 300f to 300j-26.

C. Project Readiness to Proceed

Applicants accrue readiness to proceed points based on the following criteria:

1. Approved debt authorization has been received by WIFA.
2. Plans and specifications are complete.
3. Local and state permits have been obtained.
4. The bid or solicitation process has been initiated.

D. WIFA Loan & Subsidy Rates

The WIFA Board of Directors has established a target interest rate ranging between 70% and 95% of tax-exempt AAA Bond Rate for government entities and 70% to 95% of the prevailing prime rate plus 200 basis points for non-government entities. The subsidy rate is based on the local fiscal capacity which is measured by the area's median household income, user rates and charges, the community's outstanding and proposed debt, and cost effectiveness of the project. Interest rates/subsidies on individual loans will be set pursuant to the criteria below:

- Priority of the project;
- Local fiscal capacity of the area served by the system requesting assistance; and,
- Lending capacity of Arizona's DWSRF.

E. Emergency Funding

WIFA can provide up to \$250,000 for emergency funding under the criteria set forth in Arizona Revised Statutes (A.R.S.) 49-1269.

Eligible Applicants

Publicly Owned Community Water Systems

Required Conditions

- The term of the loan does not exceed one year.
- The dollar amount of the loan does not exceed two hundred fifty thousand dollars (\$250,000) per borrower, per emergency event.
- The purpose of the loan is to provide assistance for designing, redesigning, engineering, reengineering, constructing or reconstructing water or wastewater systems that have failed as the result of a disaster, a natural disaster or a catastrophic event.
- The disaster, natural disaster or catastrophic event is memorialized in a declaration of emergency by the Governor or the Federal Emergency Management Agency.

F. Binding Commitments

If the WIFA Board of Directors approves an applicant's financial assistance request, WIFA staff will prepare and circulate financial assistance (loan) documents to evidence the binding commitment in accordance with applicable federal and state requirements.

G. Green Project Reserve

The FFY 2011 appropriations may require that to the extent there are sufficient eligible project applications, not less than 20% of the funds provided with the Federal Capitalization Grant must be used for projects that emphasize sustainability through water or energy efficiency, or other environmentally innovative activities.

VI. ASSISTANCE TO PUBLIC WATER SYSTEMS SERVING DISADVANTAGED COMMUNITIES

The Board may designate an applicant as a Disadvantaged Community if the applicant satisfies one of the following:

1. The community is a designated “colonia” community through the local government, or
2. The applicant meets the following criteria:
 - a. The applicant’s project is above the 50th percentile on the DWSRF Project Priority List; and
 - b. WIFA awarded the applicant 50 or more Local Fiscal Capacity points on the DWSRF Project Priority List.

VII. U.S. EPA STRATEGIC PLAN GOALS AND OBJECTIVES

SFY-12 Drinking Water State Revolving Fund (DWSRF)

U.S. EPA Strategic Plan Goals & Objectives Commitments

The Arizona DWSRF program supports the National USEPA Strategic Plan Goal 2 (Clean and Safe Water), Objective 1 (Protect Human Health), Sub-objective 1 (Water Safe to Drink) listed below. Specifically, Arizona established and is managing the revolving loan fund to make low cost loans and other types of assistance to water systems to finance the cost of infrastructure projects to achieve or maintain compliance with Safe Drinking Water Act requirements. Arizona DWSRF activities support USEPA Program Reporting Measure SDW-04 Fund Utilization and SDW-05 DWSRF projects that have initiated operations.

All planned and prior year loans have assisted public water systems in meeting the federal and state drinking water compliance requirements. Details of Arizona’s DWSRF activities supporting the National USEPA Strategic Plan will be included in the DWSRF Annual Report as well as in the Drinking Water National Information Management System (DW NIMS), Drinking Water Project Benefit Reporting System (PBR); and the Federal Funding Accountability and Transparency Act (FFATA) Reporting System.

Measure	Measure Text	National Target	Region 9 Target	Arizona Target
SDW-04	Fund utilization rate [cumulative dollar amount of loan agreements divided by cumulative funds available for projects] for the Drinking Water State Revolving Fund (DWSRF)	93%	88%	100%
SDW-05	Number of Drinking Water State Revolving Fund (DWSRF) projects that have initiated operations (cumulative)	Base ARRA Total 6,080	298 84 382	111 29 140

The DWSRF Fund Utilization is calculated by dividing:

Cumulative \$\$\$ in DWSRF Assistance Provided as of June 30, 2012 DWNIMS Line 130
----- by----- or -----by-----
Cumulative DWSRF Funds Available for Projects as of June 30, 2012 DWNIMS Line 283

VIII. PUBLIC REVIEW AND COMMENT

Public review and written comment period will be conducted from May 20, 2011 through June 10, 2011.

WIFA will solicit public review and comment on the draft SFY 2012 DWSRF IUP and PPL according to the following schedule:

May 13, 2011	Distribution and Web posting of the draft DWSRF IUP and PPL to all interested parties.
May 23, 2011	Public Hearing – 1110 West Washington, Room 130, Phoenix, Arizona 85007 from 1:00 P.M. to 2:00 P.M.
May 27, 2011	Deadline for public comments on the draft DWSRF IUP and PPL.
April 20, 2011	The WIFA Board of Directors adopted the final draft DWSRF IUP and PPL. Unless there are substantive changes through the public review process or by EPA, the final draft was approved.
July 01, 2011	Begin implementation of the Approved DWSRF IUP and PPL

Attachment A
Arizona's Drinking Water Revolving Fund
SFY 2012 Funding Cycle – Project Priority List

PPL Rank	Applicant	Population	County	Project Title	Project Number	Amount Requested	Subsidy Rate
1	Cienega Water Company	140	La Paz	Fluoride Treatment and System Upgrades	004 2012	\$50,000	75%
2	Verde Lee Water Company, Inc.	500	Greenlee	Titanium Arsenic Removal System	005 2012	\$165,000	75%
3	Gila Bend, Town of	1,980	Maricopa	Solar and R/O Facility Improvements	006 2012	\$2,572,008	80%
4	Lake Verde Water Co	204	Yavapai	Arsenic Mitigation	007 2012	\$450,000	80%
5	Nogales, City of	21,830	Santa Cruz	City of Nogales Automated Meter System Improvements	008 2012	\$2,500,000	70%
6	Sulger Water Company #2	50	Cochise	Well, Tank and Disinfection System Improvements	001 2012	\$120,000	80%
7	Orange Grove Water Co.	1,200	Yuma	Orange Grove Water Storage and Facility Upgrade	015 2012	\$200,000	75%
8	Pinetop Water Community Facilities District	3,000	Navajo	System Automation	030 2012	\$100,000	80%
9	Little Park Water Company	125	Yavapai	Motor Efficiency Program, SCADA Implementation	010 2012	\$25,000	80%
10	Eloy, City of	9,600	Pinal	Houser/Toltec Waterline Improvements	031 2012	\$1,865,000	75%
11	Indiada Water Company	150	Cochise	Water Line Replacement and System Interconnection	012 2012	\$327,379	85%
12	Cerbat Water Company	2,136	Mohave	Well Purchase, Repairs to Well Pump, Backup Well	028 2012	\$534,710	80%
13	Clear Springs Utility Company	1,180	Cochise	Clear Springs Utility Consolidation & Upgrades	011 2012	\$511,000	80%
14	East Slope Water Co.	2,877	Cochise	System Improvements (Storage, Booster Pumps, Well Improvements, Main Replacement)	014 2012	\$2,059,733	80%
15	Antelope Run Water Company	585	Cochise	Storage, Looping and Water Line Replacement	003 2012	\$612,887	80%
16	Litchfield Park Service Company	39,000	Maricopa	Airline Reservoir Solar Project / LPSC	018 2012	\$1,170,000	80%
17	Clarkdale, Town of	4,026	Yavapai	Twin 5s Water Main Replacement	013 2012	\$3,487,582	80%
18	Granite Mountain Water Company	225	Yavapai	Well #5 Replacement & Tank #3 Addition	017 2012	\$181,320	80%
19	Marana, Town of	12,000	Pima	Purchase of Tucson Water within Town of Marana	016 2012	\$40,000,000	85%
20	Sabrosa Water Company	100	Maricopa	Arsenic Treatment	019 2012	\$30,000	85%
21	Sandario Water Company	1,000	Pima	Capital Improvements (Storage, Pipe Replacement)	020 2012	\$780,000	80%

22	Sonoita Valley Water Company	327	Santa Cruz	System Consolidation	021 2012	\$547,000	85%
23	Payson Water Company, Inc	1,148	Gila	Mesa del Caballo Supplemental Water Supply Project	022 2012	\$1,000,000	80%
24	Truxton Canyon Water Company	2,136	Mohave	Truxton Canyon Water Transmission Replacement	002 2012	\$46,350	85%
25	Litchfield Park Service Company	39,000	Maricopa	LPSCO Recharge Wells	029 2012	\$1,755,000	85%
26	Parker Springs Water Company	126	Cochise	Replacement Well, Storage and Water Line Renovation	027 2012	\$271,000	85%
27	Clarkdale, Town of	4,026	Yavapai	Broadway Water Main Installation- Phase 2	023 2012	\$320,500	80%
28	Clarkdale, Town of	4,026	Yavapai	Water System Security Improvements	024 2012	\$68,000	80%
29	Arizona American Water Company	43,463	Maricopa	Sun City Well 8.3 Replacement	025 2012	\$2,000,000	85%
30	Livco Water Company	1,100	Apache	Tank #1 Exterior Painting	032 2012	\$30,000	85%
31	Southland Water Company	1,958	Cochise	Well Improvements and Meters	026 2012	\$1,728,342	85%
Total						\$65,507,812	

Attachment B
Arizona's Drinking Water Revolving Fund
SFY 2012 Funding Cycle – Fundable Range for Design and Construction

Fundable Range Rank	PPL Rank	Applicant	Population	County	Project Title	Project Number	Amount Requested	Subsidy Rate
1	8	Pinetop Water Community Facilities District	3,000	Navajo	System Automation	030 2012	\$100,000	80%
2	11	Eloy, City of	9,600	Pinal	Houser/Toltec Waterline Improvements	031 2012	\$1,865,000	75%
3	15	Litchfield Park Service Company	39,000	Maricopa	Airline Reservoir Solar Project / LPSC	018 2012	\$1,170,000	80%
4	17	Clarkdale, Town of	4,026	Yavapai	Twin 5s Water Main Replacement	013 2012	\$3,487,582	80%
5	25	Litchfield Park Service Company	39,000	Maricopa	LPSCO Recharge Wells	029 2012	\$1,755,000	85%
Total							\$8,377,582	

Attachment C
Arizona's Drinking Water Revolving Fund
SFY 2012 Funding Cycle – Green Project Reserve

PPL Rank	Applicant	Population	Project Title	Project Number	Amount Requested	Subsidy Rate	Probable Green Amount
1	Cienega Water Company	140	Fluoride Treatment and System Upgrades	004 2012	\$50,000	75%	
2	Verde Lee Water Company, Inc.	500	Titanium Arsenic Removal System	005 2012	\$165,000	75%	
3	Gila Bend, Town of	1,980	Solar and R/O Facility Improvements	006 2012	\$2,572,008	80%	\$25,000
4	Lake Verde Water Co	204	Arsenic Mitigation	007 2012	\$450,000	80%	
5	Nogales, City of	21,830	Automated Meter System Improvements	008 2012	\$2,500,000	70%	\$2,500,000
6	Sulger Water Company #2	50	Well, Tank and Disinfection System Improvements	001 2012	\$120,000	80%	
7	Orange Grove Water Co.	1,200	Orange Grove Water Storage and Facility Upgrade	015 2012	\$200,000	75%	
8	Pinetop Water Community Facilities District	3,000	Meters and Well Automation	030 2012	\$100,000	80%	\$100,000
9	Little Park Water Company	125	Motor Efficiency Program, SCADA Implementation	010 2012	\$25,000	80%	\$25,000
10	Eloy, City of	9,600	Houser/Toltec Waterline Improvements	031 2012	\$1,865,000	75%	
11	Indiada Water Company	150	Water Line Replacement and System Interconnection	012 2012	\$327,379	85%	
12	Cerbat Water Company	2,136	Well Purchase, Repairs to Well Pump, Backup Well	028 2012	\$534,710	80%	\$110,000
13	Clear Springs Utility Company	1,180	Clear Springs Utility Consolidation & Upgrades	011 2012	\$511,000	80%	
14	East Slope Water Co.	2,877	System Improvements (Storage, Booster Pumps, Well Improvements, Main Replacement)	014 2012	\$2,059,733	80%	
15	Antelope Run Water Company	585	Storage, Looping and Water Line Replacement	003 2012	\$612,887	80%	
16	Litchfield Park Service Company	39,000	Airline Reservoir Solar Project / LPSC	018 2012	\$1,170,000	80%	\$1,170,000
17	Clarkdale, Town of	4,026	Twin 5s Water Main Replacement	013 2012	\$3,487,582	80%	
18	Granite Mountain Water Company	225	Well #5 Replacement & Tank #3 Addition	017 2012	\$181,320	80%	
19	Marana, Town of	12,000	Purchase of Tucson Water within Town of Marana	016 2012	\$40,000,000	85%	

20	Sabrosa Water Company	100	Arsenic Treatment	019 2012	\$30,000	85%	
21	Sandario Water Company	1,000	Capital Improvements (Storage, Pipe Replacement)	020 2012	\$780,000	80%	
22	Sonoita Valley Water Company	327	System Consolidation	021 2012	\$547,000	85%	
23	Payson Water Company, Inc	1,148	Mesa del Caballo Supplemental Water Supply Project	022 2012	\$1,000,000	80%	
24	Truxton Canyon Water Company	2,136	Truxton Canyon Water Transmission Replacement	002 2012	\$46,350	85%	
25	Litchfield Park Service Company	39,000	LPSCO Recharge Wells	029 2012	\$1,755,000	85%	
26	Parker Springs Water Company	126	Replacement Well, Storage and Water Line Renovation	027 2012	\$271,000	85%	
27	Clarkdale, Town of	4,026	Broadway Water Main Installation- Phase 2	023 2012	\$320,500	80%	
28	Clarkdale, Town of	4,026	Water System Security Improvements	024 2012	\$68,000	80%	
29	Arizona American Water Company	43,463	Sun City Well 8.3 Replacement	025 2012	\$2,000,000	85%	
30	Livco Water Company	1,100	Tank #1 Exterior Painting	032 2012	\$30,000	85%	
31	Southland Water Company	1,958	Well Improvements and Meters	026 2012	\$1,728,342	85%	
Total:					\$65,507,811		\$3,930,000

Attachment D
DW SFY 2012 Final Funding Tables
(Based on FFY 2011 DW Capitalization Grant)

B. Financial Status of the Arizona CWSRF

Total Cap Grant Funds Received to Date	\$275,747,200	Total with 16 th Cap Grant
With Final FFY 2011 Cap Grant	\$18,614,000	\$294,361,200

(Replaces table on Page 1 of the SFY 2012 CWSRF IUP)

Table 2: Arizona DWSRF Sources & Uses for FFY 2011 Funding Cycle

Arizona DWSRF Sources & Uses for SFY 2012 (FFY 2011 Cap Grant)				
	Federal Contributions	WIFA Revenues	WIFA Loan Accounts	Total
Funding Sources				
Estimated fund balance as of 7/1/2011	\$ -	\$ 3,305,450	\$ 43,557,080	\$ 46,862,530
New funds expected in SFY 2012	\$ 18,614,000	\$5,526,874	\$2,582,480	\$ 26,723,354
Total Funding Sources	\$ 18,614,000	\$ 8,832,324	\$ 46,139,560	\$ 73,585,884
Funding Uses				
Financial Assistance Loans	\$ 14,936,500	\$ 5,451,800	\$ 46,139,560	\$ 66,527,860
15% Set-Aside Wellhead Protection (ADEQ)	\$ 1,300,000			\$ 1,300,000
15% Set-Aside Technical Assistance (WIFA)	\$ 357,500			\$ 357,500
10% Set-Aside PWSS (ADEQ)*	\$ 1,300,000			\$ 1,300,000
4% Set-Aside Administration	\$ 520,000	\$ 220,000		\$ 740,000
2% Set-Aside Capacity Development (ADEQ)	\$ 200,000			\$ 200,000
Drinking Water Programs (ADEQ)		\$ 1,160,600		\$ 1,160,600
Forgivable Principal \$5,584,200 (30%)				
Green Infrastructure \$3,722,800 (20%)				
Total Funding Uses	\$ 18,614,000	\$ 6,832,400	\$ 46,139,560	\$ 71,585,960
<i>* ADEQ PWSS 10% includes \$75,000 Border TA</i>				
<i>ADEQ has banked \$500K in FFY 2009 and \$600K in FFY 2010</i>				
<i>WIFA may sell water quality revenue bonds - proceeds will be used to increase WIFA's lending capacity</i>				

(Replaces Tables 1 and 2 on pages 6 & 7 of the SFY 2012 DWSRF IUP)